

## U.S. MARKET:

<b>Gross Domestic Product</b>	<p>The U.S. GDP <b>increased at an annual rate of 3.2%</b> in the first quarter of 2019, according to the advance estimate released by the Bureau of Economic Analysis in late April. The increase in real GDP in the first quarter reflected positive contributions from personal consumption expenditures (PCE), private inventory investment, exports, state and local government spending, and nonresidential fixed investment. Imports, which are a subtraction in the calculation of GDP, decreased. (Source: US BEA) As of May 16, <b>the latest GDPNow model forecast for real GDP growth (seasonally adjusted annual rate) in the second quarter of 2019 is 1.2%</b>. (Source: Federal Reserve Bank of Atlanta) <i>(The GDPNow forecast aggregates statistical model forecasts of 13 subcomponents that comprise GDP.)</i></p>
<b>U.S. Trade Deficit</b>	<p>The U.S. goods and services <b>trade deficit increased 1.5%</b> in March 2019 to \$50.0 billion. In March, the U.S. had a trade surplus with South and Central America, Hong Kong, Brazil, Singapore, Saudi Arabia, and OPEC. The U.S. had a trade deficit with China, European Union, Germany, Japan, Mexico, Italy, Canada, South Korea, India, Taiwan, United Kingdom, and France. (Source: US DOC &amp; Census Bureau)</p>
<b>Import Volumes</b>	<p>In March 2019, the U.S. <b>imported \$214.1 billion</b> of cargo, <b>increasing 1.2%</b> from February. The March imports of foods, feeds, and beverages (\$13.1 billion) were the <b>highest on record</b>. (Source: US Census)</p>
<b>Export Volumes</b>	<p>In March 2019, the U.S. <b>exported \$141.7 billion</b> of cargo, <b>increasing 1.4%</b> from February. The March exports to the European Union (\$30.6 billion) and Germany (\$5.8 billion) were the <b>highest on record</b>. (Source: US Census)</p>
<b>Import &amp; Export Price Index</b>	<p>U.S. import prices <b>increased 0.2%</b> in April 2019. The April increase was led by higher fuel prices, which more than offset decreasing prices for nonfuel imports. U.S. export prices <b>increased 0.2%</b> in April 2019. Rising prices for nonagricultural exports led the overall advance in April and more than offset a decline in prices for agricultural exports. (Source: Bureau of Labor Statistics)</p>
<b>Unemployment Rate</b>	<p>The unemployment rate in America <b>was 3.6%</b> in April 2019, down from 3.8% in March. A preliminary <b>263,000 net new jobs were created</b> in April 2019, up from a revised 189,000 jobs reported in March and well above the 207,000 average from 2012 to 2018. Net jobs have now risen for 104 consecutive quarters; <b>the U.S. economy has created more than 21 million jobs since 2010</b>. The unemployment rate in <b>Georgia was 3.8%</b> in April 2019, <b>down from 3.9%</b> from the previous month. (Source: US DOL, GDOL, AAR)</p>
<b>Labor Force Participation Rate</b>	<p>The labor force participation rate <b>was 62.8% in April 2019, down 0.3%</b> from the previous month. The labor force participation rate for those of prime working age (25-54) was 82.2% in April, <b>down 0.4%</b> 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>
<b>Leading Economic Index</b>	<p>The Leading Economic Index for the U.S. <b>increased 0.2%</b> in April 2019, ending at a reading of 112.1. According to The Conference Board, "Stock prices, financial conditions, and consumers' outlook on the economy buoyed the US LEI, although the manufacturing sector showed continuing weakness. The Conference Board expects economic growth to moderate toward 2 percent by year end. The current expansion will enter its 11th year in July, becoming the longest expansion in US history." (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>
<b>Housing Starts</b>	<p>Existing home sales were an annualized and seasonally adjusted 1.14 million in March 2019, <b>down 0.3%</b> from February and <b>14.2% lower</b> than March 2018. The index of pending home sales (sales that haven't closed yet but contracts have been signed) was 105.8 in March 2019, <b>up 3.8%</b> from the previous month and <b>1.2% lower</b> year-over-year, making this the fifteenth straight month of annual decreases. According to the National Association of Realtors, "We are seeing a positive sentiment from consumers about home buying, as mortgage applications have been steadily increasing and mortgage rates are extremely favorable." (Source: U.S. DOC, National Association of Realtors)</p>
<b>Light Vehicle Sales</b>	<p>New light vehicle sales were an annualized and seasonally adjusted 16.4 million in April 2019, <b>down 5.8%</b> from the previous month and <b>down 1.7%</b> from April 2018. In 2019 through April, light trucks accounted for 70% of total new light vehicle sales, more than ever before. According to the National Automobile Dealers Association, "We expect sales to continue to decline for the year due to increasing transaction prices on new vehicles, post-recession high interest rates and competition from a peaking supply of nearly new off-lease vehicles returning to dealership lots." (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>
<b>Personal Income</b>	<p>Personal Income <b>increased 0.1%</b> to \$18.1 trillion in March 2019. The increase in personal income in March primarily reflected increases in compensation of employees and government social benefits to persons that were partially offset by decreases in personal interest income and farm proprietors' income. During Q4 2018, Personal Income in Georgia was estimated at \$490.8 billion, an <b>increase of 4.6%</b> 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></p>
<b>Retail Sales</b>	<p>Advanced estimates of retail and food service sales in April 2019 were <b>\$513.4 billion, a decrease of 0.2%</b> from the previous month, and <b>up 3.1%</b> from April 2018. Non-store retail sales were <b>10.4% higher</b> 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>

<b>E-Commerce</b>	<p>The estimate of U.S. retail e-commerce sales for the first quarter of 2019, adjusted for seasonal variation, was \$137.7 billion, <b>an increase of 3.6%</b> from the fourth quarter of 2018 and <b>12.4% higher than the first quarter of 2018</b>. E-commerce sales in the first quarter of 2019 accounted for 10.2% 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>
<b>Consumer Confidence</b>	<p>The Consumer Confidence Index <b>increased to 129.2</b> in April 2019, <b>up 4.0%</b> from the previous month. According to The Conference Board, "Consumer Confidence partially rebounded in April, following March's decline, but still remains below levels seen last Fall. The Present Situation Index, which had decreased sharply last month, improved in April, as did consumers' short-term outlook. Overall, consumers expect the economy to continue growing at a solid pace into the summer months. These strong confidence levels should continue to support consumer spending in the near-term." (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>
<b>Consumer &amp; Producer Price Index</b>	<p>The Consumer Price Index for all urban consumers was <b>255.0</b> in April 2019, <b>up 0.3%</b> from the previous month. The gasoline index continued to increase, rising 5.7% and accounting for over two-thirds of the seasonally adjusted all items monthly increase. The index for energy rose 2.9%, although the index for natural gas declined and the index for electricity was unchanged. The Producer Price Index for final demand was <b>118.1</b> in April 2019, <b>up 0.2%</b> from the previous month. Leading the April rise in the index for final demand, prices for final demand goods climbed 0.3%. The index for final demand services edged up 0.1%, and prices for final demand construction advanced 1.6%. (Source: US Bureau of Labor Statistics)</p>
<b>Small Business Optimism Index</b>	<p>The Small Business Optimism Index was 103.5 during April 2019, <b>up 1.7% from the previous month</b>. According to the National Federation of Independent Business (NFIB), "America's small and independent businesses are rebounding from the first quarter 'shut down, slow down' and don't appear to be looking back. April's Index is further evidence that when certainty and stability increase, so do optimism and action." Out of 10 index components, nine posted gains, one was unchanged, and zero 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>
<b>Industrial Production and Capacity Utilization</b>	<p>The Industrial Production Index was 109.2 in April 2019, <b>a decrease of 1.3%</b> from the previous month and <b>1.2% lower than April 2018</b>. Capacity Utilization for the industrial sector was <b>77.9%</b> in April 2019, <b>up 2.0%</b> from April 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></p>
<b>Manufacturing &amp; Trade Sales</b>	<p>Total combined sales and manufacturing shipments totaled nearly <b>\$1.47 trillion</b> in March 2019, <b>up 1.6% from the previous month and up 3.7% from March of the previous year</b>. (Source: US Census)</p>
<b>Manufacturing &amp; Trade Inventory</b>	<p>Total value of inventory on-hand is estimated at <b>\$2.10 trillion</b> in March 2019, <b>unchanged from the previous month and up 5.0% from March of the previous year</b>. (Source: US Census)</p>
<b>Purchasing Managers Index</b>	<p>The National PMI <b>decreased to 52.8%</b> in April 2019, a <b>decrease of 2.5%</b> from the previous month. With a reading above 50, the overall economy grew for the 120<sup>th</sup> consecutive month. New Orders <b>decreased 5.7%</b> to 51.7%, and Production <b>decreased 3.5%</b> to 52.3%. In April, 13 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></p>
<b>Purchasing Managers Index in the Southeast</b>	<p>In April 2019, the Southeast PMI <b>decreased 0.9%</b> month-over-month to <b>55.4%</b>. New Orders in the Southeast <b>increased</b> to 62.5% and Production <b>increased</b> to 62.5% as well. In the month of April, the Southeast's PMI was <b>4.9% above</b> 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>
<b>U.S. Market News</b>	<p>About 10% of merchandise sold in the U.S. 2018 was returned. The figure was the same in 2017 after more than a decade of relative stasis in the high single digits, according to surveys and data from the National Retail Federation and Appriss. Returns have grown from \$171.4 billion in 2007 to \$369 billion in 2018, according to Appriss. The slight uptick in the percentage of sales returned could be the result of e-commerce, according to Tom Rittman, the vice president of marketing at Appriss. "Online transactions have a much higher return rate than in the stores," Rittman told Supply Chain Dive. Customers who buy online might buy multiple sizes or colors to see what they like and end up returning what they don't want, he said. Adding to the complexity of reverse logistics are fraudulent returns. About 5% of total returns are fraudulent, according to Appriss. Retailers have done a good job of ensuring returns fraud hasn't grown as a percentage of overall sales, according to Rittman. But bad actors are still occasionally able to take advantage of store return policies. There were about \$18 billion in fraudulent returns in 2018, according to Appriss' most recent report. (Source: supplychaindive.com, Appriss)</p>

## MULTIMODAL:

<b>Dow Jones Transportation Index</b>	<p>Dow Jones Transportation Index <b>increased 1.9%</b> in April 2019, ending at a reading of 10,847. (A price-weighted average of 20 U.S. companies in the transportation industry, average of April 1<sup>st</sup> thru April 30<sup>th</sup>. The index includes railroads, airlines, trucking, marine transportation, delivery services, and logistics companies.)</p>
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<b>NASDAQ Transportation Index</b>	NASDAQ Transportation Index <b>increased 2.8%</b> in April 2019, ending at a reading of 5,294. <i>(Averaged share weights of NASDAQ-listed companies classified as transportation companies, average of April 1<sup>st</sup> thru April 30<sup>th</sup>)</i>
<b>DOT Freight Transportation Service Index</b>	The USDOT's freight transportation services index was 136.2 in March 2019, an <b>increase of 0.4%</b> from the previous month and <b>1.3% higher</b> than March 2018. The March increase in Freight TSI was driven by growth in trucking, water and air freight, while pipeline, rail carloads, and rail intermodal declined. (Source: US BTS)
<b>Cass Freight Index</b>	The Cass Freight Shipments Index was 1.194 in April 2019, a <b>decrease of 0.3%</b> from the previous month, and a <b>decrease of 3.2%</b> year-over-year. The Cass Freight Expenditures Index was 2.909 in April, <b>an increase of 0.7%</b> from the previous month and an <b>increase of 6.2%</b> year-over-year. According to Cass Information Systems, "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." (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 Shippers Conditions Index for February 2019 decreased from the previous month, to a <b>reading of 0.6</b> . According to FTR, "February is the fifth consecutive month that the SCI has been in positive territory with forecasts for the shipping environment to gradually improve through early Q4. After that, conditions should settle into a near neutral range with truck freight rates expected to be down, capacity additions likely decelerating and a relatively stable fuel cost outlook. However, if recent increases in crude oil prices continue, that could raise shippers' costs and negatively impact the SCI reading." (Source: FTR Transportation Intelligence   ftrintel.com) <i>(Figures below zero indicate a less-than-ideal environment for shippers)</i>
<b>NAFTA Trade</b>	Surface transport-related trade between the U.S. and its NAFTA partners, Canada and Mexico totaled \$94.2 billion in February 2019, <b>up 0.2%</b> from the previous month. Trucks carried \$60.2 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)
<b>Multimodal News Clips:</b>	Ford has partnered with Agility Robotics to pilot Digit, a two-legged autonomous delivery robot that can carry up to 40 pounds and navigate up and down stairs, through your front yard to your door. Digit will be paired with autonomous delivery vehicles to test the feasibility of removing humans from the last-mile, and even last-yard, equation. "If we can free people up to focus less on the logistics of making deliveries, they can turn their time and effort to things that really need their attention," Vice President of Ford Research and Advanced Engineering and Chief Technology Officer Ken Washington said. This pilot is part of a broader collaboration between Ford, Walmart and Postmates to test autonomous food and consumer products delivery that launched in late 2018. Ford is providing the self-driving vehicles, leveraging Walmart's existing delivery customers, and using Postmates' last-mile delivery networks to fulfill orders. (Source: supplychaindive.com)

## RAIL:

<b>U.S. Freight Rail Traffic</b>	U.S. rail carloads in April 2019 totaled 1.04 million, <b>down 0.9%</b> (9,130 carloads) from April 2018 and the third straight year-over-year monthly decrease for total carloads. In April, just 6 of the 20 carload commodity categories the AAR tracks saw carload gains. For the first four months of 2019, total U.S. carloads were down 2.5%, or 109,930 carloads, from the first four months in 2018. (Source: AAR.org) <i>(Report includes rail car-loadings by 20 different major commodity categories)</i>
<b>U.S. Intermodal Rail Traffic</b>	U.S. intermodal originations totaled 1.06 million in April 2019, <b>down 3.9%</b> from April 2018. This is the third straight monthly decline for intermodal, which last happened in the Fall of 2016. For the first four months of 2019, intermodal was down 1.4% (62,724 units) compared to the same time period last year. (Source: 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 April 2019 was 423.5, <b>up 3.6%</b> from the previous month and <b>0.4% higher</b> 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>
<b>Class 1 Railroad Employment</b>	Railroad employment in March 2019 <b>decreased 0.1% from the previous month</b> to 144,948 employees total; the fourth straight month-to-month decline. The vast majority of the decline was in maintenance of equipment employment. (Source: U.S. STB, AAR)
<b>Short Line Rail Traffic</b>	In April 2019, short line railroad shipments across North America <b>increased 2.8% year-over-year</b> . A sampling of about 500 short line and regional railroads <b>loaded 365,357 railcars</b> and intermodal units during the month of April. Nonmetallic Minerals led gains with a 40.2% increase. Metallic Ores led declines, with a decrease of 30.2%. (Source: Railinc Short Line and Regional Traffic Index)
<b>Railroad News Clips:</b>	Freight railroads are using artificial intelligence to get smarter about maintenance. BNSF Railway Co., CSX Corp. and Norfolk Southern Corp. have been deploying AI-related applications and say they're encouraged by the results, the WSJ's Jared Council reports, including cost savings on the repairs of track and rolling stock. The pilots highlight how freight transportation, with far-flung operations that are largely outdoors and seemingly always in use, have become hotbeds for testing new AI technology. BNSF is testing an AI application that predicts which stretches of track are mostly likely to need repairs soon, using machine learning and computer vision to analyze images of tracks that have surface anomalies. CSX uses a similar application backed by radar and special scanning equipment to examine wooden

rail ties. That's a big step from conventional maintenance, which has long involved having workers simply walk along tracks to look for cracks. (Source: wsj.com)

**TRUCKING:**

<p><b>Truck Tonnage Index</b></p>	<p>The ATA's seasonally adjusted For-Hire Truck Tonnage Index was 121.8 in April 2019, an <b>increase of 7.4% from the previous month and an increase of 7.7% from April 2018</b>. According to ATA Chief Economist Bob Costello, "February and March were particularly weak months, as evidenced by the 3.5% dip in tonnage due to weather and other factors, so some of the gain was a catch-up effect. In addition, the Easter holiday was later than usual, likely pushing freight that would ordinarily be moved in March into April." (Source: American Trucking Associations   Trucking.org. Note: ATA recently revised the seasonally adjusted index to 2015 = 100)</p>
<p><b>Truckload Freight</b></p>	<p>The spot market for truckload-freight available for pick-up in April 2019 <b>increased 3.1%</b> compared to the previous month, and was <b>53.5% lower</b> year-over-year. Truck capacity <b>increased 9.8%</b> for the month, and <b>increased 42.3%</b> year-over-year. (Source: DAT Trendlines   www.dat.com)</p>
<p><b>Refrigerated Trucking</b></p>	<p>In April 2019, the load-to-truck ratio for refrigerated loads <b>decreased to 2.58</b> loads per truck. In April, the national reefer rate was \$2.15 per mile, \$0.02 lower than the previous month. (Source: DAT Trendlines   www.dat.com)</p>
<p><b>Trucking Conditions Index</b></p>	<p>The Trucking Conditions Index in March 2019 <b>decreased to a reading of -1.18</b>, the first negative reading in several years. According to FTR, "The measure reflects a softening environment for carriers as freight rates continue to ease and demand outlook is sluggish although positive. Active truck utilization, as well as the truckload (TL) rate outlook, continued to ease in March. The weakness in TL rates is mostly on spot rates, but the contract rate outlook also has turned slightly negative." (Source: FTR Transportation Intelligence   ftrintel.com) <i>(Figures below zero indicate a less-than-ideal environment for trucking)</i></p>
<p><b>Diesel Prices</b></p>	<p>As of May 13, 2019 the U.S. average diesel price was <b>\$3.16 per gallon</b>. The U.S. average diesel price was <b>\$0.07 higher</b> than the same week last year. The average price of diesel in the Lower Atlantic states was <b>\$3.03 per gallon, 4.1% less than the national average price</b>. (Source: U.S. DOE) <i>(Reflects the costs and profits of the entire production and distribution chain.)</i></p>
<p><b>Trucking Employment</b></p>	<p>The trucking industry workforce <b>decreased by approximately 500 employees to 1,516,300 employees total</b> in April 2019. The trucking industry workforce <b>decreased 0.03%</b> over the previous month and <b>increased 2.4%</b> over April 2018. (Source: U.S. Bureau of Labor Statistics)</p>
<p><b>Trucking Earnings and Hours</b></p>	<p>The average earnings of truck transportation employees were \$24.83/hour in March 2019, <b>down 0.1%</b> from the previous month. The average weekly hours totaled 41.3 in March, <b>up 0.5%</b> from the previous month. (Source: U.S. Bureau of Labor Statistics)</p>
<p><b>U.S. Truck &amp; Trailer Orders (Class 8)</b></p>	<p>Preliminary data for heavy-duty Class 8 trucks net orders in North America were 15,200 units in March 2019, <b>down 8%</b> from the previous month, <b>down 67%</b> from March 2018, and the <b>lowest March for orders since 2010</b>. According to FTR, "Most fleets ordered well in advance of their need for trucks in 2019. OEM production slots were scarce in 2018 and supplier constraints caused disruptions in supply, so fleets didn't want to get shutout this year. Now so many build slots have been reserved, fleets that are currently placing orders for delivery this year don't have many options." Preliminary March 2019 net trailer orders totaled <b>13,500 units, down 43%</b> from February, <b>52% lower</b> than March 2018, and the <b>lowest March since 2008</b>. According to FTR, "This low order number is not surprising. Backlogs had fallen little so far in 2019, and are at unreasonable levels. Fleets still need more trailers, based on the robust production, so demand has not changed in the short run. The weak orders are totally the result of the lack of available production openings. However, cancellations will continue to be a factor due to a large, fluid, backlog." (Source: FTR Transportation Intelligence   ftrintel.com)</p>
<p><b>Trucking News Clip</b></p>	<p>Last summer, the Department of Transportation announced a pilot that would allow drivers aged 18 to 20 with military experience to operate large trucks in interstate commerce. A new proposed pilot would do the same for those without military experience. The FMCSA is looking for comments on the training, qualification and safety issues that should be considered for this second pilot program. It is specifically looking for available safety data on 18- to 20-year-old drivers who operate commercial vehicles in intrastate commerce, where drivers this age are currently allowed to operate. The news of this pilot comes as the DRIVE-Safe Act, which looks to lower the driving age for interstate commerce to 18, has been sitting in Congress for three months without a vote. The act is highlighted in FMCSA's posting on the Federal Register as legislation looking to accomplish goals similar to what the pilot proposes. (Source: supplychaindrive.com)</p>

**AIR FREIGHT:**

<p><b>Air Cargo Traffic</b></p>	<p>Global air freight traffic in March 2019 <b>was up 0.1% compared to March 2018</b>. According to the IATA, "Although this represents a sharp turnaround from last month, it would be premature to view this outcome as a change in the recent trend, especially given the typical data volatility in the early months of the year." (Source: IATA.org.) <i>(Global air freight covers international and domestic scheduled air traffic.)</i></p>
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**Atlanta Air Cargo Traffic** In February 2019, Hartsfield-Jackson Atlanta International Airport transported **53,325 metric tons** of cargo, a **0.7% increase** from the previous month and a **0.8% decrease** year-over-year. (Source: HJIA)

**Air Freight Price Index** In February 2019, average airfreight rates for East-West routes decreased 15.0% over the previous month to \$2.47 per kilogram. The decline reflects the downturn in demand for airfreight in the first quarter of 2019 that is being experienced internationally by many airports and carriers. (Source: Drewry, [aircargoworld.com](http://aircargoworld.com)) *(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.)*

**Jet Fuel Prices** As of May 17, 2019 the global average jet fuel price was \$87.98 per barrel; **up 3.9%** from the previous month, and **6.4% lower** year-over-year. (Source: IATA.org, [platts.com](http://platts.com)) *(The weekly index and price data shows the global average price paid at the refinery for aviation jet fuel)*

**Air Freight News Clips:** The Federal Aviation Administration (FAA) projects that the number of commercial drones in the skies could triple by 2023, according to an annual forecast report. The growth in the commercial drone market will come as the non-commercial, or model, drone market appears to be slowing. The FAA had registered more than 900,000 owners and some 1.25 million model drones as of the end of 2018, but the market is only expected to grow to 1.39 million units by 2023. The FAA says the "thriving" unmanned aircraft systems (UAS) market has brought "operational challenges" integrating the vehicles and pilots into existing airspace. The FAA has been trying to get ahead of the possible airspace problems that would come with growth in drone use. In 2015, the agency required that owners register their drones online in order to better track their use. Registration, the agency says, has continued to grow, although it grew more slowly in 2018. Still, at the current rate, the number of commercial drones by the end of this year is projected to surpass last year's projections for the year 2022. (Source: [supplychaindive.com](http://supplychaindive.com))

## OCEAN FREIGHT:

**Import Volumes by Ocean** In March 2019, the latest month for which after-the-fact numbers are available, U.S. container ports handled 1.61 million TEUs, a **0.6% decrease** from the previous month and **4.4% higher** than March 2018. According to NRF, "Imports at the nation's major retail container ports are expected to see unusually high levels the remainder of this spring and through the summer. Much of this is driven by consumer demand but retailers are likely to resume stocking up merchandise before new tariffs can take effect." (Source: NRF/Hackett Associates)

**Shanghai Containerized Freight Index** The May 17<sup>th</sup> SCFI comprehensive reading was **\$726 per FEU, down 4.6%** from last month. The spot rate for shipments to the U.S. East Coast was **\$2,597 per FEU, down 1.4%** from the previous month. (Source: Shanghai Shipping Exchange | [www1.chineseshipping.com.cn/en](http://www1.chineseshipping.com.cn/en)) *(The Shanghai Containerized Freight Index reflects the spot rates of the Shanghai container transport market. It is a weekly reported average spot rate of 15 major container trade routes exported from Shanghai to regions around the globe.)*

**Baltic Dry Index** The Baltic Dry Index **increased 47.6%** in April 2019, ending at 1,011. Year-to-date, the index **decreased 16.7%**. (Source: [www.bloomberg.com/quote/BDIY:IND](http://www.bloomberg.com/quote/BDIY:IND).) *(The Baltic Dry Index is an index that tracks and averages worldwide international shipping prices of various dry bulk cargoes.)*

**Port of Savannah** The Port of Savannah moved 364,481 TEUs in April 2019, an **11.2% decrease** from the previous month, **2.2% higher** compared to April 2018, and the **busiest April in GPA's history**. In April, intermodal cargo **increased by 11%** compared to April 2018. For the fiscal year-to-date, the Port of Savannah moved 3.7 million TEUS, an **increase of 8.7%** compared to the same period in FY2018. (Source: GPA)

**Port of Brunswick** The GPA board has authorized an expansion of auto-handling capacity at the Port of Brunswick, approving \$6.7 million for the Colonel's Island North Side Paving Project - Phase I. The project includes upgrades of approximately 33 acres, new pavement striping, and new facility gates for trucks and other vehicles. The project will accommodate BMW, one of Georgia's longest standing and largest auto processing customers. Recently, GPA and BMW renewed a multi-year agreement to move the luxury vehicles over Colonel's Island Terminal. . (Source: GPA)

**Ocean Freight Business News:** Containerized agricultural exports will remain the backhaul commodity of choice for ports and carriers for the foreseeable future, although market growth is shifting from Northeast Asia to Southeast Asia and the Indian subcontinent. US exports of containerized cereals, cotton, fruits, nuts, vegetables, and grains such as soybeans totaled 1,465,462 TEU in 2018, slipping 0.1 percent from 2017. However, the compound annual growth rate over the past five years was 9.3 percent, according to PIERs data. Although US growers export agricultural products to much of the world, containerized agricultural commodities are largely a trans-Pacific cargo, with Northeast Asia, Southeast Asia, and the Indian subcontinent accounting for about 76 percent of total US agricultural exports to the world. Bruce Abbe, strategic adviser for the Specialty Soya and Grains Alliance, added that the exporters of specialty products such as peas, lentils, and pulses say markets through Southeast Asia and the Indian subcontinent will continue to grow in the coming years as manufacturing jobs expand and the middle-class populations in those regions increase. Carriers welcome this development because it generates a two-way haul, with imports of consumer merchandise into the US and growing agricultural exports for the backhaul. (Source: [joc.com](http://joc.com))

## WAREHOUSING & DISTRIBUTION:

<b>Industrial Vacancy</b>	The <b>nationwide vacancy rate was 5.0%</b> at the end of the first quarter of 2019, unchanged from the previous quarter and down from 5.1% in Q4 2018. None of the 49 markets tracked by NGKF had a double-digit vacancy rate during Q1 2019. The vacancy rate in <b>Atlanta, GA was 7.0%</b> in Q1 of 2019. (Source: NGKF)
<b>Warehouse Rent Rates</b>	In Q1 2019, the average asking rent across the U.S. was <b>\$7.24/SF, up 1.5%</b> from the prior quarter and <b>9.2% higher</b> from one year ago. Nine industrial markets experienced double digit rent growth over the past year. Industrial rents have increased in each quarter since Q3 2011, affirming the incredible resilience and consistency of the market. <b>The average asking rent in Atlanta was \$5.26/SF in Q1 2019.</b> (Source: NGKF)
<b>Industrial Absorption</b>	Net absorption in the U.S. <b>decreased</b> during the first quarter of 2019, posting 36.7 million square feet of net absorption compared with 65.1 million square feet in the prior quarter. The dip in absorption can be attributed to a lack of vacant inventory, rather than a reduction in demand, as leasing activity proceeds at a feverish pace. Of the 49 industrial markets tracked by NGKF, 15 absorbed 1 million square feet or more in Q1 2019. (Source: NGKF) <i>(Absorption is the net change in occupied space between two points in time. Positive absorption means that previously unoccupied space is being occupied.)</i>
<b>Warehouse Employment</b>	The nationwide warehousing industry workforce <b>increased by 5,400 employees</b> to 1,192,000 employees total in April 2019. The warehouse industry workforce <b>increased 0.5%</b> from the previous month and <b>increased 6.1%</b> year-over-year. (Source: U.S. Bureau of Labor Statistics)
<b>Warehouse Earnings and Hours</b>	The average earnings of warehousing & storage employees across the U.S. were \$20.47/hour in March 2019, <b>up 0.5%</b> from the previous month. The average weekly hours totaled 40.8 in March, <b>up 1.5%</b> from the previous month. (Source: U.S. Bureau of Labor Statistics)
<b>W&amp;D Business News:</b>	<ul style="list-style-type: none"> <li>• By 2028, more than 90% of respondents to a fulfillment survey by Zebra Technologies expect to have adopted a wide range of technologies like barcode scanners, RFID inventory management and wearable mobile computers, according to the survey. Wearables is one technology category seeing a lot of its growth with consumer products like watches and earbuds, but one application — head-mounted displays, which includes augmented reality (AR) and virtual reality (VR) — is arguably making a bigger splash in industry rather than the consumer space, according to a forecast by Gartner. Gartner expects head-mounted display technology like AR and VR to grow by more than 45 million shipments between 2019 and 2022. In industry, and in warehouse settings specifically, such displays already are proving useful. AR hardware can allow a user to see documents or instructions in their field of view that tell the user what item to pick and its location. While many companies are beginning to show interest in this kind of technology, Nick Finill, a senior analyst at ABI Research, suggests those that haven't do their research and make sure it will improve on existing processes. (Source:supplychaindive.com)</li> <li>• Acoustics &amp; Insulation Techniques (AIT), an audio insulation supplier to the automotive and construction industries, will create 45 jobs and invest \$12 million in their first U.S. manufacturing facility in Augusta, Georgia. Newly created jobs will include highly skilled positions in manufacturing. Production is slated to begin in July 2019. (Source: Georgia.org)</li> </ul>

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For more information about the **Logistics Market Snapshot** or the many other resources and activities of the **Georgia Center of Innovation for Logistics** please contact:  
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