



U.S. MARKET:	
<b>Gross Domestic Product</b>	<p><b>Real gross domestic product (GDP)</b> increased at an annual rate of 6.4 percent in the first quarter of 2021, according to the "third" estimate released by the Bureau of Economic Analysis. In the fourth quarter of 2020, real GDP increased 4.3 percent. <i>(Source: Bureau of Economic Analysis)</i></p> <p>As of June 25, 2021, the GDPNow model estimate for real GDP growth (seasonally adjusted annual rate) in the second quarter of 2021 is <b>8.3%, down from 9.3% on May 28</b>. <i>(Source: Federal Reserve Bank of Atlanta; the GDPNow forecast aggregates statistical model forecasts of 13 subcomponents that comprise GDP.)</i></p>
<b>U.S. Trade Deficit</b>	<p>The goods and services <b>trade deficit</b> decreased <b>6.89%</b> in April 2021 to <b>\$68.9 billion</b>. The global pandemic and the economic recovery continued to impact international trade in April 2021. The full economic effects of the pandemic cannot be quantified in the statistics because the impacts are generally embedded in source data and cannot be separately identified. <i>(Source: Bureau of Economic Analysis)</i></p>
<b>Import Volumes</b>	<p>In April 2021, the U.S. <b>imported \$273.9 billion</b> of cargo, <b>decreasing 1.4%</b> from the previous month. April imports of foods, feeds, and beverages (14.5 billion) were the highest on record. April imports of capital goods (\$63.7 billion) were the highest on record. April imports from Taiwan (\$6.2 billion) were the highest on record. <i>(Source: U.S. Census Bureau)</i></p>
<b>Export Volumes</b>	<p>In April 2021, the U.S. <b>exported \$205 billion</b> of cargo, <b>increasing 1.1%</b> from the previous month. April exports of goods (\$144.8 billion) were the highest on record. April exports of foods, feeds, and beverages (\$13.8 billion) were the highest on record. April exports of industrial supplies and materials (\$52.2 billion) were the highest on record. <i>(Source: U.S. Census Bureau)</i></p>
<b>Import &amp; Export Price Index</b>	<p>Prices for U.S. <b>imports increased 1.1</b> percent in May following a 0.8-percent advance in April. <b>Export prices rose 2.2</b> percent in May, after increasing 1.1 percent the previous month. Over the past year, import prices advanced 11.3 percent and export prices rose 17.4 percent. <i>(Source: Bureau of Labor Statistics)</i></p>
<b>Unemployment Rate</b>	<p>The unemployment rate in America <b>was 5.8%</b> in May 2021, <b>down from 6.1%</b> the previous month, while total nonfarm payroll employment rose by 559,000. Notable job gains occurred in leisure and hospitality, in public and private education, and in health care and social assistance. The unemployment rate in <b>Georgia was 4.1% in April 2021, a decrease from 4.3%</b> the previous month. <i>(Source: Bureau of Labor Statistics)</i></p>
<b>Labor Force Participation Rate</b>	<p>The labor force participation rate <b>was 61.6% in April 2021, down slightly from</b> the previous month. The labor force participation rate for those of prime working age (25-54) was 81.3% in May, no change from the previous month. <i>(Source: Federal Reserve Economic Data; 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>
<b>Leading Economic Index</b>	<p>The Leading Economic Index for the U.S. <b>increased 1.3%</b> in May 2021, to a reading of <b>114.5</b>. According to The Conference Board, "After another large improvement in May, the U.S. LEI now stands above its previous peak reached in January 2020 (112.0), suggesting that strong economic growth will continue in the near term. Strengths among the leading indicators were widespread, with initial claims for unemployment insurance making the largest positive contribution to the index; housing permits made this month's only negative contribution. <i>(Source: The Conference Board; 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>
<b>Pending Home Sales</b>	<p>Pending home sales were 106.2 million in April 2021, <b>down 4.4%</b> from the previous month, and <b>up 51.7%</b> year-over-year. According to the National Association of Realtors, "Contract signings are approaching pre-pandemic levels after the big surge due to the lack of sufficient supply of affordable homes. The upper-end market is still moving sharply as inventory is more plentiful there," <i>(Source: National Association of Realtors)</i></p>
<b>Housing Starts</b>	<p>Housing starts for May 2021 in the US <b>increased 3.6%</b> from the previous month and up 50.3% from May 2020. Single-family housing starts in May were at a rate of 1,098,000; this is 4.2 percent above the revised April figure of 1,054,000. The May rate for units in buildings with five units or more was 465,000. <i>(Source: U.S. Census Bureau, U.S Dept of Housing and Urban Development)</i></p>
<b>Light Vehicle Sales</b>	<p>New light-vehicle sales remained strong in May but fell slightly from April's highs. May's sales were an annualized and seasonally adjusted <b>17 million units, up 40.3%</b> from May 2020, when light-vehicle sales had just begun to turn around from April 2020's pandemic lows. market share for the segment since March 2019. <i>(Source: nada.org; 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>
<b>Personal Income</b>	<p>In April 2021, personal income <b>decreased \$3.21 trillion, or 13.1%</b> from the previous month. <b>Disposable personal income (DPI) decreased \$3.22 trillion (14.6 percent) and personal consumption expenditures (PCE) increased \$80.3 billion (0.5 percent)</b>. <i>(Source: U.S. Bureau of Economic Analysis; 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>
<b>Retail Sales</b>	<p>Advanced estimates of retail and food service sales in May 2021 were <b>\$620.2 billion, a decrease of 1.3%</b> from the previous month, and <b>28.1% above</b> May 2020. Non-store retail sales were <b>up 7.61%</b> from the same period in 2020. <i>(Source: U.S. Census Bureau; 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></p>



<b>E-Commerce</b>	The estimate of U.S. retail e-commerce sales for the first quarter of 2021, adjusted for seasonal variation, was \$215.0 billion, <b>an increase of 7.7%</b> from the previous quarter and <b>7.8% higher than the fourth quarter of 2020</b> . E-commerce sales in the first quarter of 2021 accounted for 13.6% of total sales. (Source: U.S. Census Bureau; 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)
<b>Consumer Confidence</b>	The Consumer Confidence Index <b>decreased to 117.2</b> in May 2021, <b>down from 121.7 in April</b> . The Present Situation Index—based on consumers’ assessment of current business and labor market conditions— <b>increased from 131.9 to 144.3</b> . The Expectations Index—based on consumers’ short-term outlook for income, business, and labor market conditions—dropped significantly from 107.9 last month to 99.1 in May. (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. Base year 1985=100)
<b>Consumer &amp; Producer Price Index</b>	The seasonally adjusted Consumer Price Index for all urban consumers <b>increased 0.6%</b> in May 2021 to 269.19 <b>after rising 0.8%</b> in April. The gasoline index <b>declined 0.7%</b> after falling 1.4% in April. The Producer Price Index for final demand was <b>124.8</b> in May 2021, <b>up</b> from 123.8 the previous month. (Source: US Bureau of Labor Statistics; the CPI measures the change in prices paid by consumer for goods and services. Base year 1999=100; The PPI measures the average price changes by producers for domestically produced goods, services, and construction. Base year 2009=100)
<b>Small Business Optimism Index</b>	The Small Business Optimism Index fell to <b>99.6</b> in May 2021, <b>a decline of 0.2 points from April</b> . According to the National Federation of Independent Business (NFIB), “Small business owners are struggling at record levels trying to get workers back in open positions. Owners are offering higher wages to try to remedy the labor shortage problem. Ultimately, higher labor costs are being passed on to customers in higher selling prices.” (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. Base year 1986=100)
<b>Industrial Production and Capacity Utilization</b>	The Industrial Production index was <b>99.9</b> in May 2021, <b>an increase of 0.8%</b> from the previous month. This is 16.3% higher than it was a year earlier, but 1.4 percent lower than its pre-pandemic (February 2020) level. Capacity utilization for the industrial sector rose 0.6 percentage point in May to 75.2 percent, a rate that is 4.4 percentage points below its long-run (1972–2020) average. (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)
<b>Manufacturing &amp; Trade Sales</b>	The estimated monthly sales for manufacturers, retailers and merchant wholesalers totaled over <b>\$1,633.8 billion</b> in April 2021 down 0.31% from the previous month. Inventories to sales ratios were 1.48 for Manufacturing, 1.07 for Retail and 1.22 for Merchant Wholesalers all down from April 2020.
<b>Manufacturing &amp; Trade Inventory</b>	Total value of inventory on-hand is estimated at <b>\$2,023.9 billion</b> in April 2021, <b>down 0.2%</b> from the previous month. (Source: US Census)
<b>Purchasing Managers Index</b>	The Manufacturing PMI was <b>60.7%</b> in April 2021, <b>a decrease of 4%</b> from the previous month. This figure indicates expansion in the overall economy for the eleventh consecutive month. New Orders <b>decreased 3.7%</b> to 64.3%, and Production <b>decreased 5.6%</b> to 62.5%. (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.)
<b>Purchasing Managers Index in the Southeast</b>	In April 2021, the Southeast PMI <b>increased 3.6%</b> month-over-month to <b>71.9%</b> . New Orders in the Southeast <b>increased to 83.3%</b> and Production <b>also increased 73.9%</b> . (Source: Kennesaw State University) (The Southeast region includes the states of Georgia, Alabama, Florida, Tennessee, Louisiana, and Mississippi. 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.)
<b>Logistics Manager’s Index</b>	The Logistics Manager’s Index was <b>71.3</b> in May 2021, <b>a decrease of 4.3%</b> from the previous month, but still well over the index all-time average of 63.3 (Source: the-lmi.com) (The LMI score is a combination eight unique components that make up the logistics industry, including: inventory levels and costs, warehousing capacity, utilization, and prices, and transportation capacity, utilization, and prices. The LMI is calculated using a diffusion index, in which any reading above 50 percent indicates that logistics is expanding; a reading below 50 percent is indicative of a shrinking logistics industry.)
<b>U.S. Market News</b>	Across the nation, companies are reporting strong business growth and revenue that has largely returned to pre-Covid levels. That’s the good news from the most recent Small Business Optimism Index from the National Federation of Independent Business. The bad news? A record-high 48% of businesses reported they had unfilled job openings in May, and 93% of owners hiring or trying to hire reported few or no “qualified” applications for the positions they were trying to fill. The Bureau of Labor Statistics said job openings reached a record-high 9.3 million at the end of April, sparked in large part by a record number of quits — also known as voluntary separations. The quit rate of 2.7% was the highest since the data was first tracked in 2000. BLS said there were 4 million quits in April, with the largest increases in retail trade (106,000), professional and business services (94,000), and transportation, warehousing and utilities (69,000). (Source: Atlanta Business Chronicle; <a href="#">link to article</a> )

<b>MULTIMODAL:</b>	
<b>Dow Jones Transportation Index</b>	Dow Jones Transportation Average Index <b>decreased 4.91 percent month-to-date</b> return, ending at a reading of 14,976.97 as of June 25, 2021. (Source: S&P Global   A price-weighted average of 20 U.S. companies in the transportation industry. The index includes railroads, airlines, trucking, marine transportation, delivery services, and logistics companies.)



<b>NASDAQ Transportation Index</b>	NASDAQ Transportation Index <b>decreased 3.26%</b> in the past month, ending at a reading of <b>6,403.69</b> on June 25, 2021. Year-to-date, the index is up 15.89%. <i>(Averaged share weights of NASDAQ-listed companies classified as transportation companies)</i>
<b>DOT Freight Transportation Services Index</b>	The USDOT's freight transportation services index <b>rose 0.7% in April 2021 to 136.8</b> due to seasonally-adjusted increases in rail carloads, rail intermodal, pipeline and air freight, despite declines in truck and water. (Source: US BTS) <i>(TSI is based on the amount of freight carried by the for-hire transportation industry)</i>
<b>Cass Freight Index</b>	The Cass Freight Shipments Index was 1.269 in May 2021, an <b>increase of 7.7%</b> from the previous month, and an <b>increase to 35.3%</b> year-over-year. The Cass Freight Expenditures Index was 3.362 in May 2021, a <b>decrease of 2.6%</b> from the previous month and an <b>increase of 49.9%</b> year-over-year. (Source: Cass Information Systems   Cassinfo.com) <i>(Based upon transportation dollars and shipments of Cass clients comprised of over 400 shipping companies)</i>
<b>Shippers Conditions Index</b>	The FTR Shippers Conditions Index (SCI) for April 2021 improved to a <b>reading of -11.9</b> from the previous month. According to FTR, "Lower fuel costs and weaker freight volume were the key changes, offsetting tough utilization and rates. Conditions for shippers are forecast to improve but remain negative into 2022. While things improved in April, they did so from an incredibly weak level, meaning conditions remain highly challenged for shippers in the marketplace across all modes."   <i>ftrintel.com</i> ) <i>(Figures below zero indicate a less-than-ideal environment for shippers)</i>
<b>North American TransBorder Freight</b>	Total transborder freight between the U.S., Canada, and Mexico totaled <b>\$107.4 billion</b> in April 2021 <b>and up 84.7% compared to April 2020</b> . Trucks carried \$68.3 billion of transborder freight <b>down 7.5%</b> compared to March 2021 and continued to be the most heavily utilized mode for moving goods between the U.S. and other North American countries (Canada and Mexico). (Source: US BTS)
<b>Multimodal News Clips:</b>	A widely held theory on pandemic spending is that container imports surged because Americans bought a lot more goods when COVID prevented them from buying services. Ergo, with more vaccinations and fewer hospitalizations, Americans will resume spending on services and consequently have less to spend on goods, the pandemic-induced driver of import demand will wane, spot rates will fall, and the market will return to some semblance of normality. And yet, Americans' spending on restaurants, air travel and other services has rekindled but there's still no evidence of a drop in spending on goods. Container imports remain at peak volumes. <a href="#">Spot ocean rates are still rising</a> . Inventory-to-sales ratios remain stubbornly low — so low that it now looks inconceivable that they can revert to normal this year. Paul Bingham, director of transportation consulting at IHS Markit (NYSE: <a href="#">INFO</a> ), told American Shipper, "We're too far into the year without having recovered [inventories] to get out of this in 2021. We have to look to 2022 for any hope. So many portions of the supply chain are so far behind that it's not going to happen in the next six months." <i>(Source: American Shipper; <a href="#">link to article</a>)</i>

## RAIL:

<b>U.S. Freight Rail Traffic</b>	For week 24 ending June 19, 2021, total originated carloads on U.S. railroads were <b>524,112 carloads and intermodal units, up 12.5% compared to the same week in 2020</b> . Total combined U.S. traffic for the first 24 weeks of 2021 was 12,305,506 carloads and intermodal units, an increase of 13.7 percent compared to last year. (Source: AAR.org) <i>(Report includes rail car-loadings by 20 different major commodity categories)</i>
<b>U.S. Intermodal Rail Traffic</b>	For week 24, 2021 ending June, total US Intermodal Units were <b>281,968, a 10.4% increase</b> compared to the same week in 2020. (Source: Bureau of Transportation Statistics and AAR.org) <i>(Report includes rail car-loadings by 19 different major commodity categories as well as intermodal units)</i>
<b>Railroad Fuel Price Index</b>	The index of average railroad fuel prices in May 2021 was <b>414.1, 7.8% higher</b> than the previous month and a <b>122.4% increase over May 2020</b> . (Source: AAR.org) <i>(Average monthly price for gallons purchased by freight railroads; Includes federal excise taxes, transportation, and handling expenses)</i>
<b>Class 1 Railroad Employment</b>	Railroad employment in May 2021 was <b>115,508 a slight increase</b> from the previous month. (Source: U.S. STB, AAR)
<b>Railroad News Clips:</b>	Federal officials have announced a \$2 million grant for road and infrastructure improvements necessary to establish a new inland port in Hall County, Georgia, that will allow an expansion of operations through the Port of Savannah. The federal funding comes from the U.S. Department of Commerce's Economic Development Administration. The project is expected to create nearly 700 jobs and generate \$185 million in private investment. Expected to open this year, the Northeast Georgia Inland Port will feature 9,000 feet of working track at opening; 18,000 feet of working track at full buildout; and an 80,000 container-lift startup capacity. The port will serve the manufacturing and logistics corridor along Interstate-85/985 in northeast Georgia, including Hall, Gwinnett and surrounding counties. <i>(Source: Progressive Railroad; <a href="#">link to article</a>)</i>

## TRUCKING:



<b>Truckload Linehaul Index</b>	The Cass Truckload Linehaul Index® value of <b>149.00 in May</b> represented a <b>third consecutive all-time record and accelerated</b> to a 14.1% y/y increase from a 13.0% y/y increase in April. On a m/m basis, the seasonally adjusted index was 1.7% higher than March, in the eleventh straight increase. <i>(Source: Cass Information Systems, Inc.   Cassinfo.com)(the index is an indicator of market fluctuations in per-mile dry van truckload pricing in the U.S. and does not include other components like fuel and accessorials. Provides trends in baseline truckload prices)</i>
<b>Truck Tonnage Index</b>	The ATA's seasonally adjusted For-Hire Truck Tonnage Index was <b>113.7</b> in May 2021, a <b>decrease of 0.7% from the previous month but up 3.7% from May 2020</b> . According to ATA Chief Economist Bob Costello, "One freight segment that is helping tonnage is gasoline as demand for travel, both commuting and vacation related, picks up," he said. "I'm also expecting retail freight to remain robust as inventories are at historic lows. As retail stocks are rebuilt, it will boost freight. As has been the case for some time, trucking's biggest challenges are not on the demand side, but on the supply side, including difficulty finding qualified drivers." <i>(Source: American Trucking Associations   Trucking.org. Note: ATA recently revised the seasonally adjusted index to 2015 = 100)</i>
<b>Truckload Freight</b>	The spot market for truckload-freight available for pick-up in May 2021 <b>increased 3.4%</b> compared to the previous month and was <b>290.1% higher</b> year-over-year. Van Load-to-Truck Ratio increased to 6.12 up 27.8% in May 2021. <i>(Source: DAT Trendlines   www.dat.com)</i>
<b>Refrigerated Trucking</b>	In May 2021, the national load-to-truck ratio for refrigerated loads was <b>12.96 loads per truck</b> , up from 9.92 the previous month. <b>Georgia's reefer load-to-truck ratio ranges 12+</b> . In May, the national spot market reefer rate was <b>\$3.10 per mile</b> , up from \$2.93 the previous month. <i>(Source: DAT Trendlines   www.dat.com)</i>
<b>Trucking Conditions Index</b>	FTR's Trucking Conditions Index (TCI) achieved a record-high reading of <b>16.82</b> , surpassing what had been an all-time high in March 2021. <i>(Source: FTR Transportation Intelligence   ftrintel.com) (Figures below zero indicate a less-than-ideal environment for trucking)</i>
<b>Diesel Prices</b>	As of June 21, 2021 the U.S. average diesel price was <b>\$3.287 per gallon</b> . The U.S. average diesel price was <b>\$0.862 higher</b> than the same week last year. The average price of diesel in the Lower Atlantic states was <b>\$3.175 per gallon, 0.805 higher</b> than the same week last year. <i>(Source: U.S. DOE) (Reflects the costs and profits of the entire production and distribution chain.)</i>
<b>Trucking Employment</b>	The trucking industry workforce <b>decreased 0.128% to 1,479.7 million employees total</b> in May 2021. <i>(Source: U.S. Bureau of Labor Statistics)</i>
<b>Trucking Earnings and Hours</b>	The average earnings of truck transportation employees were \$26.77/hour in April 2021, <b>up slightly</b> from the previous month. The average weekly hours totaled 43.0 in April, <b>up 1.42 %</b> from the previous month. <i>(Source: U.S. Bureau of Labor Statistics)</i>
<b>U.S. Truck &amp; Trailer Orders (Class 8)</b>	Preliminary North American Class 8 net orders for May were <b>23,600 units</b> , down 32% from the previous month, but returning to a pace more in line with seasonal trends. <i>(Source: FTR Transportation Intelligence   ftrintel.com)</i>

**Trucking News Clip**

J.B. Hunt Transport Services Inc., one of the largest supply chain solutions providers in North America, and Waymo, the leading autonomous driving technology developer, announced a collaboration today to autonomously move freight in Texas for one of J.B. Hunt's leading customers. The test run will use Waymo Via, the company's autonomous Class 8 trucking unit powered by the Waymo Driver, to haul freight between facilities in Houston and Fort Worth, Texas. The transport along Interstate 45 will be completed using Level 4 autonomous driving technology supervised by Waymo autonomous specialists, a commercially licensed driver and a software technician, on board to monitor every aspect of the Waymo Driver's operations throughout the runs. Through the collaboration, J.B. Hunt and Waymo Via will be exploring how autonomous driving technology can be integrated across fleets and enhance safety and efficiency. The two have worked closely on operational and market studies that explored topics such as best practices for regular maintenance, what future facility layouts will look like, and which lanes are best suited for autonomous driving technology. The trial run will also help J.B. Hunt and Waymo define how they can continue working together long-term. *(Source: American Journal of Transportation; [link to article](#))*

### AIR FREIGHT:

<b>Air Cargo Traffic</b>	Global cargo volumes continue to trend upwards at a strong pace. U.S. airlines carried <b>12% more cargo by weight</b> in April 2021 (preliminary) compared to pre-crisis values in April 2019. The strong rise in demand for transportation benefits air cargo as well as the other modes of transport such as container shipping. This increase had not been fully anticipated, and with the problems caused by insufficient capacity, COVID control measures at trade hubs and generally disrupted supply chains, is creating tensions in global trade. <i>(Source: IATA.org; Global air freight covers international and domestic scheduled air traffic.)</i>
<b>Jet Fuel Prices</b>	As of June 25, 2021, the global average jet fuel price was \$79.58/bbl <b>up 7.8%</b> from the previous month, and <b>90.3% higher</b> year-over-year. <i>(Source: IATA.org; the weekly index and price data shows the global average price paid at the refinery for aviation jet fuel)</i>



## Air Freight News Clips:

AirBridgeCargo Airlines (ABC), part of Volga-Dnepr Group, has signed a three-year contract to become the launch customer of Worldwide Flight Services' (WFS) new cargo terminal at Hartsfield-Jackson Atlanta International Airport (H-JAIA). Under the terms of the agreement, WFS will handle some 9,500 tonnes of cargo annually for AirBridgeCargo, carried onboard approximately 100 Boeing 747-400ERF freighter flights. "2020 put air cargo at the forefront, showing its ability for resilience and agility. Together with reliable and trustworthy partners, such as WFS is, we are happy to contribute with high-quality services for our customers, both in the USA and beyond, especially for special cargoes, such as healthcare, high-tech and e-com. Together with WFS, we will be able to offer dedicated logistics solutions and a quality level our customers and market expect us to have. Through the capabilities of the new terminal, we will support our existing customers from various industries, as well as attract new ones," highlighted Caroline Pappas, Director of Sales, North America. WFS opened its operation at H-JAIA on 15 May 2021 under a 20-year lease agreement with the airport authority for Atlanta's new Cargo Building C, the first new cargo terminal to open at the airport since the 1980s. (Source: American Journal of Transportation; [link to article](#))

## OCEAN FREIGHT:

### Shanghai Containerized Freight Index

The June 25, 2021 SCFI comprehensive reading was **\$ 3,785.4 per FEU**. (Source: Shanghai Shipping Exchange; *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.*)

### Georgia Ports Authority

The Port of Savannah handled **478,620** twenty-foot equivalent container units in May, **an increase of 41.9% compared to last year**. It was the second busiest month in the port's history, and the 10th consecutive month of positive year-over-year growth. (Source: [gaports.com](#))

One of America's largest retailers, Home Depot has just reserved a ship for its sole use. The move underscores just how tight trans-Pacific capacity has become and how worried retailers are about getting goods on shelves at any cost. In an article published Sunday, CNBC interviewed Home Depot President Ted Decker, who said that the ship will exclusively carry Home Depot cargo, will begin service in July, and was employed because consumer demand caught Home Depot by surprise. A Home Depot spokesperson confirmed the CNBC report but declined to offer additional details to American Shipper, such as the ship's name, the duration of its use and whether Home Depot is working with a freight forwarder intermediary. A company the size of Home Depot has high-volume long-term contracts with ocean carriers at lower rates than smaller shippers. However, carriers have been unable to fully meet contract commitments due to extreme congestion, and simultaneously, retail inventory-to-sales ratios remain historically low. Home Depot's decision confirms that costly workarounds are now on the table. (Source: [FreightWaves.com](#); [link to article](#))

### Ocean Freight Business News:

The Port of Savannah handled 478,620 twenty-foot equivalent container units in May, an increase of 41.9 percent compared to last year. It was the second busiest month in the port's history, and the 10th consecutive month of positive year-over-year growth. Port officials said the facilities saw a fast recovery from the global economic downturn of 2020. "Last year, at this time, we were uncertain of the road ahead and expecting a double-digit loss in business," said outgoing Georgia Ports Authority (GPA) Board Chairman Will McKnight. "To see how the GPA team and our supply chain partners have turned things around to achieve a string of the most successful months ever speaks volumes for this world-class workforce." For the fiscal year to date (June through May), GPA has moved nearly 4.9 million TEUs, putting it on pace to surpass 5 million TEUs for the first time. Total cargo crossing all GPA docks reached 3.8 million tons last month, up 26 percent, or 781,121 tons. Rail volumes for the month grew 28 percent, or approximately 12,029 lifts, for a total of 54,436 containers. (Source: *Savannah CEO*; [link to article](#))

## WAREHOUSING & DISTRIBUTION:

### Industrial Vacancy

The U.S. industrial vacancy rate declined 30-basis points (bps) quarter-over quarter, coming in at 4.9% at the end of Q1 2021. Vacancy remained flat year-over-year, and the vacancy rate is now 170 bps below the 10-year historical average of 6.6% for all product types. This decrease is largely due to more demand in the market for quality space than supply can keep up with which can be attributed to the acceleration of e-commerce. (Source: *Cushman & Wakefield*)

### Warehouse Rent Rates

The continued tight market conditions and solid demand brought on another quarter of year-over-year rent growth for Q1 2021, **increasing to \$6.90, from \$6.40 in Q1 2020** per square foot (psf). Warehouse/distribution rents rose during the same period to \$6.26 psf. **The average asking rent in Savannah was \$5.11/SF in Q1 2021.** (Source: *Cushman & Wakefield*)

### Industrial Absorption

The U.S. industrial market started 2021 stronger than expected with demand outpacing supply for the first time since Q2 2019. In fact, in the first quarter alone, the market **absorbed 82.3 million square feet (msf)**, which is the most space ever absorbed in a first quarter of any year reported by Cushman & Wakefield—up 78.2% over the 46.2 msf reported in Q1 2020. The Atlanta market finished the first quarter 2021 at a strong pace, **absorbing 8,747,936 million square feet (msf)**. The net absorption in Q1 2021 in Savannah was 2,109,330 million square feet. (Source: *Cushman & Wakefield*; *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 to 1,408.8 million** employees (preliminary) in May 2021. (Source: *U.S. Bureau of Labor Statistics*)

### Warehouse Earnings and Hours

The average earnings of warehousing & storage employees across the U.S. were **\$22.89/hour in April 2021, up \$0.90** from the previous month. The average weekly hours totaled **40.5 in April, up 0.4 hours** from the previous month. (Source: *U.S. Bureau of Labor Statistics*)



**W&D Business News:**

With the number of warehouses increasing rapidly worldwide due to e-commerce, the capacity and the size of the warehouses are also quickly increasing. As a result, according to a new report from Research and Markets, warehouses are increasingly focusing on using automation solutions for greater material handling capacity and reduced time-to-handle. While the perception would be that warehouse automation is pretty common, more than 80% of warehouses today have no automation whatsoever, the report notes. However, since the last decade, around 15% of the warehouses are being mechanized, while only 5% are using sophisticated automation equipment and solutions. This brings immense market opportunities for the companies in the warehousing automation ecosystem. The warehouse automation market in 2019 was estimated at \$15 billion up by 10.9% from the previous year. (Source: *Material Handling & Logistics*; [link to article](#))

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