



U.S. MARKET:

Gross Domestic Product

The U.S. GDP **increased at an annual rate of 33.1%** in the third quarter of 2020, according to the advanced estimate released by the Bureau of Economic Analysis in late October. The increase in real GDP reflected increases in personal consumption expenditures (PCE), private inventory investment, exports, nonresidential fixed investment, and residential fixed investment that were partly offset by decreases in federal government spending (reflecting fewer fees paid to administer the Paycheck Protection Program loans) and state and local government spending. Imports, which are a subtraction in the calculation of GDP, increased. (Source: US BEA) As of November 4, the latest GDPNow model forecast for real GDP growth (seasonally adjusted annual rate) in the **fourth quarter of 2020 is 3.2%**. (Source: Federal Reserve Bank of Atlanta) (The GDPNow forecast aggregates statistical model forecasts of 13 subcomponents that comprise GDP.)

U.S. Trade Deficit

The U.S. goods and services **trade deficit decreased 4.7%** in September 2020 to \$63.9 billion. Exports and imports in September reflect both the ongoing impact of the COVID-19 pandemic and the continued recovery from the sharp declines earlier this year. In September, the U.S. had a trade surplus with South and Central America, Hong Kong, Brazil, OPEC, Saudi Arabia, Singapore, and United Kingdom. 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)

Import Volumes

In September 2020, the U.S. **imported \$203.5 billion** of cargo, **increasing 0.6%** from the previous month. The September import of foods, feeds, and beverages (\$13.5 billion) was the **highest on record**. (Source: US Census)

Export Volumes

In September 2020, the U.S. **exported \$122.8 billion** of cargo, **increasing 3.7%** from the previous month. The September exports of foods, feeds, and beverages (\$12.9 billion) were the **highest since July 2012**. (Source: US Census)

Import & Export Price Index

U.S. import prices **decreased 0.1%** in October 2020, after increasing 2.0% the previous month. The October decline was driven by lower fuel prices which more than offset higher nonfuel prices. U.S. export prices increased 0.2% in October, continuing the upward trend of the 4 previous months. In October, the advance was driven by higher agricultural export prices; prices for nonagricultural exports were unchanged. Even with the recent increases, export prices declined 1.6% for the year ended in October. (Source: Bureau of Labor Statistics)

Unemployment Rate

The unemployment rate in America **was 6.9%** in October 2020, **down from 7.9%** the previous month. A **preliminary 638,000 net new jobs were created** in October 2020, the sixth straight month with employment gains, but the smallest gain in those six months. Some economists think the slowdown in job gains is a sign that firms have, by and large, rehired the workers they need to meet current demand. The unemployment rate in **Georgia was 4.5% in October, down from 6.4%** the previous month. (Source: AAR, US DOL, GDOL)

Labor Force Participation Rate

The labor force participation rate **was 61.7% in October 2020, up from 61.4%** the previous month. The labor force participation rate for those of prime working age (25-54) was 81.2% in October, up from 80.9% the previous month. (Source: U.S. Bureau of Labor Statistics, AAR, FRED) *(The Workforce Participation Rate measures the share of Americans at least 16 years old who are either employed or actively looking for work)*

Leading Economic Index

The Leading Economic Index for the U.S. **increased 0.7%** in October 2020, to a reading of 108.2. According to The Conference Board, "The US LEI rose again in October, with widespread improvements despite weakness from housing permits and consumers' outlook on economic conditions. However, the leading index has been decelerating in recent months, which suggests growth will moderate significantly in the final months of 2020, slowing down from the unusually rapid pace in Q3. Furthermore, downside risks to growth from a second wave of COVID-19 and high unemployment persist. While The Conference Board projects the US economy will expand in Q4, the pace of growth is unlikely to exceed 2.2 percent (annual rate)." (Source: Conference Board | Note: The LEI was recently revised the seasonally adjusted index to 2016 = 100) *(The LEI is a composite of 10 economic indicators that together create an analytic system designed to signal peaks and troughs in the business cycle. The LEI reveals patterns in economic data in a clearer and more convincing manner than any individual component alone.)*

Housing Starts

Existing home sales were an annualized and seasonally adjusted 1.42 million in September 2020, **up 1.9%** from the previous month, and **up 11.1%** year-over-year. The index of pending home sales (sales that up closed yet but contracts have been signed) was 130.0 in September 2020, **down 2.2%** from the previous month but **20.5% higher** year-over-year. According to the National Association of Realtors, "The demand for home buying remains super strong, even with a slight monthly pullback in September, and we're still likely to end the year with more homes sold overall in 2020 than in 2019. With persistent low mortgage rates and some degree of a continuing jobs recovery, more contract signings are expected in the near future." (Source: AAR, National Association of Realtors)

Light Vehicle Sales

New light vehicle sales were an annualized and seasonally adjusted 16.2 million in October 2020, **down** from 16.3 million the previous month. Sales might have been higher the past couple of months if not for extremely tight inventory levels on many dealer lots. In the first 10 months of 2020, total new light vehicle sales were 11.65 million, down 17.0% (2.39 million vehicles) from the first 10 months of 2019. So far in 2020, light trucks (SUVs, minivans, and pickups) accounted for 76% of sales, more than ever before. Ten years ago, they accounted for half. (Source: AAR) *(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.)*



Personal Income	<p>Personal Income increased 0.9% to \$19.8 trillion in September 2020. The increase in personal income in September reflected increases in proprietors' income, compensation of employees, and rental income of persons that were partly offset by a decrease in government social benefits. The September estimate for personal income and outlays was impacted by the response to the spread of COVID-19. Federal economic recovery payments slowed, as pandemic-related assistance programs continued to wind down. (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 October 2020 were \$553.3 billion, an increase of 0.3% from the previous month, and 5.7% above October 2019. Non-store retail sales were 21.9% 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 2020, adjusted for seasonal variation, was \$209.5 billion, a decrease of 1.0% from the previous quarter and 36.7% higher than the third quarter of 2019. E-commerce sales in the third quarter of 2020 accounted for 14.3% 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 slightly decreased to 100.9 in October 2020, down 0.4% from the previous month. According to The Conference Board, "Consumers' assessment of current conditions improved while expectations declined, driven primarily by a softening in the short-term outlook for jobs. There is little to suggest that consumers foresee the economy gaining momentum in the final months of 2020, especially with COVID-19 cases on the rise and unemployment still high." (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. Base year 1985=100)</i></p>
Consumer & Producer Price Index	<p>The Consumer Price Index for all urban consumers was 260.3 in October 2020, unchanged from the previous month. Component indexes were mixed, with many offsetting increases and decreases. The Producer Price Index for final demand was 119.3 in October 2020, up 0.3% from the previous month. In October, nearly 60% of the rise in prices for final demand is attributable to a 0.5% increase in the index for final demand goods. (Source: US Bureau of Labor Statistics) <i>(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)</i></p>
Small Business Optimism Index	<p>The Small Business Optimism Index was 104.0 in October 2020, unchanged from the previous month. According to the National Federation of Independent Business (NFIB), "Leading up to the presidential election, small businesses continued to focus on stabilizing their businesses but were uncertain about the future economic conditions due to COVID-19 government regulations on all levels. We see solid momentum going into the 4th quarter, and another good quarter could get the GDP back to its 2019 closing levels." Out of 10 index components, four posted gains, one was unchanged, and five 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. Base year 1986=100)</i></p>
Industrial Production and Capacity Utilization	<p>The Industrial Production Index was 103.2 in October 2020, an increase of 1.1% from the previous month and 5.3% lower year-over-year. Capacity Utilization for the industrial sector was 72.8% in October 2020, up 0.8% from the previous month and up 0.2% year-over-year. (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 \$1.47 trillion in September 2020, up 0.6% from the previous month and up 0.8% from September of the previous year. (Source: US Census)</p>
Manufacturing & Trade Inventory	<p>Total value of inventory on-hand is estimated at \$1.93 trillion in September 2020, up 0.7% from the previous month and down 4.7% from September of the previous year. (Source: US Census)</p>
Purchasing Managers Index	<p>The National PMI was 59.3% in October 2020, up 3.9% from the previous month. This figure indicates expansion in the overall economy for the sixth straight month. New Orders increased 7.7% to 67.9%, and Production increased 2.0% to 63.0%. According to the Institute for Supply Management (ISM), "Survey Committee members reported that their companies and suppliers continue to operate in reconfigured factories; with every month, they are becoming more proficient at expanding output." In October, 15 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>
Purchasing Managers Index in the Southeast	<p>In October 2020, the Southeast PMI decreased 4.5% month-over-month to 60.5%. New Orders in the Southeast increased 0.2% to 68.4% and Production decreased 6.6% to 68.4%. In the month of October, the Southeast's PMI was 2.0% higher than 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>



The Logistics Manager's Index was 71.6 in October 2020, an **increase of 1.6%** from the previous month and the **highest reading since June 2018**. October's growth is being driven by logistics metrics across the board. Firms are reporting increasing levels of inventory, contracting capacity, and increasing levels of both utilization and price. According to the LMI researchers, "At this moment it appears that demand for logistics services will continue to grow, both retail and manufacturing are up as the economy continues to recover. However, it will be important to monitor whether or not this rate of growth lasts." (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.)*

Logistics Manager's Index

U.S. Market News

Amazon's shipping costs increased 57% YoY in Q3 to reach \$15 billion, the company reported late last month. Shipping costs grew faster than online sales (up 38% YoY) in the same period, which contained an unusually late Prime Day. The company pulled forward some spending on logistics capacity building planned for next year to Q4 to meet the seemingly endless demand. Chief Financial Officer Brian Olsavsky confirmed that the company is on track to grow fulfillment and logistics infrastructure 50% this year, as he forecast in July. Most of the new square footage opened late Q3 or early Q4. Half of the new spaces are delivery-focused facilities, either sort centers or last-mile delivery stations, Olsavsky said. Transportation capacity (for internal use) will be a major target for investment for the years to come at Amazon, Olsavsky said. Over the last several years, Amazon began the work of hiring out its logistics capacity in direct competition with carriers like UPS and FedEx. The company paused that effort in April. (Source: Amazon, supplychaindive.com)

MULTIMODAL:

Dow Jones Transportation Index

Dow Jones Transportation Index **decreased 0.9%** in October 2020, ending at a reading of 11,106. *(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.)*

NASDAQ Transportation Index

NASDAQ Transportation Index **decreased 1.6%** in October 2020, ending at a reading of 4,891. *(Averaged share weights of NASDAQ-listed companies classified as transportation companies)*

DOT Freight Transportation Service Index

The USDOT's freight transportation services index was 132.6 in September 2020, **up 0.8%** from the previous month and **3.9% lower** than September 2019. The increase was due to growth in water, rail intermodal, rail carload, and air freight, despite declines in pipeline and trucking. The September increase took place against the background of mixed results in other indicators. (Source: US BTS)

Cass Freight Index

The Cass Freight Shipments Index was 1.180 in October 2020, an **increase of 0.3%** from the previous month, and an **increase of 2.4%** year-over-year. The Cass Freight Expenditures Index was 2.886 in October, a **decrease of 0.1%** from the previous month and an **increase of 3.1%** year-over-year. According to Cass Information Systems, "The V-shaped recovery continued in the latest reading of the Cass Freight Index. Also, shipping volumes were back in the black, with the index posting a positive year-over-year change for the first time since November 2018. We should see this continue through year-end, assuming current freight trends continue, even with normal seasonal softening month to month. Inventories remain quite lean." (Source: Cass Information Systems | Cassinfo.com) *(Based upon transportation dollars and shipments of Cass clients comprised of over 400 shipping companies)*

Shippers Conditions Index

The FTR Shippers Conditions Index (SCI) for August 2020 fell further into negative territory to a reading of -1.79. Just four months after the strongest market conditions on record, shipping conditions in August were the weakest in two years. While most factors affecting the Shipping Conditions Index in August were equal to or more favorable than in July, the rate environment was significantly more unfavorable for shippers. The short-term outlook is for the SCI to improve; however, it is expected to become significantly negative in the second half of 2021 primarily due to tighter capacity and higher shipping rates. (Source: FTR Transportation Intelligence | ftrintel.com) *(Figures below zero indicate a less-than-ideal environment for shippers)*

North American Transborder Freight

Surface transport-related trade between the U.S., Canada, and Mexico totaled \$93.4 billion in August 2020, **2.7% higher than the previous month but 11.1% lower year-over-year**. Trucks carried \$60.9 billion of transborder freight 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)

Multimodal News Clips:

Pfizer and BioNTech expect the distribution of their COVID-19 vaccine to involve about 12 trucks per day leaving Pfizer's formulation and fill facility in Kalamazoo, Michigan, and 20 planes taking flight daily around the world, a Pfizer spokesperson said in an email. But first, the vaccine must be approved for distribution. The company confirmed "there are no other main logistics supply chain partners beyond" DHL, FedEx and UPS that are working on distribution plans in the U.S. "We will be utilizing road and air modes of transportation via our main carrier partners in the U.S. where we expect to be able to get product to points of use (POU) within a day or two," according to the spokesperson. The company plans to manufacture up to 50 million vaccine doses in 2020 and up to 1.3 billion doses in 2021, the spokesperson said. The coronavirus vaccine candidate developed by Pfizer and BioNTech was more than 90% effective at preventing COVID-19 compared to a placebo. (Source: Pfizer, supplychaindive.com)

RAIL:



U.S. Freight Rail Traffic	Total originated carloads on U.S. railroads averaged 228,193 per week in October 2020, down 6.6% from October 2019, but the most since February 2020 . The 6.6% year-over-year decline is the smallest since the pandemic began. (Source: AAR.org) <i>(Report includes rail car-loadings by 20 different major commodity categories)</i>
U.S. Intermodal Rail Traffic	Average weekly U.S. intermodal originations in October 2020 were 292,469 units, up 10.0% from October 2019 , and the highest weekly average for any month in history . October's 10.0% year-over-year gain was the largest since December 2016 . A surge in imports is driving intermodal growth. (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 September 2020 was 244.7, down 5.7% from the previous month and 37.4% 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 September 2020 increased by 359 employees to 118,123 employees total. (Source: U.S. STB, AAR)
Railroad News Clips:	All railroads subject to the federal positive train control (PTC) mandate are currently operating PTC systems in revenue service or in advanced field testing, the Federal Railroad Administration (FRA) announced earlier this month. As of Sept. 30, PTC technology remains yet to be activated on about 223 required route miles, based on railroads' third-quarter 2020 PTC progress reports, which were due Oct. 31, FRA officials said in a press release. Railroads subject to the PTC mandate are facing a Dec. 31 deadline to complete implementation. (Source:progressiverailroading.com)
TRUCKING:	
Truck Tonnage Index	The ATA's seasonally adjusted For-Hire Truck Tonnage Index was 115.1 in September 2020, an increase of 6.7% from the previous month and a decrease of 2.7% from September 2019 . According to ATA Chief Economist Bob Costello, "The truck freight market continues to be bifurcated, with strength in retail and home construction, but some continued weakness in industrial freight." (Source: American Trucking Associations Trucking.org. Note: ATA recently revised the seasonally adjusted index to 2015 = 100)
Truckload Freight	The spot market for truckload-freight available for pick-up in October 2020 decreased 5.9% compared to the previous month and was 122.1% higher year-over-year. Truck capacity increased 9.7% for the month and decreased 17.0% year-over-year. (Source: DAT Trendlines www.dat.com)
Refrigerated Trucking	In October 2020, the load-to-truck ratio for refrigerated loads was 8.7 loads per truck, down from 9.69 the previous month. In October, the national spot market reefer rate was \$2.58 per mile, up from \$2.57 the previous month. (Source: DAT Trendlines www.dat.com)
Trucking Conditions Index	FTR's Trucking Conditions Index rose again in September to a positive reading of 10.69 , up 2+ points from August. September's TCI - the third highest reading since January 2010 - reflects strong freight rates mostly due to the intense stress in the consumer goods supply chain. (Source: FTR Transportation Intelligence ftrintel.com) <i>(Figures below zero indicate a less-than-ideal environment for trucking)</i>
Diesel Prices	As of November 9, 2020 the U.S. average diesel price was \$2.38 per gallon . The U.S. average diesel price was \$0.69 lower than the same week last year. The average price of diesel in the Lower Atlantic states was \$2.29 per gallon, \$0.62 lower than the same week last year. (Source: U.S. DOE) <i>(Reflects the costs and profits of the entire production and distribution chain.)</i>
Trucking Employment	The trucking industry workforce increased 0.7% to 1,463,700 employees total in October 2020. (Source: U.S. Bureau of Labor Statistics)
Trucking Earnings and Hours	The average earnings of truck transportation employees were \$26.52/hour in September 2020, up 0.2% from the previous month. The average weekly hours totaled 41.1 in September, down 1.9% from the previous month. (Source: U.S. Bureau of Labor Statistics)
U.S. Truck & Trailer Orders (Class 8)	Preliminary October 2020 Class 8 truck orders totaled 40,100 units, up 26% from the previous month, 83% higher than October 2019, and the first 40,000+ unit month for Class 8 orders since October 2018. According to FTR, "Fleets became much more confident about future freight demand and began placing large orders to replace older units and for expansion purposes, as capacity tightened." Preliminary October 2020 net trailer orders totaled 56,500 units, up 9% from the previous month, 68% higher than October 2019, and an all-time record . Fleets again ordered dry vans and refrigerated vans in large quantities, most for delivery in the second half of 2021. Flatbed orders improved and should reach their highest total this year. Backlogs are expected to rise to levels not seen since mid-2019. (Source: FTR Transportation Intelligence ftrintel.com)



Trucking News Clip

An analysis of electronic logging device (ELD) data by eRoad has shown recently implemented changes to the hours-of-service regulations have not had a big impact on user operations. Changes went into effect Sept. 29 involving shorthaul exemption criteria, adverse weather definitions, the 30-minute rest break, and split sleeper berth provisions. eRoad examined user data for the month preceding the changes and the month immediately following implementation. It found there was a nearly 80% reduction in violations related to the 30-minute break, thanks to increased flexibility afforded by the new rules. Shorthaul drivers have seen their workday increased from 12 hours to 14, and the distance that qualifies from 100 air miles to 150. eRoad has seen a 34% decrease in shift limit breaches but an 84% spike in violations of the 11-hour driving limit. Joe DeLorenzo, acting associate administrator for enforcement with the Federal Motor Carrier Safety Administration (FMCSA) said the shorthaul 11-hour driving breach increase was to be expected. "As drivers are adjusting (to the changes) they may be pushing the limits a little bit, or not aware of that 11-hour rule and where they are in their day," he noted. (Source: eRoad, truckinginfo.com)

AIR FREIGHT:

Air Cargo Traffic

Global air freight traffic in September 2020 **was down 8.0% compared to September 2019**. Key demand drivers of air cargo remain supportive despite the resurgence of COVID-19 cases. In Q4, cargo demand should be reasonably solid amid traditionally large e-commerce events & launches of popular consumer electronics. (Source: IATA.org.) *(Global air freight covers international and domestic scheduled air traffic.)*

Jet Fuel Prices

As of November 13, 2020 the global average jet fuel price was \$45.87 per barrel; **up 2.3%** from the previous month, and **41.5% lower** year-over-year. (Source: IATA.org, 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:

DHL Express expects peak season volume in its network to increase by more than 50% compared to last year's season, as e-commerce usage continues to grow during the pandemic, it announced in a press release. The company has already seen a 35% increase in e-commerce volume in its network for 2020, largely due to the pandemic, and believes peak season will set record highs for global e-commerce trade. DHL Express is set to receive two new widebody aircrafts over the next month to carry out an increased number of daily flights to meet demand. The global delivery service has already hired an additional 10,000 employees, added four aircraft and an additional 3,000 flights per year, and expanded its operations capacities by investments of roughly 1 billion euro (some \$1.2 billion), according to the release. (Source: DHL Express, supplychaindive.com)

OCEAN FREIGHT:

Import Volumes by Ocean

In September 2020, the latest month for which after-the-fact numbers are available, U.S. container ports handled 2.11 million TEUs, a **0.1% increase** from the previous month, **12.5% higher** year-over-year, and **the highest number of containers imported in a single month since NRF began tracking imports in 2002**. According to the NRF, "Part of this surge was fueled by restocking after retail sales rebounded this summer and part could be making sure there aren't shortages if we see panic buying again. The economic challenges of the pandemic aren't over yet, but this clearly shows how an industry that has been under stress is fighting back in a positive way. Retailers don't import merchandise they don't think they can sell, so this is a good sign for the holiday season." (Source: NRF/Hackett Associates)

Shanghai Containerized Freight Index

The November 13, 2020 SCFI comprehensive reading was \$1,857 per FEU, **up 28.2%** from last month. The spot rate for shipments to the U.S. East Coast was \$4,676 per FEU, **up 1.2%** 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.)*

Georgia Ports Authority

The Port of Savannah set a **monthly record in September, growing TEUs by 11.4%**, or 42,140, for a total of 412,148 TEUs in September. In the first quarter of Fiscal Year 2021 (July-September), the Port of Savannah handled 1.2 million twenty-foot equivalent container units, an **increase of 1.6%** or 19,663 TEUs. (Source: GPA)

Ocean Freight Business News:

Capacity on the Transpacific lane is up 20% YoY, as carriers have injected resources into the trade lane resulting in "unprecedented capacity increases in Q4," according to a release from Sea-Intelligence. Capacity levels on the Transpacific have been a roller coaster ride throughout 2020 — plunging as carriers blanked sailings in the early days of the pandemic, only to be met with unexpected demand that resulted in shipping companies bringing resources back online. The capacity cuts earlier in the year brought deployment levels lower than any seen since 2015, according to Sea-Intelligence. "In some weeks, we are seeing capacity grow by as much as 30% compared to last year at the same time," Sea-Intelligence CEO Alan Murphy said in the release. (Source: Sea-Intelligence, supplychaindive.com)

WAREHOUSING & DISTRIBUTION:

Industrial Vacancy

The U.S. industrial vacancy rate in the third quarter of 2020 saw a 20-basis point uptick, coming in at **5.3%**. That vacancy rate is still 40 basis point (bps) below the five-year historical average of 5.7% for all product types. Despite vacancy increasing by 50 bps over last quarter, alleviating some—but certainly not all—of the pressure on the supply constrained markets. The vacancy rate in **Atlanta, GA was 7.2%** in Q3 of 2020. (Source: Cushman & Wakefield)



Warehouse Rent Rates	The continued tight market conditions and solid demand brought on another quarter of YOY rent growth at Q3 2020, increasing 2.0% from the third quarter 2019 at \$6.63 per square foot (psf). Warehouse/distribution rents rose 3.5% during the same period to \$6.10 psf. The average asking rent in Atlanta was \$4.61/SF in Q3 2020. (Source: Cushman & Wakefield)
Industrial Absorption	The market finished the third quarter at a strong pace, absorbing 62.1 million square feet (msf) , the strongest quarter so far this year. This brought the year-to-date (YTD) total to 159 msf of absorption, nearly equaling the 160 msf reported for the first three quarters of 2019. With net occupancy growth down only slightly year-over-year (YOY), absorption levels remained positive heading into the final quarter of 2020. (Source: Cushman & Wakefield) <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>
Warehouse Employment	The nationwide warehousing industry workforce increased 2.3% to 1,268,100 employees total in October 2020. (Source: U.S. Bureau of Labor Statistics)
Warehouse Earnings and Hours	The average earnings of warehousing & storage employees across the U.S. were \$21.07/hour in September 2020, down 0.7% from the previous month. The average weekly hours totaled 41.5 in September, up 3.2% from the previous month. (Source: U.S. Bureau of Labor Statistics)
W&D Business News:	<ul style="list-style-type: none"> • Walmart is using space in 42 of its regional distribution centers to create "pop-up eCommerce Distribution Centers" meant to help handle the increased volume of e-commerce orders, the retailer announced this month. The "pop-up" model provides flexibility to the company's fulfillment capabilities and allows it to increase capacity when it is experiencing peak-level volume, Greg Smith, the executive vice president of supply chain at Walmart U.S., wrote in a blog post. The regional distribution centers usually ship pallets of goods to stores and not individual SKUs to a consumer's home. Now the locations will handle both tasks and Walmart expects 30% of its holiday volume to be shipped from the pop-up locations. (Source: Walmart, supplychaindive.com) • MasterBrand Cabinets, Inc. will make a significant and long-term investment in opening a Southeastern U.S. manufacturing and distribution hub near the City of Jackson in Butts County, creating nearly 400 jobs. MasterBrand Cabinets is the premier kitchen and bath cabinet producer in the U.S., holding the largest share of the cabinets market. The company plans to open their manufacturing and distribution operations at an existing 840,000-square-foot facility located adjacent to Interstate 75 and Arthur Bolton Parkway on Midway Road. MasterBrand is preparing the space and equipment, and expects to be fully operational in the upcoming months. (Source: Georgia.org)

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

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