

U.S. MARKET:

Gross Domestic Product	<p>The U.S. GDP increased at an annual rate of 2.1% in the third quarter of 2019, according to the second estimate released by the Bureau of Economic Analysis in late November. The increase reflected positive contributions from PCE, federal government spending, residential investment, private inventory investment, exports, and state and local government spending that were partly offset by a negative contribution from nonresidential fixed investment. Imports, which are a subtraction in the calculation of GDP. (Source: US BEA) As of December 2, the latest GDPNow model forecast for real GDP growth (seasonally adjusted annual rate) in the fourth quarter of 2019 is 1.3%. (Source: Federal Reserve Bank of Atlanta) (The GDPNow forecast aggregates statistical model forecasts of 13 subcomponents that comprise GDP.)</p>
U.S. Trade Deficit	<p>The U.S. goods and services trade deficit decreased 7.6% in October 2019 to \$47.2 billion. In October, the U.S. had a trade surplus with South and Central America, Hong Kong, Brazil, OPEC, Singapore, United Kingdom, and Saudi Arabia. The U.S. had a trade deficit with China, European Union, Germany, Japan, Mexico, Italy, Canada, South Korea, India, Taiwan, and France. (Source: US DOC & Census Bureau)</p>
Import Volumes	<p>In October 2019, the U.S. imported \$204.1 billion of cargo, decreasing 2.1% from September. The October imports of other goods (\$10.5 billion) were the highest on record. (Source: US Census)</p>
Export Volumes	<p>In October 2019, the U.S. exported \$136.1 billion of cargo, decreasing 1.4% from September. The October exports of petroleum (\$23.9 billion) were the highest on record, since the series began in 1994. (Source: US Census)</p>
Import & Export Price Index	<p>U.S. import prices increased 0.2% in November 2019. The increase in November was driven by higher fuel prices, which more than offset lower nonfuel prices. U.S. export prices increased 0.2% in November 2019. Higher agricultural prices led the November increase. (Source: Bureau of Labor Statistics)</p>
Unemployment Rate	<p>The unemployment rate in America was 3.5% in November 2019, down from 3.6% in October. A preliminary 266,000 net new jobs were created in November 2019, much more than most economists predicted and the most since January 2019. The unemployment rate in Georgia was 3.4% in October 2019, down from 3.5% the previous month. (Source: US DOL, GDOL, AAR)</p>
Labor Force Participation Rate	<p>The labor force participation rate was 63.2% in November 2019, down 0.2% from the previous month. The labor force participation rate for those of prime working age (25-54) was 82.8% in November, unchanged from 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></p>
Leading Economic Index	<p>The Leading Economic Index for the U.S. decreased 0.1% in October 2019, to a reading of 111.7. According to The Conference Board, "The decline was driven by weaknesses in new orders for manufacturing, average weekly hours, and unemployment insurance claims. The major difference this month is the softening in the labor market, whereas conditions in manufacturing remain weak and show no signs of improvement yet. Taken together, the LEI suggests that the economy will end the year on a weak note, at just below 2 percent growth." (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>Existing home sales were an annualized and seasonally adjusted 1.31 million in October 2019, up 3.8% from September, 8.5% higher than October 2018, and the second highest total for any month so far in 2019. The index of pending home sales (sales that haven't closed yet but contracts have been signed) was 106.7 in October 2019, down 1.7% from the previous month and 4.4% higher year-over-year. According to the National Association of Realtors, "There is no shortage of buyers seeking homes, but a lack of available units continues to drag down the nation's housing market and overall economy. We risk a lingering shortage of sufficient inventory if homebuilding only continues at its current pace over the next 20 years, when the U.S. population is projected to increase by more than 40 million over this period. Clearly, home builders must step in and construct more housing." (Source: U.S. DOC, National Association of Realtors)</p>
Light Vehicle Sales	<p>New light vehicle sales were an annualized and seasonally adjusted 17.1 million in November 2019, up 3.6% from the previous month. Sales of light trucks continue to dominate, accounting for 74.5% of total light vehicle sales in November 2019, their highest percentage for any month in history. (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 less than 0.1% to \$18.8 trillion in October 2019. The increase in personal income in October primarily reflected an increase in wages and salaries that was partially offset by decreases in personal interest income and in farm proprietors' income. During Q2 2019, Personal Income in Georgia was estimated at \$510.0 billion, an increase of 4.8% from Q1 2019. (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	<p>Advanced estimates of retail and food service sales in November 2019 were \$528.0 billion, an increase of 0.2% from the previous month, and up 3.3% from November 2018. Non-store retail sales were 12.1% 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></p>

E-Commerce	<p>The estimate of U.S. retail e-commerce sales for the third quarter of 2019, adjusted for seasonal variation, was \$154.5 billion, an increase of 5.0% from the second quarter of 2019 and 16.9% higher than the third quarter of 2018. E-commerce sales in the third quarter of 2019 accounted for 11.2% 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></p>
Consumer Confidence	<p>The Consumer Confidence Index decreased to 125.5 in November 2019, down 0.6% from the previous month. According to The Conference Board, “Consumer confidence declined for a fourth consecutive month, driven by a softening in consumers’ assessment of current business and employment conditions. The decline in the Present Situation Index suggests that economic growth in the final quarter of 2019 will remain weak. However, consumers’ short-term expectations improved modestly, and growth in early 2020 is likely to remain at around 2 percent. Overall, confidence levels are still high and should support solid spending during this holiday season.” (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></p>
Consumer & Producer Price Index	<p>The Consumer Price Index for all urban consumers was 257.9 in November 2019, up 0.3% from the previous month. Increases in the shelter and energy indexes were major factors in the seasonally adjusted monthly increase of the all items index. The Producer Price Index for final demand was 118.7 in November 2019, unchanged from the previous month. (Source: US Bureau of Labor Statistics)</p>
Small Business Optimism Index	<p>The Small Business Optimism Index was 104.7 in November 2019, up 2.3% from the previous month and the largest month-over-month gain since May 2018. According to the National Federation of Independent Business (NFIB), “November reflects a stark departure from previous months of clatter months about a possible recession that dampened owners’ economic outlook.” Out of 10 index components, eight posted gains, zero 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></p>
Industrial Production and Capacity Utilization	<p>The Industrial Production Index was 108.7 in October 2019, a decrease of 0.8% from the previous month and 1.1% lower than October 2018. Capacity Utilization for the industrial sector was 76.7% in October 2019, down 0.8% from the previous month. (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></p>
Manufacturing & Trade Sales	<p>Total combined sales and manufacturing shipments totaled nearly \$1.46 trillion in October 2019, down 0.1% from the previous month and down 0.1% from October of the previous year. (Source: US Census)</p>
Manufacturing & Trade Inventory	<p>Total value of inventory on-hand is estimated at \$2.04 trillion in October 2019, up 0.2% from the previous month and up 3.1% from October of the previous year. (Source: US Census)</p>
Purchasing Managers Index	<p>The National PMI was 48.1% in November 2019, a decrease of 0.2% from the previous month, reflecting economic activity in the manufacturing sector contracting. New Orders decreased 1.9% to 47.2%, and Production increased 2.9% to 49.1%. In November, 5 out of the 18 manufacturing industries tracked by the ISM reported growth. According to the Institute for Supply Management, “Comments from the panel were consistent with the previous month, with sentiment improving compared to October. November was the fourth consecutive month of PMI® contraction, at a faster rate compared to the prior month.” (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></p>
Purchasing Managers Index in the Southeast	<p>In October 2019, the Southeast PMI increased 3.4% month-over-month to 54.4%. New Orders in the Southeast increased 3.6% to 56.0% and Production increased 6.0% to 56.0% as well. In the month of October, the Southeast’s PMI was 12.6% above the national PMI. (Source: Kennesaw State University) <i>(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.)</i></p>
U.S. Market News	<p>Amazon Logistics parcel volume will reach 65% of total U.S. Amazon orders by 2022, according to analysis from Morgan Stanley based on parcel data from roughly 70,000 Amazon transactions released in a research note this month. Morgan Stanley estimates Amazon is delivering roughly 46% of the items ordered through its U.S. site today — a total of 2.5 billion parcels in 2019. Amazon Logistics’ share of its own orders doubled in 2019. Amazon’s 2019 parcel volume was still lower than that of FedEx (3 billion) and UPS (4.7 billion), but at the current speed of growth, Morgan Stanley expects Amazon Logistics will overtake the legacy players in 2022. Morgan Stanley’s estimates are not predicated on Amazon’s build-out of a shipping service catering to parcels originating from sites other than Amazon e-commerce platform, but the researchers know that is coming too. “[Amazon’s] commitment to increase capacity by 2024/2025 reaffirms our view that a Third-Party Logistics offering is coming,” the note reads. (Source: supplychaindive.com)</p>

MULTIMODAL:

Dow Jones Transportation Index	<p>Dow Jones Transportation Index increased 1.1% in November 2019, ending at a reading of 10,857. <i>(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.)</i></p>
NASDAQ Transportation Index	<p>NASDAQ Transportation Index increased 8.8% in November 2019, ending at a reading of 5,727. <i>(Averaged share weights of NASDAQ-listed companies classified as transportation companies)</i></p>

DOT Freight Transportation Service Index	The USDOT's freight transportation services index was 138.6 in October 2019, an increase of 1.3% from the previous month and 0.5% higher than October 2018. The September increase was broad based with increases in trucking, water, pipeline and air freight, however both rail carloads and rail intermodal declined. (Source: US BTS)
Cass Freight Index	The Cass Freight Shipments Index was 1.152 in October 2019, a decrease of 3.9% from the previous month, and a decrease of 5.9% year-over-year. The Cass Freight Expenditures Index was 2.800 in October, a decrease of 1.9% from the previous month and a decrease of 4.1% year-over-year. According to Cass Information Systems, "All of these negative percentages were against tough comparisons (some extremely tough), and the Cass Shipments Index has gone negative before without being followed by a negative GDP. However, demand is weaker across almost all modes of transportation, both domestically and internationally. We know that freight flows are a leading indicator, so by definition there is a lag between what they are predicting and when the outcome is reported. Nevertheless, we see a growing risk that GDP will go negative by year's end." (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 September 2019 was unchanged at 6.4 , reflecting a still-positive rate outlook. All measures included in the SCI were positive with less favorable fuel pricing offsetting more favorable freight volume, capacity utilization, and logistics cost factors. According to FTR, "Shippers' place in the freight market remains solidly positive as the year moves into its final quarter. We expect shippers' position in the marketplace to slowly deteriorate in 2020 as capacity tightens and freight demand recovers." (Source: FTR Transportation Intelligence ftrintel.com) <i>(Figures below zero indicate a less-than-ideal environment for shippers)</i>
North American Transborder Freight	Surface transport-related trade between the U.S., Canada, and Mexico totaled \$101.4 billion in September 2019, down 0.2% compared to September 2018. Trucks carried \$64.0 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:	State representatives of Canada, Mexico and the U.S. signed a revised version of the U.S.-Mexico-Canada Agreement (USMCA) in Mexico City this month, containing enhanced labor, environmental and pharmaceutical enforcement protections. The USMCA must be ratified by the U.S. Congress before it can go into force. A study from the International Trade Commission (ITC) found the deal would increase the U.S. real GDP by \$68.2 billion (0.35%) and add 176,000 jobs to the U.S. economy (a 0.12% increase). Many of the USMCA's benefits will be seen in the automotive, manufacturing and agricultural sectors, according to the ITC's report, as they represent a significant portion of U.S. exports to Canada and Mexico. (Source: supplychaindive.com)

RAIL:

U.S. Freight Rail Traffic	Total carloads originated by U.S. railroads in November 2019 were down 7.5% (77,166 carloads) from November 2018. It was the tenth straight year-over-year decline. For the first 11 months of 2019, total U.S. carloads were down 4.6%, or 574,287 carloads, from the same period in 2018 and were the lowest for any year since sometime before 1988 when AAR's data began. (Source: AAR.org) <i>(Report includes rail car-loadings by 20 different major commodity categories)</i>
U.S. Intermodal Rail Traffic	U.S. intermodal originations in November 2019 were down 7.4% from November 2018, the tenth straight monthly decline. Year-to-date intermodal volume through November was down 4.7% , or 635,001 containers and trailers, from 2018. (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 November 2019 was 401.4, up 0.1% from the previous month and 7.3% 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 October 2019 decreased to 134,582 employees total. (Source: U.S. STB, AAR)
Short Line Rail Traffic	In October 2019, short line railroad shipments across North America decreased 1.2% year-over-year . A sampling of about 500 short line and regional railroads loaded 364,612 railcars and intermodal units during the month of October. Motor Vehicles and Equipment led gains with a 29.5% increase. Metals and Products led declines, with a decrease of 13.0%. (Source: Railinc Short Line and Regional Traffic Index)
Railroad News Clips:	A tax deal expected to be included in major spending legislation and cleared by Congress this month includes a five-year extension of the short-line railroad 45G tax credit, the American Short Line and Regional Railroad Association (ASLRRRA) announced. Under the legislative proposal, the short-line tax credit would be retroactive from 2018 through 2022. The credit would spur additional short-line infrastructure investment, which is critical to ensuring safe, reliable, cost effective, and environmentally friendly rail service to rural and small town America," said ASLRRRA President Chuck Baker in a prepared statement. "If this is indeed signed into law, it will be a tremendous victory for the thousands of agricultural, energy, industrial, and manufacturing shippers that rely on short-line railroad service every day to connect them to the domestic and global economies," Baker said. (Source: progressiverailroading.com)

TRUCKING:

Truck Tonnage Index	<p>The ATA's seasonally adjusted For-Hire Truck Tonnage Index was 118.1 in October 2019, a decrease of 0.3% from the previous month and an increase of 1.7% from October 2018. According to ATA Chief Economist Bob Costello, "October's tonnage change, both sequentially and year-over-year, fits with an economic outlook for more moderate growth in the fourth quarter. The ongoing slowdown in manufacturing activity also weighed on truck tonnage last month." (Source: American Trucking Associations Trucking.org. Note: ATA recently revised the seasonally adjusted index to 2015 = 100)</p>
Truckload Freight	<p>The spot market for truckload-freight available for pick-up in November 2019 decreased 5.4% compared to the previous month, and was 17.3% lower year-over-year. Truck capacity decreased 17.3% for the month, and increased 5.7% year-over-year. (Source: DAT Trendlines www.dat.com)</p>
Refrigerated Trucking	<p>In November 2019, the load-to-truck ratio for refrigerated loads increased to 5.03 loads per truck. In November, the national spot market reefer rate was \$2.18 per mile, up from \$2.11 the previous month. (Source: DAT Trendlines www.dat.com)</p>
Trucking Conditions Index	<p>The Trucking Conditions Index in October 2019 increased to a reading of -1.04, reflecting improved conditions although still in negative territory. Freight demand was the principal factor driving the improvement. FTR expects trucking to hold steady in a mediocre environment with the TCI hovering close to a neutral reading at least through the first half of 2020. (Source: FTR Transportation Intelligence frintel.com) <i>(Figures below zero indicate a less-than-ideal environment for trucking)</i></p>
Diesel Prices	<p>As of December 9, 2019 the U.S. average diesel price was \$3.04 per gallon. The U.S. average diesel price was \$0.11 lower than the same week last year. The average price of diesel in the Lower Atlantic states was \$2.91 per gallon, 4.3% 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 decreased 0.1% to 1,512,300 employees total in November 2019. (Source: U.S. Bureau of Labor Statistics)</p>
Trucking Earnings and Hours	<p>The average earnings of truck transportation employees were \$25.64/hour in October 2019, up 0.2% from the previous month. The average weekly hours totaled 41.3 in October, down 1.2% from the previous month. (Source: U.S. Bureau of Labor Statistics)</p>
U.S. Truck & Trailer Orders (Class 8)	<p>Preliminary November 2019 Class 8 truck orders totaled 17,300 units, down 21% from October, 39% lower than November 2018, and the lowest November total since 2015. According to FTR, "The fall order season has gotten off to a slow start. Freight growth has stalled from the high rates of last year. This is causing fleets to be much more measured in their ordering for 2020. There still will be plenty of freight to haul, so we expect fleets will continue to be profitable and to replace older equipment. However, there won't be a need for much additional equipment on the roads." Preliminary October 2019 net trailer orders totaled 31,800 units, up 71% from September, but 42% lower than October 2018. According to FTR, "This is great news for the trailer market. Several large dry van fleets placed requirement orders for 2020, showing they have confidence in the freight markets going into next year. Dry van orders were strong despite a lull in freight growth." (Source: FTR Transportation Intelligence frintel.com)</p>
Trucking News Clip	<p>Autonomous trucking company Plus.ai completed its first Level 4 (L4) autonomous coast-to-coast delivery. The vehicle completed the 2,800-mile journey in under three days carrying a refrigerated truckload of Land O' Lakes butter from a distribution hub in Tulare, California to a hub in Quakertown, Pennsylvania. L4 autonomous vehicles have sufficient technical capabilities to navigate a range of road conditions without a driver. However, for Pulse.ai's pilot, a licensed driver and safety engineer were on board at all times to fulfill legal requirements for operating autonomous vehicles on public roads. The pilot run saw the truck navigate a variety of terrain, traffic and weather conditions during the day and at night. To comply with hours of service (HOS) requirements, Shawn Kerrigan, COO and co-founder of Plus.ai, told Supply Chain Dive that the truck driver took over when getting off the highway for rest stops and breaks, otherwise, he said the journey was completed autonomously. (Source: Plus.ai, supplychaindive.com)</p>

AIR FREIGHT:

Air Cargo Traffic	<p>Global air freight traffic in October 2019 was down 3.5% compared to October 2018. This marks the 12th consecutive month of annual declines. According to the IATA, "Removing seasonal fluctuations from the data shows that industry-wide FTK volumes are maintaining the broadly sideways trend of the past seven months or so. Monthly cargo volumes have stabilized, but are yet to show clear signs of recovery. Overall, air freight volumes look set to record a year on-year decline in 2019 and the worst annual outcome since the global financial crisis." (Source: IATA.org.) <i>(Global air freight covers international and domestic scheduled air traffic.)</i></p>
Air Freight Price Index	<p>In October 2019, average airfreight rates for East-West routes increased 3% from the previous month to \$2.74 per kilogram. (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 December 6, 2019 the global average jet fuel price was \$78.29 per barrel; up 0.3% from the previous month, and 2.1% 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:

Boeing plans to temporarily stop production of the 737 Max next month as inventory piles up. The plane has been grounded since March after two crashes, one in 2018 and one in 2019. Boeing cut production levels for the aircraft in April from 52 per month to 42 per month. Still, due to the groundings, more than 400 planes have accumulated in storage. Airlines will be able to return the 737 Max to service after the Federal Aviation Administration determines it is safe. Many of the companies involved in Boeing's supply chain saw their stock price tumble with the announcement that Boeing will halt production of the 737 Max. (Source: Boeing, supplychaindive.com)

OCEAN FREIGHT:

Import Volumes by Ocean

In October 2019, the latest month for which after-the-fact numbers are available, U.S. container ports handled 1.88 million TEUs, a **0.6% increase** from the previous month but **7.5% lower** than the all-time monthly record of 2 million TEUs in October 2018. According to NRF, "The U.S. consumer has shrugged off the slowdown in the economy. Even though growth has slowed, low unemployment and higher wages have helped bolster purchases and, thereby, imports for consumer goods." (Source: NRF/Hackett Associates)

Shanghai Containerized Freight Index

The December 13, 2019 SCFI comprehensive reading was \$880 per FEU, **up 25.4%** from last month. The spot rate for shipments to the U.S. East Coast was \$2,512 per FEU, **up 11.3%** 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.)*

Port of Savannah

The Port of Savannah moved 363,000 TEUs in November 2019, an **increase of 18,460 TEUs, or 5.4%** over November 2018. For the fiscal year to date (July-November), the Georgia Ports Authority has handled nearly 2 million TEUs, an increase of 109,000 TEUs, or **5.8 percent**. The positive numbers achieved last month mean Savannah's Garden City Terminal has marked **year-over-year increases for five consecutive months**, and 34 out of the past 36 months. (Source: GPA)

Port of Brunswick

In Roll-on/Roll-off traffic, Colonel's Island at the Port of Brunswick and Ocean Terminal in Savannah moved a combined 62,146 units of cars, trucks and heavy equipment in November, an **increase of 5%**, or 2,850 units. GPA has handled 281,547 Ro/Ro units, up 2,030 units or approximately 1%, through the first five months of the fiscal year. (Source: Savannahnow.com, GPA)

Ocean Freight Business News:

ONE is joining the New York Shipping Exchange (NYSHEX), a digital freight marketplace for ocean shipping, according to a press release this month. It will begin posting select offers for Transpacific Eastbound trade in December for sailings in January 2020. NYSHEX includes CMA CGM, COSCO, Hapag-Lloyd, HMM, Maersk Line and OOCL among its membership, which it says encompasses 60% of the industry's global capacity. The organization's goal is to act as a neutral contract arbiter for shippers and carriers in an attempt to prevent canceled bookings and cargo rolling. Cargo rolling is a significant challenge for the ocean shipping industry, where "it is not uncommon to see overbookings to the tune of 30%," Silvia Ding, global head of ocean products at Maersk, said in a statement. "Often this leads to rolling of the customers' cargoes since there is overbooking to compensate for the high downfall." By contrast, NYSHEX's digital contracts have a fulfillment rate of 98.4%, according to the release. The organization touts its role as an unbiased arbiter of contract violations or defaults, and the associated penalties, with creating increased reliability for shippers and carriers. It is also preparing to include support for new, customizable contract terms that allow for multiple origins and destinations, in addition to longer validity periods. (Source: ONE, Maersk, supplychaindive.com)

WAREHOUSING & DISTRIBUTION:

Industrial Vacancy

The **nationwide vacancy rate was 5.1%** at the end of the third quarter of 2019, up from 5.0% the previous quarter and up from 4.9% in Q3 2018. None of the 49 markets tracked by NGKF had a double-digit vacancy rate during Q3 2019. The vacancy rate in **Atlanta, GA was 7.8%** in Q3 of 2019. (Source: NGKF)

Warehouse Rent Rates

In Q3 2019, the average asking rent across the U.S. was **\$7.40/SF, 7.4% higher** from one year ago and the highest quarterly average recorded this cycle. Industrial rents have increased by 32.6% over the past five years and have ticked up every quarter since the third quarter of 2011, showing both the consistency and upside of the market. **The average asking rent in Atlanta was \$5.14/SF in Q3 2019.** (Source: NGKF)

Industrial Absorption

Although overall market demand remains high, net absorption has decelerated through the first three quarters of 2019, as the amount of top-quality available product remains limited, even with a growing construction pipeline. Net absorption in the U.S. **decreased** during the third quarter of 2019, posting 40.2 million square feet of net absorption compared with 73.6 million square feet in Q3 of 2018. Of the 49 industrial markets tracked by NGKF, 14 absorbed 1 million square feet or more in Q3 2019. (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 0.7%** to 1,206,000 employees total in November 2019. (Source: U.S. Bureau of Labor Statistics)

Warehouse Earnings and Hours

The average earnings of warehousing & storage employees across the U.S. were \$20.67/hour in October 2019, **down 0.7%** from the previous month. The average weekly hours totaled 41.3 in October, **unchanged** from the previous month. (Source: U.S. Bureau of Labor Statistics)

W&D Business News:

- Amazon.com Inc. is gearing up for the online holiday shopping season by fine-tuning its sprawling delivery network to ensure orders get to customers on time. To that end, the company is testing a new inventory storage service to help meet holiday demand and its next-day shipping pledge without overcrowding its warehouses or running out of products. The new service, Amazon Storage and Replenishment, lets its merchants stage inventory close to Amazon's delivery operation so products can be quickly replenished, according to documents reviewed by Bloomberg. Amazon is trying out the program in Ontario, California, about 20 miles from its closest facilities and has plans to expand the program to other locations around the country, according to the documents. (Source: mhlnews.com)
- Guidoni Group - one of the leading producers and exporters of ornamental stones in the world - will locate a manufacturing facility in McRae-Helena, Georgia, creating 455 jobs and investing \$96 million in the project. The new endeavor will be Guidoni's first quartz-engineered stone manufacturing facility in the United States. The company has set up a U.S. subsidiary, Guidoni USA, Inc., in Georgia, and the Telfair facility will serve as the company's North American headquarters. (Source: Georgia.org)

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