

U.S. MARKET:

Gross Domestic Product	<p>The U.S. GDP increased at an annual rate of 2.2% in the first quarter of 2018, according to the second estimate released by the Bureau of Economic Analysis in late May. The increase in real GDP reflected positive contributions from nonresidential fixed investment, personal consumption expenditures (PCE), exports, private inventory investment, federal government spending, and state and local government spending that were partly offset by a negative contribution from residential fixed investment. Imports, which are a subtraction in the calculation of GDP, increased. (Source: US BEA) As of June 8, the latest GDPNow model forecast for real GDP growth (seasonally adjusted annual rate) in the second quarter of 2018 is 4.6%. (Source: Federal Reserve Bank of Atlanta) <i>(The GDPNow forecast aggregates statistical model forecasts of 13 subcomponents that comprise GDP.)</i></p>
U.S. Trade Deficit	<p>The U.S. goods and services trade deficit decreased 2.1% in April 2018 to \$46.2 billion. In April, the U.S. had a trade surplus with South and Central America, Hong Kong, Brazil, United Kingdom, and Singapore. The U.S. had a trade deficit with China, European Union, Germany, Japan, Mexico, Italy, South Korea, India, Canada, OPEC, Taiwan, Saudi Arabia, and France. (Source: US DOC & Census Bureau)</p>
Import Volumes	<p>In April 2018, the U.S. imported \$209.5 billion of cargo, decreasing 0.3% from March. April petroleum imports (\$18.9 billion) were the highest since January 2015. (Source: US Census)</p>
Export Volumes	<p>In April 2018, the U.S. exported \$141.2 billion of cargo, increasing 0.2% from March and the highest on record. The April export of industrial supplies and materials (\$45.7 billion) were the highest on record. (Source: US Census)</p>
Import & Export Price Index	<p>U.S. import prices increased 0.6% in May 2018. Rising fuel and nonfuel prices contributed to the advances during the month. U.S. export prices increased 0.6% in May, led by higher prices for both agricultural and nonagricultural exports. (Source: Bureau of Labor Statistics)</p>
Unemployment Rate	<p>The unemployment rate in America fell to 3.8% in May 2018, the lowest level since April 2000. Similar to last month, the decline was largely due to a 200,000-person decrease in the official number of unemployed. A preliminary 223,000 net new jobs were created in May 2018, the 92nd consecutive month-to-month increase. The unemployment rate in Georgia was 4.2% in May 2018, down from 4.3% the previous month. (Source: US DOL, GDOL, AAR)</p>
Labor Force Participation Rate	<p>The labor force participation rate slightly decreased to 62.7% in May 2018. The labor force participation rate for those of prime working age (25-54) was 81.8% in May. (Source: U.S. Bureau of Labor Statistics, AAR, FRED) <i>(The Workforce Participation Rate measures the share of Americans at least 16 years old who are either employed or actively looking for work)</i></p>
Leading Economic Index	<p>The Leading Economic Index for the U.S. increased 0.2% in May 2018, ending at a reading of 109.5. According to The Conference Board, "While May's increase in the U.S. LEI was slower than in recent months, the improvements in a majority of its components offset the declines in leading indicators of labor markets and residential construction. The U.S. LEI still points to solid growth but the current trend, which is moderating, indicates that economic activity is not likely to accelerate." (Source: Conference Board Note: The LEI was recently revised the seasonally adjusted index to 2016 = 100) <i>(The LEI is a composite of 10 economic indicators that together create an analytic system designed to signal peaks and troughs in the business cycle. The LEI reveals patterns in economic data in a clearer and more convincing manner than any individual component alone.)</i></p>
Housing Starts	<p>In April 2018, housing starts were an annualized 1,290,000 units, down 3.7% from the previous month and the lowest total so far this year. The index of pending home sales (sales that haven't closed yet but contracts have been signed) was 106.4 in April 2018, down 1.3% from the previous month and 2.1% lower than April 2017. According to the National Association of Realtors, "the housing market this spring is hindered because of the severe housing shortages in much of the country. Feedback from Realtors®, as well as the underlying sales data, reveal that the demand for buying a home is very robust. Listings are typically going under contract in under a month, and instances of multiple offers are increasingly common and pushing prices higher." (Source: U.S. DOC, National Association of Realtors)</p>
Light Vehicle Sales	<p>New light vehicle sales were an annualized and seasonally adjusted 16.8 million in May 2018, down 1.8% from the previous month but 4.7% higher from May 2017. Light truck sales (pickups, minivans, and SUVs) accounted for 67.9% of sales in May. (Source: AAR) <i>(Light vehicle sales record the number of domestically produced units of cars, SUVs, mini-vans, and light trucks that are sold. Because motor vehicle sales are a large part of consumer spending in the United States, the motor vehicle sales data can provide important information on consumer-spending trends and on the overall direction of the economy.)</i></p>
Personal Income	<p>Personal Income increased 0.3% to \$16.9 trillion in April 2018. The increase in April primarily reflected increases in wages and salaries, in personal interest income, and in government social benefit payments to persons, specifically veteran's benefits and Medicare. During Q1 2018, Personal Income in Georgia was estimated at \$463.3 billion, an increase of 4.0% from Q4 2017. (Source: U.S. Bureau of Economic Analysis) <i>(Personal income is the income received by a person from all sources. It includes income from domestic sources as well as the rest of the world. It does not include realized or unrealized capital gains or losses.)</i></p>

Retail Sales

Advanced estimates of retail and food service sales in May 2018 were **\$502.0 billion, an increase of 0.8%** from the previous month, and **up 5.9%** from May 2017. Non-store retail sales were **10.6% higher** from the same month last year. (Source: US Census) *(Non-store retail sales are measured on a monthly basis and include internet-only sales outlets as well as other direct-to-customer channels)*

E-Commerce

The estimate of U.S. retail e-commerce sales for the first quarter of 2018, adjusted for seasonal variation, was \$123.7 billion, **an increase of 3.9%** from the fourth quarter of 2017 and **16.4% higher than the first quarter of 2017**. E-commerce sales in the first quarter of 2018 accounted for 9.5% of total sales. (Source: US Census) *(E-Commerce sales are measured on a quarterly basis and include the sales of goods and services where the buyer places an order, or the price and terms of the sale are negotiated over an Internet, mobile device (M-commerce), extranet, Electronic Data Interchange (EDI) network, electronic mail, or other comparable online system. Payment may or may not be made online.)*

Consumer Confidence

The Consumer Confidence Index **increased to 128.0** in May 2018, **up 2.0%** from the previous month and the **highest level in 17 years**. According to The Conference Board, “consumers’ short-term expectations improved modestly, suggesting that the pace of growth over the coming months is not likely to gain any significant momentum. Overall, confidence levels remain at historically strong levels and should continue to support solid consumer spending in the near-term.” (Source: The Conference Board) *(The consumer confidence index is based on a monthly survey of 5,000 U.S. household. It is designed to gauge the financial health, spending power, and confidence of the average U.S. consumer.)*

Consumer & Producer Price Index

The Consumer Price Index for all urban consumers was **250.5 in May 2018, up 0.2%** from the previous month. Similar to the previous month, the indexes for gasoline and shelter were the largest factors in the seasonally adjusted increase in the all items index. The Producer Price Index for final demand was 116.1 in May, **an increase of 0.5%** from the previous month. In May, the index for final demand goods advanced 1.0%, and prices for final demand services increased 0.3%. (Source: US Bureau of Labor Statistics)

Small Business Optimism Index

The Small Business Optimism Index was 107.8 in May, **up 2.9% from the previous month and the second highest level recorded**. The May report noted several records: Compensation increases hit a 45-year high at a record net 35 percent, positive earnings trends reached a survey high at a net three percent, positive sales trends are at the highest level since 1995, and expansion plans are the most robust in survey history. Out of 10 components, eight posted gains, one declined, and one remained unchanged. (Source: National Federation of Independent Business) *(This Index collects data from small businesses on economic topics ranging from current job openings to expected credit conditions)*

Industrial Production and Capacity Utilization

The Industrial Production Index was 107.3 in May 2018, **a decrease of 0.1%** from the previous month and **3.5% higher than May 2017**. Year-over-year, Capacity Utilization for the industrial sector **increased 1.3%** in May 2018 to 77.9%. (Source: Federal Reserve) *(The industrial production and capacity utilization rates cover manufacturing, mining, and electric and gas utilities. The industrial detail provided by these measures helps illuminate structural developments in the economy)*

Manufacturing & Trade Sales

Total combined sales and manufacturing shipments totaled nearly **\$1.43 trillion** in April 2018, **up 0.4% from the previous month and up 6.7% from April of the previous year**. (Source: US Census)

Manufacturing & Trade Inventory

Total value of inventory on-hand is estimated at **\$1.93 trillion** in April 2018, **up 0.3% from the previous month and up 4.4% from April of the previous year**. (Source: US Census)

Purchasing Managers Index

The National PMI **increased to 58.7%** in May 2018, **an increase of 140 basis points** from the previous month. New Orders **increased 250 basis point** to 63.7% and Production **increased 430 basis points** to 61.5%. In May, 16 out of the 18 manufacturing industries tracked by the ISM reported growth. (Source: Institute for Supply Management) *(The PMI combines data on new orders, inventory, production, supplier deliveries, and employment. A reading above 50 indicates that the manufacturing economy is generally expanding.)*

Purchasing Managers Index in Georgia

Georgia’s PMI decreased 420 basis points month-over-month, to 65.0% in May 2018. New Orders in Georgia **decreased** to 70.8% and Production **decreased** to 62.5%. In the month of May, Georgia’s PMI was **630 basis points above** the national PMI. (Source: Kennesaw State University) *(The PMI combines data on new orders, inventory, production, supplier deliveries, and employment. A reading above 50 indicates that the manufacturing economy is generally expanding.)*

U.S. Market News

- Enrollment in four-year, two-year, private and public postsecondary institutions has gradually declined over the past few years, but the number of enrolled students choosing to major in Transportation and Materials Moving is growing faster than most other majors, according to the National Student Clearinghouse Research Center. Enrollment in the Transportation in Materials Moving major increased the most (6.9% YoY in Spring 2018) compared to all majors at four-year institutions, suggesting increased interest in supply chain and freight. Undergrads' surge of interest in supply chain isn't a moment too soon, either. A recent survey found that many supply chain companies are outsourcing jobs to contractors simply because they don't have a steady talent stream. A year ago, DHL published a joint report with the Bureau of Labor Statistics (BLS) estimating a growth spurt in the logistics industry but a sharp decline in available talent, predicting a severe talent shortage by 2020. (Source: supplychaindive.com)
- CSCMP's Annual State of Logistics Report was released earlier this month, showing a strong U.S. economy fueling supply chain innovation and opportunities. One of the key highlights in the report focused on the rising costs of shipping goods and services, as seen by increased capacity rates leading to higher supply chain costs for corporations as well as the consolidation of smaller trucking and logistics companies that cannot keep pace. Another key highlight in the report focused on e-commerce. The continued growth of e-commerce increased parcel shipment volume by 7% in 2017, to nearly \$100 billion; forecasts expect that growth to rise at similar levels for the next few years. This has a strong effect on the supply chain, particularly in the areas of more visibility for both the corporation and the customer, the need for more warehousing (which in many cases will be smaller and closer to large population centers), and designing more responsive and flexible logistics networks, just to name a few. (Source:CSCMP)

MULTIMODAL:

Dow Jones Transportation Index	Dow Jones Transportation Index increased 3.1% in May 2018, ending at a reading of 10,750. (A price-weighted average of 20 U.S. companies in the transportation industry, average of May 1 st thru May 31 st . The index includes railroads, airlines, trucking, marine transportation, delivery services, and logistics companies.)
NASDAQ Transportation Index	NASDAQ Transportation Index increased 7.6% in May 2018, ending at a reading of 5,392. (Averaged share weights of NASDAQ-listed companies classified as transportation companies, average of May 1 st thru May 31 st)
DOT Freight Transportation Service Index	The USDOT's freight transportation services index was 134.3 in April 2018, a decrease of 0.1% from the previous month and 7.7% higher than April 2017. The April decline was driven by decreases in air freight and trucking, while water and pipeline increased and rail carloads were stable. (Source: US BTS)
Cass Freight Index	The Cass Freight Shipments Index was 1.307 in May 2018, an increase of 5.9% from the previous month, and an increase of 11.9% year-over-year. The Cass Freight Expenditures Index was 2.875 in May, an increase of 4.9% from the previous month and an increase of 17.3% year-over-year. According to Cass Information Systems, "Demand is exceeding capacity in most modes of transportation by a significant amount. In turn, pricing power has erupted in those modes to levels that continue to spark overall inflationary concerns in the broader economy. As we explained in previous months, we do not fear long-term inflationary pressure as technology provides multiple ways to ever-increase asset utilization and price discovery in all parts of the economy, but especially in transportation." (Source: Cass Information Systems Cassinfo.com) (Based upon transportation dollars and shipments of Cass clients comprised of over 400 shipping companies)
Shippers Conditions Index	The Shippers Conditions Index for March 2018 remained in double digit negative territory, increasing to a reading of -10.5 . According to FTR, "Conditions remain highly unfavorable with tight capacity and rising rates in both truckload and intermodal sectors. Shippers may see some relief after the second quarter and conditions may improve further during Q4. One bright spot for shippers is that the hard enforcement of the ELD regulation, based on spot-market data, does not appear to have had a major impact." (Source: FTR Transportation Intelligence ftrintel.com) (Figures below zero indicate a less-than-ideal environment for shippers)
NAFTA Trade	Surface transport-related trade between the U.S. and its NAFTA partners, Canada and Mexico totaled \$105.8 billion in March 2018, up 12.6% from the previous month, and up 5.5% year-over-year. March marked the 17th straight month in which the year-over-year value of U.S. NAFTA freight increased from the same month of the previous year. Trucks carried \$66.5 billion of U.S.-NAFTA freight and continued to be the most heavily utilized mode for moving goods to and from both U.S.-NAFTA partners. (Source: US BTS)

Multimodal News Clips:

The port authorities in Georgia and South Carolina have reached an agreement to begin an interoperable chassis pool covering locations in seven states, including the Garden City terminal in Savannah and Wando Welch terminal in Charleston. The Southern States Chassis Pool Agreement was filed with the Federal Maritime Commission (FMC) this month and if approved would begin offering choices to beneficial cargo owners (BCOs) and their drayman beginning August 2. Under an interoperable pool, a trucker can use any chassis even if the ocean carrier doesn't have a contract with the company stenciled on the equipment, eliminating the need to switch chassis between different jobs. The Southern States Chassis Pool Agreement covers marine terminals, inland intermodal terminals, and depots in Georgia, South Carolina, Alabama, Florida, North Carolina, and Tennessee. (Source:JOC.com)

RAIL:

U.S. Freight Rail Traffic

Originations of carloads in May 2018 totaled 1,319,420 units, an **increase of 25.5%** from the previous month and an **increase of 3.2%** from May 2017. Total carloads averaged 263,884 per week in May 2018, the most for any May since 2015. For the first five months of 2018, total carloads were up 1.2%, or 66,071 carloads, over the same time period the previous year. (Source: AAR.org) *(Report includes rail car-loadings by 20 different major commodity categories)*

U.S. Intermodal Rail Traffic

Intermodal rail traffic totaled 1,398,203 units in May 2018, an **increase of 27.2% from the previous month and 6.6% higher than May 2017**. Average weekly intermodal volume in May 2018 was 279,641 units, the **second most in history**. Year-to-date intermodal volume through May was a **record 5,993,584 units**, up 6.0% over the same period last year and on track to making 2018 a record year for intermodal. (Source: AAR.org) *(Report includes rail car-loadings by 19 different major commodity categories as well as intermodal units)*

Railroad Fuel Price Index

The index of average railroad fuel prices in April 2018 was 421.9, **up 6.4%** from the previous month and **27.1% higher** year-over-year. (Source: AAR.org)
(Average monthly price for gallons purchased by freight railroads; Includes federal excise taxes, transportation, and handling expenses)

Class 1 Railroad Employment

Railroad employment in April 2018 **increased 0.6% from the previous month** to 145,959 employees total, the **biggest month-to-month increase in three years**. In April, the majority of gains were seen in the train and engine category (rose by 594) and maintenance of way category (rose by 211). (Source: U.S. STB, AAR)

Short Line Rail Traffic

In April 2018, short line railroad shipments across North America **decreased 1.9% from the previous month and increased 2.7% year-over-year**. A sampling of about 500 short line and regional railroads **loaded 352,781 railcars** and intermodal units during the month of April. Petroleum products led gains with a 22.2% increase. Trailer or container led declines for the fifth consecutive month, down 24.2%. (Source: Railinc Short Line and Regional Traffic Index)

Railroad News Clips:

CSX announced plans to sell six line segments comprising roughly 650 miles it considers non-core properties after a detailed evaluation of each line. This latest announcement is part of the CSX plan to review 8,000 miles of its 21,000-mile network for potential sale or lease to allow the company to reduce maintenance and operating costs while still handling the traffic generated on the feeder line network. CSX believes a third party, likely an experienced short line operator, could operate the lines more effectively. These lines may be purchased by one buyer or multiple buyers, or may not be sold at all, depending on the bids received, according to CSX. The company expects new owners to grow traffic on the lines. While the tracks are offered for sale, CSX does not expect service disruptions for shippers. (Source: supplychaindive.com)

TRUCKING:

Truck Tonnage Index

The ATA's seasonally adjusted For-Hire Truck Tonnage Index was 113.8 in May 2018, an **increase of 0.7% from the previous month and an increase of 7.8% from May 2017**. According to ATA Chief Economist Bob Costello, "This continues to be one of the best, if not the best, truck freight markets we have ever seen. May's increases, both sequentially and year-over-year, not only exhibit a robust freight market, but what is likely to be a very strong GDP reading for the second quarter. However, in the near-term, look for moderating growth rates for freight simply due to more difficult year-over-year comparisons, not from falling tonnage levels." (Source: American Trucking Associations | Trucking.org. Note: ATA recently revised the seasonally adjusted index to 2015 = 100)

Truckload Freight

The spot market for truckload-freight available for pick-up in May 2018 **increased 12%** compared to the previous month, and was **105% higher** year-over-year. Truck capacity **increased 11%** for the month, and **increased 4.8%** year-over-year. (Source: DAT Trendlines | www.dat.com)

Refrigerated Trucking

In May 2018, refrigerated loads posted on load boards **increased 15%** while refrigerated truck posts **increased 14%**, compared to April. That caused the load-to-truck ratio to **increase 1%** to 9.2 loads per truck. The ratio was **up 34%** compared to May 2017. In May, the national reefer rate was \$2.52 per mile, \$0.10 higher than the previous month and \$0.50 higher than May 2017. (Source: DAT Trendlines | www.dat.com)

Trucking Conditions Index	<p>The Trucking Conditions Index increased to a reading of 11.5 in April 2018, reflecting strong freight demand and continued tightness in capacity. Carriers can expect the favorable conditions to improve further into Q3 and stay elevated well into 2019. According to FTR, “the latest jobs report suggests that carriers’ aggressive driver recruiting efforts are paying off but additional growth in freight volumes, continued impact from electronic logging device implementation, and extreme tightness in the overall labor market should keep conditions highly favorable for carriers. The TCI will remain at near record levels until at least the fourth quarter, when the market may begin to stabilize due to additional truck capacity.” (Source: FTR Transportation Intelligence ftrintel.com) <i>(Figures below zero indicate a less-than-ideal environment for trucking)</i></p>
Diesel Prices	<p>As of June 11, 2018 the U.S. average diesel price was \$3.26 per gallon. The U.S. average diesel price was \$0.74 higher than the same week last year. The average price of diesel in the Southeastern Atlantic states was \$3.14 per gallon, 3.7% less than the national average price. (Source: U.S. DOE) <i>(Reflects the costs and profits of the entire production and distribution chain.)</i></p>
Trucking Employment	<p>The trucking industry workforce increased by approximately 6,600 employees to 1,477,400 employees total in May 2018. The trucking industry workforce increased 0.5% over the previous month and increased 0.4% over May 2017. (Source: U.S. Bureau of Labor Statistics)</p>
Trucking Earnings and Hours	<p>The average earnings of truck transportation employees were \$24.18/hour in April 2018, up 0.8% from the previous month. The average weekly hours totaled 41.7 in April, up 1.7% from the previous month. (Source: U.S. Bureau of Labor Statistics)</p>
U.S. Truck & Trailer Orders (Class 8)	<p>Preliminary data for heavy-duty Class 8 trucks net orders in North America were 35,200 units in May 2018, an increase of 2% from the previous month, 114% higher year-over-year, and the third highest May on record. Orders have averaged over 40,000 units for the past six months; volumes never seen before in the industry. Preliminary May 2018 net trailer orders came in at 21,200 units, down 4% from the previous month, but up 28% from May 2017 and reflective of a typical seasonal adjustment. According to FTR, “If OEM’s could build all the orders being placed, 2018 would easily be a record year. However, supplier constraints on key components and fabrications are holding back production. Even so, production is robust and still expected to set a record.” (Source: FTR Transportation Intelligence ftrintel.com)</p>
Trucking News Clip	<p>Legislation that would provide hours-of-service flexibility for certain truckers as a way to promote highway safety and boost the economy was introduced June 21 by a bipartisan group of U.S. House lawmakers. The Honest Operators Undertaking Road Safety, or HOURS, Act would exempt truckers hauling livestock or agricultural products from hours-of-service rules within 150 air-miles of their load’s source. The exemption would apply regardless of harvesting season or state-designated planting. The bill also would harmonize hours-of-service rules for shorthaul truck drivers with an exemption for those who operate within 150 air-miles of their reporting location, and also complete their workday in 14 hours. Additionally, truckers would only be required to verify the start and end time of their daily on-duty period, and federal efforts to facilitate split sleeper berth flexibility would be expedited. Under a fiscal 2018 funding law, the Federal Motor Carrier Safety Administration was directed not to enforce the ELD rule for agriculture-related transportation through Sept. 30. (Source: ttnews.com)</p>

AIR FREIGHT:

Air Cargo Traffic	<p>Global air freight traffic in April 2018 increased by 4.1% year-over-year. According to the IATA, “FTK volumes have now trended broadly sideways...since August last year. Unless we see a pick-up in the seasonally adjusted demand trend in the coming months, the implication is that the annual FTK growth rate will slow once again towards mid-2018. The current moderation in air freight demand momentum largely reflects the fact that the inventory re-stocking cycle, which helped to boost freight demand last year, looks to have now run its course.” (Source: IATA.org.) <i>(Global air freight covers international and domestic scheduled air traffic.)</i></p>
Atlanta Air Cargo Traffic	<p>In April 2018, Hartsfield-Jackson Atlanta International Airport transported 58,461 metric tons of cargo, an 8.5% decrease from the previous month and a 7.8% increase year-over-year. (Source: HJAI)</p>
Air Freight Price Index	<p>Airfreight rates reached their highest level of the year so far in April 2018, increasing to \$2.87 per kg, a 5% rise from the previous month and 10.8% above April 2017. Higher eastbound Transpacific rates were the main factor in April’s increase. Drewry expects that airfreight rates are unlikely to see much movement in May. (Source: Drewry, aircargonews.net) <i>(The Drewry East-West Air Freight Price Index is based on the average of rates (\$US per kg) for air freight services on 21 major East-West routes.)</i></p>
Jet Fuel Prices	<p>As of June 8, 2018 the global average jet fuel price was \$89.90 per barrel; up 0.5% from the previous month, and 59.3% higher year-over-year. (Source: IATA.org, platts.com) <i>(The weekly index and price data shows the global average price paid at the refinery for aviation jet fuel)</i></p>

Air Freight News Clips:

The Air Cargo Advance Screening (ACAS) program went into effect this month, requiring the submission of advanced air cargo information on shipments arriving in the United States from a foreign location. Previously a voluntary process in which many airlines already participated globally, the program requirements are now mandatory for airlines flying to the United States. As part of the ACAS program, participating carriers submit a subset of required pre-arrival air cargo data to Customs and Border Protection (CBP) at the earliest point practicable and prior to loading the cargo onto aircraft destined to or transiting through the United States. With airlines already sharing data with U.S. Customs, implementation of the ACAS program is unlikely to cause any major changes to airlines' operations and should improve safety. (Source: cbp.gov)

OCEAN FREIGHT:

Import Volumes by Ocean

In April 2018, the latest month for which after-the-fact numbers are available, U.S. container ports handled 1.63 million TEUs, a **5.8% decrease** from the previous month but **0.3% higher** from April 2017. According to the Global Port Tracker report, consumers are buying more which in turn means that retailers are importing more. Imports at the nation's major retail container ports are expected to set record numbers this summer and fall. (Source: NRF/Hackett Associates)

Shanghai Containerized Freight Index

The June 15th SCFI comprehensive reading was **\$777 per FEU, up 3.2%** from last month. The spot rate for shipments to the U.S. East Coast was **\$2,236 per FEU, down 4.1%** from the previous month. (Source: Shanghai Shipping Exchange | www1.chineseshipping.com.cn/en) *(The Shanghai Containerized Freight Index reflects the spot rates of the Shanghai container transport market. It is a weekly reported average spot rate of 15 major container trade routes exported from Shanghai to regions around the globe.)*

Baltic Dry Index

The Baltic Dry Index **decreased 18.7%** in May 2018, ending at 1,090. Compared to May 2017, the index **increased 24.2%**. (Source: www.bloomberg.com/quote/BDIY:IND, telegraph.co.uk) *(The Baltic Dry Index is an index that tracks and averages worldwide international shipping prices of various dry bulk cargoes.)*

Port of Savannah

The Port of Savannah moved **361,029 TEUs** in May 2018, a **1.2% increase** from the previous month, **3.1% higher** compared to May 2017, the **busiest May in GPA history**, and the **second busiest month in the Port of Savannah's history**. Fiscal year-to-date, the GPA has moved more than 3.8 million TEUs, an **increase of 8.3%** over the same time period a year ago. The GPA is currently on track to **have the most successful year in its history**. Earlier this month, the U.S. Army Corps of Engineers announced an additional \$34.7 million within its annual work plan for the Savannah Harbor Expansion Project. That amount, combined with \$50.06 million included in the federal budget for the current fiscal year, totals \$84.76 million. (Source: GPA)

Port of Brunswick

In May, the Colonel's Island auto port moved 53,638 units of cars, trucks and tractors, **up 15% or nearly 7,000 units**. Including Savannah's Ocean Terminal, the GPA moved a total of 57,308 roll-on/roll-off units, for an **increase of 8.8%** compared to May 2017. In breakbulk cargo, including commodities such as paper and rubber, the GPA handled 258,377 tons of freight, an **increase of 14.3%** or 32,269 tons. (Source: GPA)

Ocean Freight Business News:

CMA CGM is collaborating with a startup company, Shone, to embed artificial intelligence on board its ships. CMA CGM is allowing Shone to take onboard data and analyze it at the startup's headquarters with the aim of facilitating ship navigation by providing crews with decision support on maritime safety and piloting. As part of a security and anti-collision alert system, Shone fuses data from multiple sensors (radar, camera, AIS, etc.) to increase detection accuracy, thus preventing potential collisions. The collaboration is likely part of CMA CGM's previously announced digital transformation strategy, which includes new hires and new AI initiatives. (Source: The Maritime Executive, supplychaindive.com)

WAREHOUSING & DISTRIBUTION:

Industrial Vacancy

The **nationwide vacancy remained low during the first quarter of 2018, ending at 5.3%**. The nationwide vacancy rate was 5.3% in Q4 2017 and 5.4% in Q1 2017. None of the 49 markets tracked by NGKF had a double-digit vacancy rate as of Q1 2018. According to NGKF, this speaks to the overall strength of the national industrial market and also helps to explain why investors have been keen on this product type. According to NCREIF, U.S. industrial is the only core property sector to have achieved a double-digit unlevered total return during 2017, totaling 13.1% overall. Industrial outperformed the second-best performing sector, apartments, by 691 basis points during 2017. The vacancy rate in **Atlanta, GA was 7.9%** in Q1 of 2018. (Source: NGKF)

Warehouse Rent Rates

In Q1 2018, the average asking rent across the U.S. was **\$6.67/SF, up 2.5%** from the prior quarter **and the highest average recorded this cycle**. According to NGKF, modern distribution centers that meet the needs of online retailers, complete with higher ceiling heights and automated warehouse and management control systems, have seen strong national rent growth because of consistently robust demand. **The average asking rent in Atlanta was \$4.96/SF in Q1 2018.** (Source: NGKF)

Industrial Absorption

Net absorption in the U.S. leveled off during Q1 2018, totaling 45.7 million square feet. This was the lowest quarterly absorption total recorded since the third quarter of 2013. Of the 49 industrial markets tracked by NGKF, 14 absorbed 1 million square feet or more in Q1, including Atlanta which absorbed 2.8 million square feet. (Source: NGKF) *(Absorption is the net change in occupied space between two points in time. Positive absorption means that previously unoccupied space is being occupied.)*

Warehouse Employment

The nationwide warehousing industry workforce **increased by 6,600 employees** to 1,031,200 employees total in May 2018. The warehouse industry workforce **increased 0.6%** from the previous month and **increased 8.6%** year-over-year. (Source: U.S. Bureau of Labor Statistics)

Warehouse Earnings and Hours

The average earnings of warehousing & storage employees across the U.S. were \$20.17/hour in April 2018, **up 1.8%** from the previous month. The average weekly hours totaled 41.9 in April, **down 1.6%** from the previous month. (Source: U.S. Bureau of Labor Statistics)

W&D Business News:

- The Home Depot Inc. has launched a four-year, \$1.2 billion initiative to streamline its outbound delivery operations in an effort to shave one day off its nationwide delivery times. The program, currently in the pilot phase, is aimed at providing next-day delivery by 2022 to every U.S. customer, and same-day deliveries to a large percentage of the population. The new network will consist of an array of consolidation centers, local direct fulfillment centers in major markets, specialized parcel fulfillment centers, and "market delivery" centers that will be installed in an undisclosed number of second-tier markets. Under the plan, Home Depot will build local direct fulfillment centers in 25 locations, with each location capable of holding 35,000 stock keeping units. It will build "parcel plus" direct fulfillment centers in seven locations, and direct fulfillment centers for flatbed truck deliveries in its 40 largest markets to support deliveries of high-volume, lower-value products to projects and job sites. The company will also utilize direct deliveries, and it will roll out van and passenger-car services to support local deliveries of small parcels. (Source: Supplychainquarterly.com)
- GE Appliances, a manufacturer of household appliances, will create 100 jobs and invest \$55 million in a new Southeast Region Appliance Distribution Center in Commerce, Georgia. The Southeast Region Area Distribution Center will join the largest distribution network in the appliance industry with the ability to deliver products in three days or less to 90 percent of U.S. homes. Construction of the new facility will be completed by April 2019. (Source: Georgia.org)

To sign-up to receive these free monthly snapshots, visit: www.GeorgiaLogistics.com

For more information about the **Logistics Market Snapshot** or the many other resources and activities of the **Georgia Center of Innovation for Logistics** please contact:
Emily Schrenk Butler, Senior Project Manager | EButler@georgia.org | 912.966.7842