

U.S. MARKET:

Gross Domestic Product	The U.S. GDP increased at an annual rate of 2.6% in the fourth quarter of 2018, according to the initial estimate released by the Bureau of Economic Analysis in late February. The Bureau emphasized that the fourth-quarter initial estimate released today is based on source data that are incomplete or subject to further revision by the source agency. The increase in real GDP in the fourth quarter reflected positive contributions from personal consumption expenditures (PCE), nonresidential fixed investment, exports, private inventory investment, and federal government spending. Those were partly offset by negative contributions from residential fixed investment, and state and local government spending. Imports, which are a subtraction in the calculation of GDP, increased. (Source: US BEA) As of March 8, the latest GDPNow model forecast for real GDP growth (seasonally adjusted annual rate) in the first quarter of 2019 is 0.5%. (Source: Federal Reserve Bank of Atlanta) <i>(The GDPNow forecast aggregates statistical model forecasts of 13 subcomponents that comprise GDP.)</i>
U.S. Trade Deficit	The U.S. goods and services trade deficit increased 18.9% in December 2018 to \$59.8 billion. In December, the U.S. had a trade surplus with South and Central America, Hong Kong, United Kingdom, Brazil, 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)
Import Volumes	In December 2018, the U.S. imported \$217.2 billion of cargo, increasing 2.4% from November. December imports of automotive vehicles, parts, and engines (\$32.1 billion), foods, feeds, and beverages (\$12.6 billion), and non-petroleum imports (\$200.2 billion) were the highest on record. (Source: US Census)
Export Volumes	In December 2018, the U.S. exported \$135.6 billion of cargo, decreasing 2.8% from November. December exports of foods, feeds, and beverages (\$9.6 billion) were the lowest on record. (Source: US Census)
Import & Export Price Index	U.S. import prices increased 0.6% in February 2019. The February increase was led by higher fuel prices. U.S. export prices also increased 0.6% in February 2019. Higher prices for both agricultural and nonagricultural commodities contributed to the February increase. (Source: Bureau of Labor Statistics)
Unemployment Rate	The unemployment rate in America was 3.8% in February 2019, down from 4.0% in January. The decrease was partially due to some furloughed federal employees who were classified as unemployed in January no longer being categorized that way in February. A preliminary 20,000 net new jobs were created in February 2019, far less than most economists expected and the smallest gain since September 2017. The unemployment rate in Georgia was 3.9% in February 2019, up from 3.8% the previous month. (Source: US DOL, GDOL, AAR)
Labor Force Participation Rate	The labor force participation rate was 63.2% in February 2019, unchanged from the previous month. The labor force participation rate for those of prime working age (25-54) was 82.5% in February, slightly down from 82.6% the previous month. (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>
Leading Economic Index	The Leading Economic Index for the U.S. increased 0.2% in February 2019, ending at a reading of 111.5 and the first increase in five months. According to The Conference Board, "February's improvement was driven by accommodative financial conditions and a rebound in stock prices, which more than offset weaknesses in the labor market components. Despite the latest results, the US LEI's growth rate has slowed over the past six months, suggesting that while the economy will continue to expand in the near-term, its pace of growth could decelerate by year end." (Source: Conference Board) <i>[Note: The LEI was recently revised the seasonally adjusted index to 2016 = 100] (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>
Housing Starts	Existing home sales were an annualized and seasonally adjusted 1.23 million in January 2019, up 18.6% from December 2018 and the most in four months. The index of pending home sales (sales that haven't closed yet but contracts have been signed) was 103.2 in January 2019, up 4.6% from the previous month but 2.3% lower year-over-year, making this the thirteenth straight month of annual decreases. According to the National Association of Realtors, "Higher rates discouraged many would-be buyers in 2018. Homebuyers are now returning and taking advantage of lower interest rates, while a boost in inventory is also providing more choices for consumers." (Source: U.S. DOC, National Association of Realtors)
Light Vehicle Sales	New light vehicle sales were an annualized and seasonally adjusted 16.5 million in February 2019, down 0.9% from the previous month, down 2.4% from February 2018, and the lowest for any month since August 2017. Rising financial costs played a role in the decline. Interest rates in February 2019 for auto loans were the highest in a decade; an average of 6.26%, up from 5.19% in February 2018 and 4.56% five years ago. (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>
Personal Income	Personal Income decreased 0.1% to \$17.9 trillion in January 2019. The change in personal income in January primarily reflected decreases in personal dividend income, farm proprietors' income, and personal interest income that were partially offset by increases in social security benefit payments (related to cost of living adjustments), and other government social benefits to persons, which includes the Child Tax Credit and the Affordable Care Act refundable tax credit. During Q4 2018, Personal Income in Georgia was estimated at \$490.8 billion, an increase of 4.6% from Q3 2018. (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>

Retail Sales	Advanced estimates of retail and food service sales in January 2019 were \$504.4 billion, an increase of 0.2% from the previous month, and up 2.3% from January 2018. Non-store retail sales were 6.3% higher from the same month last year. (Source: US Census) <i>(Non-store retail sales are measured on a monthly basis and include internet-only sales outlets as well as other direct-to-customer channels)</i>
E-Commerce	The estimate of U.S. retail e-commerce sales for the fourth quarter of 2018, adjusted for seasonal variation, was \$132.8 billion, an increase of 2.0% from the third quarter of 2018 and 12.1% higher than the fourth quarter of 2017 . E-commerce sales in the fourth quarter of 2018 accounted for 9.9% of total sales. (Source: US Census) <i>(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.)</i>
Consumer Confidence	The Consumer Confidence Index increased to 131.4 in February 2019, up 7.9% from the previous month. According to The Conference Board, "The Present Situation Index improved, as consumers continue to view both business and labor market conditions favorably. Expectations, which had been negatively impacted in recent months by financial market volatility and the government shutdown, recovered in February. Looking ahead, consumers expect the economy to continue expanding. However, according to The Conference Board's economic forecasts, the pace of expansion is expected to moderate in 2019." (Source: The Conference Board) <i>(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.)</i>
Consumer & Producer Price Index	The Consumer Price Index for all urban consumers was 253.1 in February 2019, up 0.2% from the previous month. The indexes for shelter and food increased, and the gasoline index rose after recent declines to result in the seasonally adjusted all items increase. The food index rose 0.4 percent, its largest monthly increase since May 2014, as both the food at home and food away from home indexes increased. The Producer Price Index for final demand was 117.2 in February 2019, up 0.1% from the previous month. The increase in the final demand index can be traced to a 0.4% rise in prices for final demand goods. The index for final demand services was unchanged. (Source: US Bureau of Labor Statistics)
Small Business Optimism Index	The Small Business Optimism Index was 101.7 during February 2019, up 0.5% from the previous month . According to the National Federation of Independent Business (NFIB), "Views about future business conditions and the current period as a good time to expand improved as did plans to make capital outlays. Earnings trends weakened, as a million laid off workers and others affected by the shutdown cut back on spending." Out of 10 index components, five posted gains, three were unchanged, and two declined. (Source: National Federation of Independent Business) <i>(This Index collects data from small businesses on economic topics ranging from current job openings to expected credit conditions)</i>
Industrial Production and Capacity Utilization	The Industrial Production Index was 109.7 in February 2019, an increase of 0.1% from the previous month and 3.5% higher than February 2018 . Capacity Utilization for the industrial sector was 78.2% in February 2019, up 2.2% from February 2018. (Source: Federal Reserve) <i>(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)</i>
Manufacturing & Trade Sales	Total combined sales and manufacturing shipments totaled nearly \$1.45 trillion in December 2018, down 1.0% from the previous month and up 2.1% from December of the previous year . (Source: US Census)
Manufacturing & Trade Inventory	Total value of inventory on-hand is estimated at \$1.99 trillion in December 2018, up 0.6% from the previous month and up 4.8% from December of the previous year . (Source: US Census)
Purchasing Managers Index	The National PMI decreased to 54.2% in February 2019, a decrease of 2.4% from the previous month. With a reading above 50, the overall economy grew for the 118 th consecutive month. New Orders decreased 2.7% to 55.5%, and Production decreased 5.7% to 54.8%. In February, 16 out of the 18 manufacturing industries tracked by the ISM reported growth. (Source: Institute for Supply Management) <i>(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.)</i>
Purchasing Managers Index in Georgia	In February 2019, Georgia's PMI increased 0.7% month-over-month to 54.5% . New Orders in Georgia increased to 54.5% and Production decreased to 45.5% . In the month of January, Georgia's PMI was 0.6% above the national PMI. (Source: Kennesaw State University) <i>(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.)</i>
U.S. Market News	Bumble Bee Foods has begun using SAP blockchain technology to track yellowfin tuna from the oceans where they're caught to the store where they're bought, according to a company press release. This will allow end consumers to scan a QR code on the packaging and receive information on where the fish was caught and the journey it made to get to the store. It also tells them the weight of the catch, the fishing community it was caught in, whether it's fresh, and if it is certified as fair trade. "It creates transparency and traceability across the food supply chain, from the ocean, across the cold chain, to the warehouse, store and our table," Oliver Betz, global head and senior vice president of SAP Innovative Business Solutions, said in a statement. (Source: supplychaindive.com, Bumble Bee Foods)

MULTIMODAL:

Dow Jones Transportation Index	Dow Jones Transportation Index increased 3.4% in February 2019, ending at a reading of 10,467. <i>(A price-weighted average of 20 U.S. companies in the transportation industry, average of February 1st thru February 28th. The index includes railroads, airlines, trucking, marine transportation, delivery services, and logistics companies.)</i>
NASDAQ Transportation Index	NASDAQ Transportation Index increased 4.3% in February 2019, ending at a reading of 5,171. <i>(Averaged share weights of NASDAQ-listed companies classified as transportation companies, average of February 1st thru February 28th)</i>

DOT Freight Transportation Service Index	The USDOT's freight transportation services index was 136.8 in January 2019, an increase of 0.4% from the previous month and 4.7% higher than January 2018. The January increase in the Freight TSI was driven by increases in trucking and pipeline, while air freight, water, rail carloads and rail intermodal declined. . (Source: US BTS)
Cass Freight Index	The Cass Freight Shipments Index was 1.173 in February 2019, an increase of 4.0% from the previous month, and a decrease of 2.1% year-over-year. The Cass Freight Expenditures Index was 2.874 in February, an increase of 2.9% from the previous month and an increase of 5.5% year-over-year. According to Cass Information Systems, "The continued decay in the Cass Freight Shipments Index is beginning to give us cause for concern. While we are still not ready to turn completely negative in our outlook, we do think it is prudent to become more alert to each additional incoming data point on freight flow volume and are more cautious today than we have been since we began predicting the recovery of the U.S. industrial economy and the rebirth of the U.S. consumer economy in the third quarter of 2016." (Source: Cass Information Systems Cassinfo.com) <i>(Based upon transportation dollars and shipments of Cass clients comprised of over 400 shipping companies)</i>
Shippers Conditions Index	The Shippers Conditions Index for December 2018 increased from the previous month, to a reading of 1.7, the strongest reading for the index since August 2016 . According to FTR, "Stable fuel prices, a turn in rail service levels, and loosening truck capacity have combined to create a favorable environment for shippers seeking to move freight. The situation is forecast to continue for much of 2019, as fuel prices remain stable and economic conditions hold firm." (Source: FTR Transportation Intelligence ftrintel.com) <i>(Figures below zero indicate a less-than-ideal environment for shippers)</i>
NAFTA Trade	Surface transport-related trade between the U.S. and its NAFTA partners, Canada and Mexico totaled \$92.7 billion in December 2018, down 10.1% from the previous month, and down 0.9% year-over-year. Trucks carried \$57.4 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:	Solving intermodal's visibility "black hole" was a topic of discussion at the 2019 TPM conference. Most e-commerce orders come with a tracking mechanism that enables consumers to play the part of logistics manager. Real-time data is generally available throughout a vessel's journey across a Transpacific trade route, with GPS conveying the ship's location. The "black hole" comes once the ship docks at a port, and shippers, along with their transportation partners, lose sight of the exact location and status of their container. The data black hole in the past usually lasted only a day or two but with large megaships carrying thousands of TEUs, shippers can be in the dark about their containers for as long as five days. GE Transportation, together with tech startup project44, launched the Port Optimizer, which aims to gather and share data across all parties in the intermodal supply chain. Any multimodal visibility tool must be able to ingest data in various formats, whether it's RFID, sensors or other forms of tracking. Port Optimizer's overarching goals with the data are to improve visibility and increase speed of shipments from one mode to the next. (Source: supplychaindiver.com)

RAIL:

U.S. Freight Rail Traffic	Originations of carloads in February 2019 totaled 999,978 units, a decrease of 19.2% from the previous month and a decrease of 2.7% from February 2018. Weekly average total carloads in February 2019 were 249,995, the fewest for any February other than February 2016. According to AAR, it's difficult to say how much of the carload weakness in February was due to weather and how much was due to weakness in the economy. "Overall, though, it seems pretty clear that this February was harsher than last February in most places. Take heating degree days, which are a measure of coldness — they're based on the extent to which the daily mean temperature falls below a reference temperature. Cold weather can wreak havoc on rail operations. Nationwide, heating degree days in February 2019 were around 17% higher than in February 2018. That may have been enough to push carloads below last year for a number of commodities." (Source: AAR.org) <i>(Report includes rail car-loadings by 20 different major commodity categories)</i>
U.S. Intermodal Rail Traffic	Intermodal rail traffic totaled 1,090,000 units in February 2019, down 17.2% from the previous month and 0.9% lower than February 2018 . It was the first year-over-year month decline for intermodal since January 2017 . According to AAR, "Like carloads, intermodal was surely affected by the weather, but non-weather factors might have played a role as well — e.g., imports that came ashore earlier to beat potential higher tariffs." Weekly average intermodal volume in February 2019 was 273,625, the second most ever for February . (Source: AAR.org) <i>(Report includes rail car-loadings by 19 different major commodity categories as well as intermodal units)</i>
Railroad Fuel Price Index	The index of average railroad fuel prices in February 2019 was 390.5, up 9.0% from the previous month and 2.8% lower year-over-year. (Source: AAR.org) <i>(Average monthly price for gallons purchased by freight railroads; Includes federal excise taxes, transportation, and handling expenses)</i>
Class 1 Railroad Employment	Railroad employment in January 2019 decreased 0.7% from the previous month to 146,556 employees total. Nearly half of the decline, 471 employees, was in maintenance of way employment, which always falls in the winter when right-of-way work is curtailed by weather in much of the country. Train and engine employment (the engineers and conductors in locomotive cabs) fell by 289 in January, their second consecutive monthly decline. (Source: U.S. STB, AAR)
Short Line Rail Traffic	In January 2019, short line railroad shipments across North America increased 6.2% year-over-year . A sampling of about 500 short line and regional railroads loaded 358,785 railcars and intermodal units during the month of January.

Trailer or container led gains with a 31.8% increase. Motor vehicles and equipment led declines, with a decrease of 6.5%. (Source: Railinc Short Line and Regional Traffic Index)

Railroad News Clips:

Record-setting floods have caused extensive damage to railroad infrastructure across large sections of the Midwest, prompting a surge in construction and repair work. The contracting community has put considerable numbers of workers and equipment into the field, as railroads look to rebuild washed-out sections of track. Complicating matters for contractors and employees is that crews must remove downed trees and other debris before track repair can begin. And in some places the water has yet to recede, leaving rails under water and making repair work impossible. Furthermore, reaching some of the hardest-hit areas is difficult as roads and highways are badly damaged. Despite the best efforts of contractors and employees, there seems little likelihood that things will improve quickly for the railroads. Receding flood waters, combined with snow melt, will likely cause additional flooding along the Mississippi River during the next few days. (Source: railwayage.com)

TRUCKING:

Truck Tonnage Index

The ATA's seasonally adjusted For-Hire Truck Tonnage Index was 117.4 in February 2019, a **decrease of 0.2% from the previous month and an increase of 5.4% from February 2018**. According to ATA Chief Economist Bob Costello, "I continue to expect tonnage to moderate like other indicators, including retail sales, manufacturing activity and housing starts. Additionally, the level of inventories throughout the supply chain have increased, which is a drag on truck freight." (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 February 2019 **decreased 4.6%** compared to the previous month, and was **42.9% lower** year-over-year. Truck capacity **decreased 11.4%** for the month, and **increased 35.9%** year-over-year. (Source: DAT Trendlines | www.dat.com)

Refrigerated Trucking

In February 2019, the load-to-truck ratio for refrigerated loads **decreased to 3.69** loads per truck. In February, the national reefer rate was \$2.21 per mile, \$0.10 lower than the previous month and \$0.21 lower than February 2018. (Source: DAT Trendlines | www.dat.com)

Trucking Conditions Index

The Trucking Conditions Index in January 2019 **decreased to a reading of 5.79**, as was expected. According to FTR, "The January level was attributed to higher costs of capital along with lower freight demand and capacity utilization. Even the January level will not be sustained for long as conditions for trucking are expected to moderate further toward neutral territory through at least Q3." (Source: FTR Transportation Intelligence | ftrintel.com) *(Figures below zero indicate a less-than-ideal environment for trucking)*

Diesel Prices

As of March 18, 2019 the U.S. average diesel price was **\$3.07 per gallon**. The U.S. average diesel price was **\$0.09 higher** than the same week last year. The average price of diesel in the Lower Atlantic states was **\$2.98 per gallon, 2.9% less than the national average price**. (Source: U.S. DOE) *(Reflects the costs and profits of the entire production and distribution chain.)*

Trucking Employment

The trucking industry workforce **increased by approximately 900 employees to 1,517,600 employees total** in February 2019. The trucking industry workforce **increased 0.1%** over the previous month and **increased 2.7%** over February 2018. (Source: U.S. Bureau of Labor Statistics)

Trucking Earnings and Hours

The average earnings of truck transportation employees were \$24.88/hour in January 2019, **up 0.2%** from the previous month. The average weekly hours totaled 40.9 in January, **down 3.1%** from the previous month. (Source: U.S. Bureau of Labor Statistics)

U.S. Truck & Trailer Orders (Class 8)

Preliminary data for heavy-duty Class 8 trucks net orders in North America were 16,700 units in February 2019, **up 5%** from the previous month but **down 58%** from February 2018. According to FTR, "Fleets that need to order trucks are looking for any available open build slot, regardless of brand. Specifying is also more difficult as the supply chain for parts and components stays tight. Production continues at high rates, as OEMs build those record orders that were placed in 2018." Preliminary February 2019 net trailer orders totaled **24,000 units, down 9%** from January and **27% lower** than February 2018. According to FTR, "The decent February order volumes mean that backlogs should only decline modestly during March. The trailer market continues to show surprising resilience despite the moderation in economic and freight growth. The current strength of the trailer market is good news for the general economy. It indicates fleets expect sturdy freight demand to continue throughout 2019." (Source: FTR Transportation Intelligence | ftrintel.com)

Trucking News Clip

Data from ELDs are informing the hours of service (HOS) rule review in process, Federal Motor Carrier Safety Administration (FMCSA) head Ray Martinez said in a speech earlier this month. Martinez confirmed that a notice of proposed rulemaking regarding HOS requirements is on the way, but he has been tightlipped as to what those changes may be or when they will be made public. The FMCSA is considering changes in the following areas: the 100 air-mile "short haul" exemption, on-duty exemptions during adverse driving conditions, the mandatory 30-minute rest break, and whether to reinstate the option to split a 10-hour off-duty rest break for sleeper-enabled trucks. HOS compliance is still the number one reason drivers are put out of service, but Martinez said HOS violations decreased 52% in the last year, mainly crediting the ELD mandate for the drop. (Source: Overdrive.com, supplychaindrive.com)

AIR FREIGHT:

Air Cargo Traffic	Global air freight traffic in January 2019 was down 1.8% compared to January 2018 . January marked the third consecutive month of negative year-on-year growth, and is the slowest pace in three years. According to the IATA, “We are mindful that the start of the year can bring more than the usual volatility. We could find no evidence that the two-week difference in the timing of the Chinese New Year in February affected the growth rates. The emerging trend in the data is clear. In seasonally-adjusted terms – where we try to remove the regular data volatility – seven of the past 12 months have recorded a decline.” (Source: IATA.org,) <i>(Global air freight covers international and domestic scheduled air traffic.)</i>
Atlanta Air Cargo Traffic	In January 2019, Hartsfield-Jackson Atlanta International Airport transported 52,930 metric tons of cargo, a 5.6% decrease from the previous month and a 2.1% decrease year-over-year. (Source: HJAIA)
Air Freight Price Index	In December 2018, average airfreight rates for East-West routes decreased 3.5% over the previous month to reach \$3.07 per kilogram. Rates hit their peak in November, reaching \$3.18 – the highest rate seen in the past four peak seasons. Drewry said it expects rates to continue to decrease in January. (Source: Drewry, aircargoworld.com) <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>
Jet Fuel Prices	As of March 22, 2019 the global average jet fuel price was \$80.55 per barrel; down 2.4% from the previous month, and 2.0% lower 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>
Air Freight News Clips:	The International Air Transport Association (IATA) has launched a new industry certification—the Center for Excellence for Perishable Logistics (CEIV Fresh)—to improve the handling and the transport by air of perishable products. The specific time and temperature requirements for food and plant products makes the handling and transporting of perishable products challenging. The CEIV Fresh program meets these exacting requirements primarily based on the IATA Perishable Cargo Regulations (PCR) which combines professional regulatory and operational input from industry and government experts. “Perishable goods is a growing market for air cargo. Ensuring that these delicate and short shelf-life products reach the customer unspoiled with minimal waste and loss is essential. Shippers will have assurance that CEIV Fresh certified companies are operating to the highest quality and standards in the transport of perishable products,” said Alexandre de Juniac, IATA’s Director General and CEO. (Source: iata.org)

OCEAN FREIGHT:

Import Volumes by Ocean	In January 2019, the latest month for which after-the-fact numbers are available, U.S. container ports handled 1.89 million TEUs, a 3.7% decrease from the previous month and 7.4% higher than January 2018. According to NRF, “Now that the holiday season is over and summer has yet to crank up, this is the quiet time of year for retail supply chains. Retailers are also taking a break from the rush to bring merchandise in ahead of tariff hikes now that the increase that was scheduled for March has been delayed.” (Source: NRF/Hackett Associates)
Shanghai Containerized Freight Index	The March 22 nd SCFI comprehensive reading was \$727 per FEU, down 14.2% from last month. The spot rate for shipments to the U.S. East Coast was \$2,338 per FEU, down 17.6% from the previous month. (Source: Shanghai Shipping Exchange www1.chineseshipping.com.cn/en) <i>(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.)</i>
Baltic Dry Index	The Baltic Dry Index increased 2.0% in February 2019, ending at 658. Compared to February 2018, the index decreased 45.5% . (Source: www.bloomberg.com/quote/BDIY:IND .) <i>(The Baltic Dry Index is an index that tracks and averages worldwide international shipping prices of various dry bulk cargoes.)</i>
Port of Savannah	The Port of Savannah moved 312,042 TEUs in February 2019, a 27.4% decrease from the previous month and 8.5% lower compared to February 2018. “Last month brought an end to the Authority’s 27-month run of year-over-year container growth, but our outlook for March and the remainder of the fiscal year is strong,” GPA Executive Director Griff Lynch said. “We are pleased with the direction and pace of cargo growth at our terminals, and we’re making the preparations necessary to continue handling new business without congestion.” For the fiscal year-to-date, container volumes increased 8.8% , for a total of 2.97 million TEUs. (Source: GPA)
Port of Brunswick	Roll-on/Roll-off cargo at Colonel’s Island Terminal in Brunswick and Ocean Terminal in Savannah is up 6% , or 24,300 units of cars, trucks and tractors, for a total of 428,303 units for the fiscal year to date. (Source: GPA)

Ocean Freight Business News:

The U.S. coastal port sector generated 2.2 million direct, induced and indirect jobs, and marine cargo activity generated about \$5.4 trillion of total economic activity last year, according to the 2018 National Economic Impact of the U.S. Coastal Port System released by Martin Associates. Compared to Martin Associates' previous nationwide ports economic impact study, America's seaports' contributions to the nation's economy have increased across the board. From 2014 to 2018, the total number of jobs supported by seaport activity grew by 7.7 million to 30.8 million in 2018. In addition to the 2.2 million direct, induced and indirect jobs, 28.6 million were associated with exporters and importers and users of the coastal seaports. A total of \$378.1 billion of total federal, state and local taxes were generated by maritime activity at coastal ports in 2018, which was nearly an 18 percent jump from 2014. The 2018 taxes included \$47.1 billion of direct, induced and indirect federal, state and local tax revenue and \$331 billion of federal, state and local tax revenue created by the economic activity of exporters and importers using the deepwater coastal port system. (Source: americanshipper.com)

WAREHOUSING & DISTRIBUTION:

Industrial Vacancy

The **nationwide vacancy was 5.0%** at the end of the fourth quarter of 2018, down 20 basis points year-over-year. None of the 49 markets tracked by NGKF had a double-digit vacancy rate as of Q4 2018. The vacancy rate in **Atlanta, GA was 6.8%** in Q4 of 2018. (Source: NGKF)

Warehouse Rent Rates

In Q4 2018, the average asking rent across the U.S. was **\$7.16/SF, up 3.0%** from the prior quarter and **10.3% higher** from one year ago. Industrial rents have increased in each quarter since third-quarter 2011, affirming the incredible resilience and consistency of the market. According to NGKF, e-commerce tenants are demanding top-quality distribution centers that can offer higher ceiling heights and automated warehouse management systems, which are helping to drive rents to record highs. **The average asking rent in Atlanta was \$7.16/SF in Q4 2018.** (Source: NGKF)

Industrial Absorption

Net absorption in the U.S. **decreased slightly** during the fourth quarter of 2018, posting 60.3 million square feet of net absorption compared with 62.4 million square feet in the third quarter. However, the total amount increased compared with fourth quarter of 2017. Overall, demand remains healthy, as annual net absorption measured 238.0 million square feet of absorption in 2018, compared with 239.9 million square feet of absorption in 2017. Of the 49 industrial markets tracked by NGKF, 17 absorbed 1 million square feet or more in Q4, led by Atlanta which absorbed 7.2 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 3,900 employees** to 1,185,300 employees total in February 2019. The warehouse industry workforce **increased 0.3%** from the previous month and **increased 7.0%** 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 \$20.28/hour in January 2019, **up 0.8%** from the previous month. The average weekly hours totaled 40.6 in January, **down 7.3%** from the previous month. (Source: U.S. Bureau of Labor Statistics)

W&D Business News:

- According to a recent report by Dodge Data & Analytics, e-commerce is changing the way the construction industry builds warehouses. Warehouses are being built with greater frequency, but they're also getting bigger. The total square footage of warehouse construction starts increased from 49 million square feet in 2010 to 283 million square feet in 2018, although square footage peaked in 2017 at 300 million. And from 2007 through 2018, the number of warehouse projects of 1 million square feet or more increased from 23 to 48, a figure that represents more than 64 million square feet of space. Brick-and-mortar retail clients typically have internet sales components and are increasing their warehouse stock. However, Dodge found that most of the growth in e-commerce warehouse construction is coming from online-only companies like Amazon, which broke ground on 23 warehouse projects last year. Almost half of those were 1 million square feet or more, and four were the largest of all warehouse projects that broke ground in 2018. (Source: supplychaindive.com, Dodge Data & Analytics, Construction Dive)
- Sangsin Technology America, a leading global brake friction materials and replacement parts manufacturer, will create 200 jobs and invest \$20 million in its first North American manufacturing facility in McDonough, Georgia. This new 220,000-square-foot of manufacturing facility in Henry County will house the company's first U.S. manufacturing operation as the company expands into the heavy duty brake systems industry in the North American market. Sangsin Technology America will serve as a magnet for suppliers that produce heavy duty brake systems through the North America Brake Industry (HDNABI) company headquartered in Norcross, GA. HDNABI is a privately-held, North American-based supplier of undercarriage systems to the heavy-duty trucking industry, including truck, trailer and bus vehicle segments for both the OEM production and related aftermarkets. (Source: Georgia.org)

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