

#### ▪ Exchange Rates:

Currency 12 <sup>th</sup> May 17 – 14 <sup>th</sup> Aug. 17	3 Month Low	3 Month High	3 Month Average	Actual Trading Price: 14 <sup>th</sup> Aug. 2017
Euro-to-US Dollar (€1)	USD 1.0876	USD 1.1868	USD 1.1382	USD 1.1799
Euro-to-Rupee (€1)	INR 69.93	INR 75.71	INR 73.27	INR 75.65
Euro-to-Yuan (€1)	CNY 7.5047	CNY 7.9757	CNY 7.7343	CNY 7.8913
Euro-to-GBP (€1)	GBP 0.8458	GBP 0.9067	GBP 0.8805	GBP 0,9089
Euro-to-AUD (€1)	AUD 1.4510	AUD 1.5182	AUD 1.4863	AUD 1.4991
Euro-to-BRL (€1)	BRL 3.4065	BRL 3.7737	BRL 3.6718	BRL 3.7689
Euro-to-ZAR (€1)	ZAR 14.2697	ZAR 15.8741	ZAR 14.9181	ZAR 15.7320

(Source: European Central Bank: <http://www.ecb.int>)

#### ▪ Interest Rates

Country	Current Rate	Previous Rate	Last Change
Australia	1.50%	1.75%	08/2016
Brazil	9.25%	10.25%	07/2017
China	4.35%	4.60%	10/2015
European Monetary Union	0.00%	0.05%	03/2016
India	6.00%	6.25%	08/2017
South Africa	6.75%	7.00%	07/2017
United Kingdom	0.25%	0.50%	08/2016
United States	1.25%	1.00%	06/2017

(Source: <http://de.global-rates.com/zinssatze/zentralbanken/zentralbanken.aspx>)

- Oil Prices

## ICE Brent Crude (Oct'17) (@LCO.1:Intercontinental Exchange Europe)



\*Data is delayed | USD

Last | 9:27:17 AM BST

Volume

**51.88** **-0.22 (-0.42%)**

**31,774**

1D 5D 1M 3M 6M YTD **1Y** 5Y ALL

+ Comparison

1D Display Studies +



Crude Oil	2 Year	1 Year	3 Month	1 Month	Trading Price Aug. 14th.
	USD 49.10	USD 48.85	USD 47.03	USD 48.64	USD 51.88

(Source: CNBC Market Data, <https://www.cnbc.com/quotes/?symbol=%40LCO.1> Aug. 14th 2017)

- Gross Domestic Product (% year)

Country	Q1 2016	Q2 2016	Q3 2016	Q4 2016	Q1 2017	Q2 2017	Q3 2017 Forecast	2018 Forecast	2020 Forecast
Australia	3,00%	3,10%	3,10%	3,10%	1,90%	2,40%	1,70%	2,50%	2,90%
Brazil	-5,90%	-5,40%	-3,60%	-3,60%	-2,90%	-2,50%	-0,40%	0,50%	1,90%
China	6,80%	6,70%	6,70%	6,70%	6,80%	6,90%	6,90%	6,40%	5,80%
Euro Area	1,60%	1,70%	1,60%	1,70%	1,90%	1,90%	2,10%	1,90%	2,00%
France	1,30%	1,40%	1,10%	1,30%	1,20%	1,10%	1,80%	1,30%	1,70%
Germany	2,10%	1,50%	3,10%	3,10%	1,50%	1,80%	1,70%	1,70%	2,20%
India	7,30%	7,90%	7,30%	7,10%	7,40%	7,00%	6,10%	6,90%	5,70%
South Africa	0,60%	-0,01%	-0,10%	0,70%	0,70%	0,70%	1,00%	1,10%	2,60%
South Korea	3,10%	2,80%	3,30%	3,30%	2,40%	2,90%	2,90%	2,60%	3,00%
United Arab Emirates	4,60%	4,60%	4,00%	4,00%	4,00%	3,40%	3,00%	3,00%	4,30%
United Kingdom	2,10%	2,00%	2,10%	2,00%	1,90%	2,00%	1,70%	1,70%	1,90%
United States	2,00%	1,60%	1,30%	1,30%	1,70%	2,10%	2,00%	2,20%	2,50%

(Sources: HSBC Global Research – Key Economic Forecast

<http://www.tradingeconomics.com/country-list/gdp-annual-growth-rate>

■ JP Morgan Global Manufacturing Purchasing Managers Index (PMI) –Jul. 2017

	May	June	July	Summary, Rate of Change
<b>Global PMI</b>	52.6	52.6	52.7	Expanding, faster rate
<b>Output</b>	53.5	53.2	53.1	Expanding, slower rate
<b>New Orders</b>	53.6	53.3	53.6	Expanding, faster rate
<b>Australia</b>	54.8	55.0	56.0	Expanding, faster rate
<b>Brazil</b>	52.0	50.5	50.0	Expanding, slower rate
<b>China</b>	49.6	50.4	51.1	Expanding, faster rate
<b>Euro Area</b>	57.0	57.4	56.6	Expanding, slower rate
<b>France</b>	53.8	54.8	54.9	Expanding, faster rate
<b>Germany</b>	59.5	59.6	58.1	Expanding, slower rate
<b>India</b>	51.6	50.9	47.9	Contracting, change of direction
<b>United Kingdom</b>	56.3	54.2	55.1	Expanding, faster rate

(Source: <https://www.markiteconomics.com/Survey/PressRelease.mvc/5f1ec485989d4169956c18e1129c0f27>)

**Global Manufacturing PMI at three-month high in July**

The global manufacturing sector forged ahead in July, registering a further month of improved business conditions. Although output growth slowed to a ten-month low, the pace of expansion in new orders strengthened.

Full Document available: <https://www.markiteconomics.com/Survey/PressRelease.mvc/5f1ec485989d4169956c18e1129c0f27>

**JPMorgan Global Manufacturing PMI™**-a composite index\* produced by JPMorgan and Markit in association with ISM and IFPSM – posted 48.9, up slightly from August’s 38-month low of 48.1, but below the neutral 50.0 mark for the fourth month running.

The key figure for PMI is 50. A reading of 50 or higher generally indicates that the industry is expanding. If manufacturing is expanding, the general economy should be doing likewise. As such, it is considered a good indicator of future GDP levels. Many economists will adjust their GDP estimates after reading the PMI report. Another useful figure to remember is 42. An index level higher than 42%, over time, is considered the benchmark for economic (GDP) expansion. The different levels between 42 and 50 speak to the strength of that.

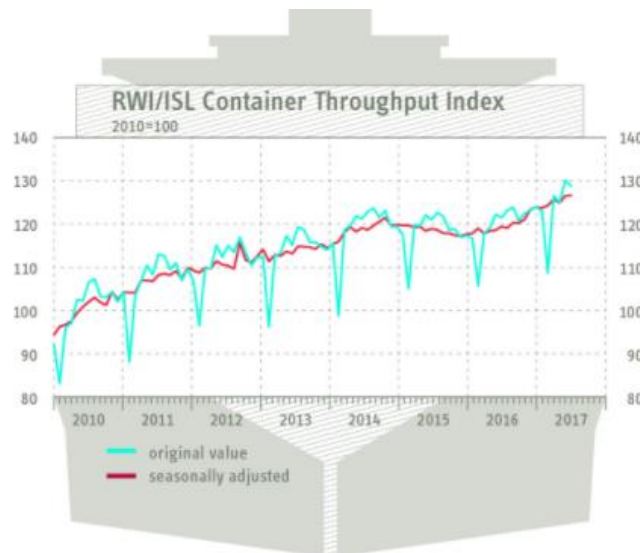
■ **Market Inflation Rate**

Country	Q1 2016	Q2 2016	Q3 2016	Q4 2016	Q1 2017	Q2 2017	Q3 2017 Forecast	2018 Forecast	2020 Forecast
<b>Australia</b>	1,70%	1,30%	1,30%	1,30%	1,50%	2,10%	1,90%	2,00%	2,20%
<b>Brazil</b>	9,28%	8,84%	8,97%	5,35%	4,76%	3,60%	3,00%	3,80%	4,00%
<b>China</b>	2,30%	1,80%	1,80%	2,50%	0,90%	1,50%	1,40%	2,00%	3,70%
<b>Euro Area</b>	-0,20%	0,20%	0,20%	1,80%	2,00%	1,30%	1,30%	1,70%	2,10%
<b>France</b>	-0,20%	0,20%	0,20%	1,30%	1,10%	0,70%	0,70%	1,70%	2,30%
<b>Germany</b>	-0,10%	0,40%	0,40%	1,90%	1,60%	1,60%	1,70%	1,90%	2,40%
<b>India</b>	4,83%	5,77%	6,07%	3,41%	3,65%	2,18%	1,54%	3,20%	4,80%
<b>South Africa</b>	6,30%	6,03%	6,00%	6,80%	6,30%	5,40%	5,10%	5,80%	5,10%
<b>South Korea</b>	1,00%	0,70%	0,40%	2,00%	2,20%	1,90%	2,20%	2,10%	2,80%
<b>United Arab Emirates</b>	1,43%	1,76%	1,76%	1,20%	2,70%	1,90%	2,20%	2,90%	2,50%
<b>United Kingdom</b>	0,50%	0,50%	0,60%	1,60%	2,30%	2,90%	2,60%	2,80%	2,20%
<b>United States</b>	0,90%	1,00%	0,80%	2,10%	2,70%	1,90%	1,60%	2,20%	2,50%

(Source: [HSBC Global Research – Key Economic Forecast](https://www.hsbc.com/press-releases/key-economic-forecast) )

## WI/ISL-Container Throughput Index remains upbeat

The Container Throughput Index of the RWI – Leibniz Institute for Economic Research and the ISL - Institute of Shipping Economics and Logistics once more rose – albeit lightly – from 126.5 (revised figure) to 126.6 points during June 2017. Despite the downwards revisions by 0.7 points for May, there is still strong indication for a robust expansion of world trade.



The index is based on data continuously collected from world container ports by ISL as part of its market monitoring. Because large parts of international merchandise trade are transported by ship, the development of port handling is a good indicator for world trade. As many ports release information about their activities only two weeks after the end of the respective month, the RWI/ISL Container Throughput Index is a reliable early indicator for the development of international merchandise trade and hence for the activity of the global economy. Together, the 82 ports covered in the index account for about six out of ten containers handled worldwide. The flash estimate for June is based on data from 38 ports that account for about 70 percent of the total RWI/ISL Index.

### Background Information: Construction of the RWI/ISL-Container Throughput Index

The Container Throughput Index is a joint project of RWI with the Institute of Shipping Economics and Logistics (ISL). It aims at providing timely information on short term trends in international trade. The index is based on the consideration that containers have become the most important means of transporting processed products. Therefore, the global container throughput and international trade can be expected to be highly correlated.

As a part of their monthly reporting many ports publish data on container throughput expressed in twenty foot equivalent units (TEU). ISL collects these data systematically in its port database. Currently, the data base covers 75 ports providing time series of monthly figures which are long enough to be integrated into the indicator. In these ports about 60% of world container throughput is handled.

Calculating the indicator starts about 20 days after the end of each month. At that time about 25 ports have already publish information about the container throughput in the latest months, which allow a flash estimate of the indicator. Data still missing are forecasted using statistical time series models. Thereafter, the data are added up and the sum is adjusted for seasonal and calendar effects. Furthermore, the trend-cycle component of the seasonally adjusted figures is estimated to eliminate irregular influences. One month later, as a rule data on 65 ports are available. Then an update of the figures already published is made and a new flash estimate for the latest month is released.

The RWI/ISL-Container Throughput Index shows a close correlation with world trade. The index provides valuable input into business cycles analyses, since it is available 3 to 4 months in advance of data on world trade published by international organizations, and one month in advance of the first estimates of world trade volumes.

**Source:** <http://en.rwi-essen.de/presse/mitteilung/284/>

# Air Freight Indicators:

## ■ Airfreight Market Analysis

Air freight growth posts its strongest first half-year since 2010

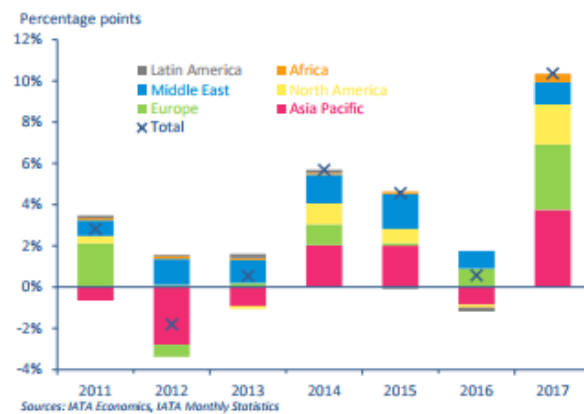
- Global freight tonne kilometres (FTKs) grew by 10.4% year-on-year in H1 2017 – its strongest start in 7 years.
- Industry drivers continue to indicate that the best of the cyclical growth upturn may now have passed.
- Nonetheless, the strong upward trend in seasonally adjusted (SA) freight traffic has reasserted itself.
- African airlines topped the int'l FTK growth chart in H1 2017, alongside robust growth for the major regions.
- The upward trend in demand has continued to outpace that of capacity, which is supporting the SA load factor.

### A strong first half of the year for freight demand...

Year-on-year growth in global FTKs slowed to 11.0% in June, down from 12.7% in May, but remained well ahead of the five-year average pace (3.9%).

All told, industry-wide FTKs grew by 10.4% in annual terms during the first half of the year (H1 2017) – the strongest first half of a year since the rebound from the global financial crisis (GFC) in 2010. Airlines registered in Asia Pacific and Europe accounted for two-thirds of the annual increase in FTKs flown during the period, alongside solid contributions from North American and Middle Eastern carriers. (See Chart 1.)

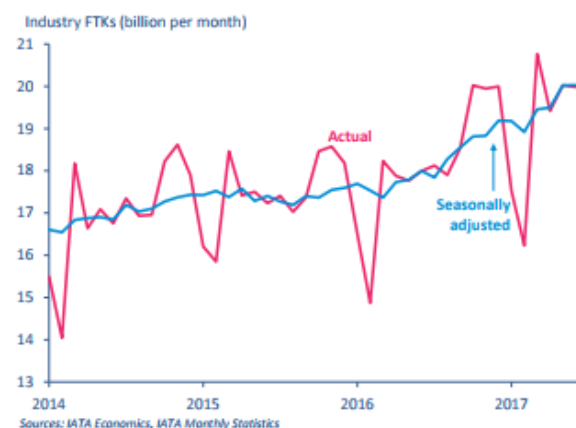
**Chart 1 – Contributions to annual FTK growth in the first half of each year by airline region of registration**



### ...alongside ongoing upward trend in SA volumes

Having risen strongly in SA month-on-month terms in May, freight volumes tracked sideways in June. The bigger picture is that freight volumes have continued the strong upward trend that began in mid-2016. (See Chart 2.)

**Chart 2 – FTK levels**



## Air freight market overview - June 2017

	World share <sup>1</sup>	June 2017 (% year-on-year)				% year-to-date			
		FTK	AFTK	FLF (%-pt) <sup>2</sup>	FLF (level) <sup>3</sup>	FTK	AFTK	FLF (%-pt) <sup>2</sup>	FLF (level) <sup>3</sup>
<b>TOTAL MARKET</b>	<b>100.0%</b>	<b>11.0%</b>	<b>5.2%</b>	<b>2.4%</b>	<b>45.0%</b>	<b>10.4%</b>	<b>3.6%</b>	<b>2.7%</b>	<b>44.8%</b>
International	86.7%	12.0%	5.3%	2.9%	49.1%	11.5%	3.7%	3.4%	48.9%

<sup>1</sup>% of industry FTKs in 2016

<sup>2</sup>Year-on-year change in load factor

<sup>3</sup>Load factor level

### The stronger economic and trade backdrop...

The resurgence in air freight demand over the past year or so has been set against a stronger global economic and trade backdrop.

This is particularly evident in signs of growing order books for global manufacturers: indeed, the new export orders component of the global purchasing managers' index (PMI) remains close to a six-year high and crucially above the notional 50-mark that indicates rising orders. In fact, at current levels, the measure is consistent with year-on-year FTK growth remaining robust, in the region of 8%, during Q3 2017 (See Chart 3, overleaf.)

Chart 3 – Air freight growth vs. global new export orders



More generally, the recent outperformance of air freight relative to wider world trade has also reflected air freight-specific factors, notably the ability of the industry to allow firms to restock quickly at the start of pick-ups in the economic cycle. Indeed, the strong upward trend in industry-wide FTKs has coincided with a sharp decline in the (US) inventory-to-sales ratio between May and December 2016.

### ...will support a very strong year for freight growth

As we have noted before, recent developments in both of these indicators suggest that the best of the cyclical upturn in air freight may now have passed. Indeed, while business surveys still indicate growing export orders, the new export orders component of the global manufacturing PMI has broadly tracked sideways since March. Unless we see further gains in global manufacturers' export order books, this is consistent with a moderation in year-on-year air freight growth towards the end of the year. (Again, see Chart 3.) Moreover, although the inventory-to-sales ratio remains lower than it was a year ago, it has stopped falling. This too is consistent with the current period of strong year-on-year FTK growth starting to moderate over the second half of 2017 and into 2018.

Nonetheless, the strong finish to 2016 and start to 2017 for freight volumes both lay the groundwork for robust year-on-year growth in FTKs this year as a whole. In fact, the risks to our current forecast of 7.5% growth in FTKs for 2017 as a whole lie to the upside.

### SA freight load factor holds on to gains in June

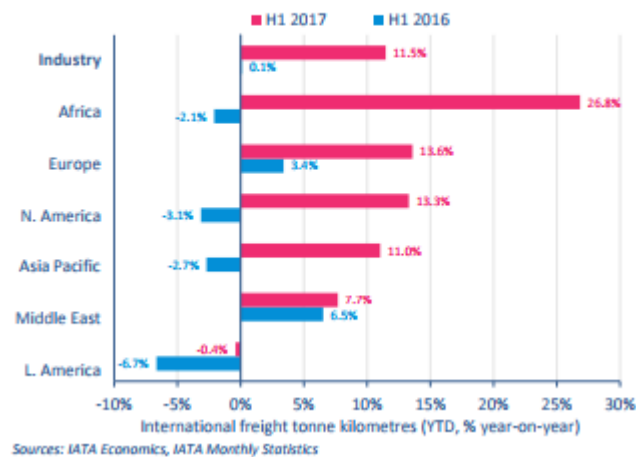
Available freight tonne kilometres (AFTKs) rose by 5.2% year-on-year in June, and by 3.6% in H1 2017.

The upward trend in demand has outstripped that in capacity over the first half of the year. As a result, the industry-wide load factor has risen by around four percentage points in SA terms since its low-point in early-2016. The SA load factor in June remained close to its highest level in two and a half years.

## Wide spread in international FTK performance

International FTKs grew by 12.0% year-on-year in June, and by a similar rate during H1 2017 as a whole. This was a marked turnaround in year-on-year freight growth compared to H1 2016, during which international FTKs barely grew. (See Chart 4.)

**Chart 4 – International FTK growth by airline region of registration**



## African carriers were in a league of their own in H1

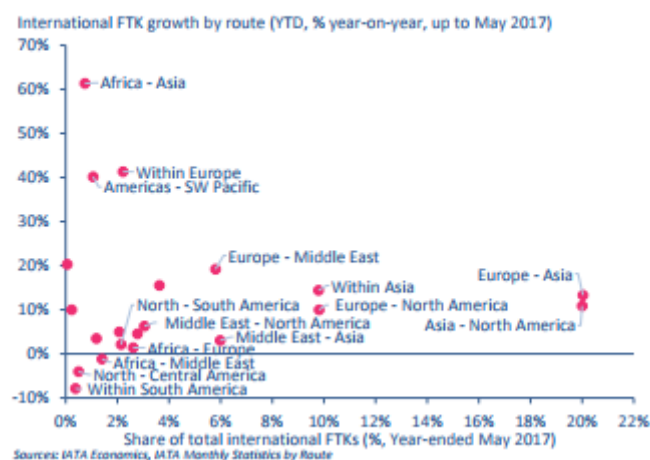
The turnaround in growth was the most pronounced for African airlines; having fallen in year-on-year terms in H1 2016, international FTKs surged by nearly 27% year-on-year in the first half of this year. This pick-up has been helped by a jump in traffic between Africa and Asia; while still a small market, FTKs flown on the route surged by more than 60% in the first five months of 2017 (the latest data available) compared to the same period last year. (See Chart 4, overleaf.) Admittedly, the very strong upward trend in total international FTKs in SA terms has slowed in recent months; volumes rose at an annualized rate of around 6% in Q2. However, year-on-year FTK growth looks set to remain comfortably in double digits for the rest of 2017.

## Double-digit growth for European airlines in H1

International FTKs flown by European airlines increased by 13.6% year-on-year in H1 2017, up from 3.4% in the same period of 2016. There continues to be little sign of any slowdown in the strong SA trend.

This performance has coincided with a period of strong growth in order books for European exporters, whose competitiveness has been helped by weakness in the euro. The region's airlines are benefiting from strong demand on the biggest market segments to and from the region (Asia and North America). Meanwhile, the very strong growth in international FTKs flown within the region (>40% so far this year-to-date) appears to be linked to big gains by carriers such as Turkish Airlines. ( See Chart 5, overleaf.)

**Chart 5 – International FTK growth by route (% year-to-date, segment basis)**



### Hangover from seaport disruption in H1 2016...

Carriers based in North America and Asia Pacific both registered year-on-year declines in international FTKs in H1 2016 – a consequence of the strong boost to air freight seen during the period of disruption at seaports on the US west coast early in the previous year. Both regions saw strong turnarounds in FTK growth in H1 2017 compared to the same period last year.

### ...gives way to robust growth in H1 2017 for Asia Pacific and North American airlines

Indeed, international FTKs flown by North American airlines rose by 13.3% year-on-year in H1 2017, and the upward trend in SA terms is very positive; SA FTK volumes surged by an annualized rate of more than 30% during Q2. While the US dollar has fallen back since the start of the year, broader strength in the currency is continuing to support US inbound air freight. On the other hand, the strong dollar is also keeping outbound flows under pressure.

Meanwhile, international freight volumes flown by Asia Pacific airlines – the biggest region in terms of international FTKs flown – also rose at a double-digit annual pace in H1 2017 (11.0%). In SA terms, volumes are now around 4% higher than they reached in the rebound following the GFC. Demand growth so far in 2017 has been strongest on international routes within Asia as well as between Europe and Asia, with year-to-date FTK growth in the region of 13-15% in both cases. (See Chart 5.again)

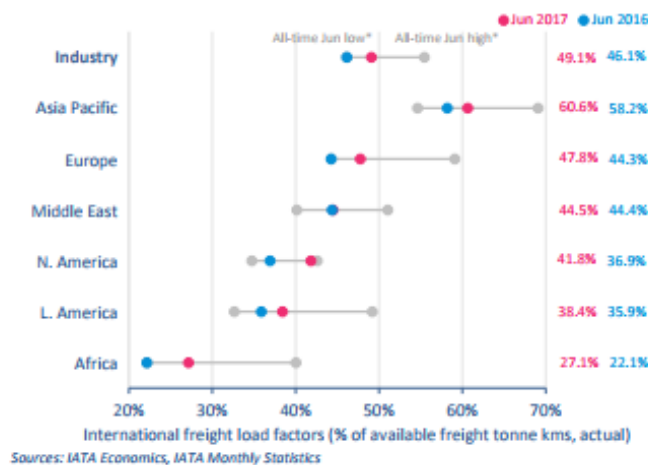
Exporters from the region have continued to report more mixed conditions for their order books. Export orders have improved in Indonesia in recent months, for example, and remain very strong in Taiwan, but the picture is weaker in Japan and China; in fact, the latest indication from the former shows that Japanese manufacturers' export order books have stopped growing. There remains little sign of any slowdown in the SA trend for freight volumes, but the more mixed picture from business surveys add to signs that the wider cyclical growth peak may have passed.

### Unspectacular, but solid, Middle East traffic trend

International FTKs flown by Middle Eastern airlines grew by 7.7% year-on-year in H1 2017, a moderate acceleration from the 6.5% rate seen in the same period of 2016. Year-on-year FTK growth fell to 3.7% in June – well below the five-year average pace (10.8%) – but this was distorted by the strength of conditions this time last year; given the shape of monthly developments, we expect year-on-year FTK growth rates to accelerate in the coming months.

The key point is that international freight volumes flown by Middle Eastern carriers have continued to trend upwards at a solid rate of around 10% in annualized terms since early-2017. However, the region's carriers have not seen the strong pick-up in the SA traffic trend that has been apparent in the major regions over the past year or so. Amid strong competition from other regions' carriers, particularly on the Asia-Europe route, the Middle Eastern was the only region not to see a notable year-on-year increase in the freight load factor in June. (See Chart 6.) All told, the region's share of total international FTKs flown fell in H1 2017 for the first time in 17 years.

Chart 6 – Freight load factors by region





## Sharp pick-up in L.American FTK growth

The difficult economic and political operating environment is continuing to weigh on Latin American freight volumes. Admittedly, international FTKs flown by Latin American airlines rose by 10.5% year-on-year in June – the fastest pace since November 2010. But while FTKs rose robustly in SA terms during Q2, the recent pick-up in year-on-year growth mainly reflects volatility in month-to-month traffic flows a year ago rather than pointing to a sustained upward trend in FTKs. Tellingly, SA freight volumes remain around 10% lower than their 2014 peak.

### Air freight market detail - June 2017

	World share <sup>1</sup>	June 2017 (% year-on-year)				% year-to-date			
		FTK	AFTK	FLF (%-pt) <sup>2</sup>	FLF (level) <sup>3</sup>	FTK	AFTK	FLF (%-pt) <sup>2</sup>	FLF (level) <sup>3</sup>
<b>TOTAL MARKET</b>	<b>100.0%</b>	<b>11.0%</b>	<b>5.2%</b>	<b>2.4%</b>	<b>45.0%</b>	<b>10.4%</b>	<b>3.6%</b>	<b>2.7%</b>	<b>44.8%</b>
Africa	1.6%	31.6%	7.6%	4.8%	26.5%	25.9%	11.2%	2.9%	25.1%
Asia Pacific	37.4%	10.1%	7.8%	1.1%	55.5%	10.1%	4.8%	2.5%	53.6%
Europe	23.5%	14.3%	6.1%	3.3%	45.9%	13.6%	5.4%	3.4%	47.1%
Latin America	2.8%	9.8%	2.9%	2.1%	33.5%	0.3%	-0.6%	0.3%	32.3%
Middle East	13.9%	3.7%	2.2%	0.6%	44.4%	7.6%	1.5%	2.5%	44.7%
North America	20.7%	12.7%	3.0%	3.1%	36.2%	9.3%	1.5%	2.6%	36.3%
<b>International</b>	<b>86.7%</b>	<b>12.0%</b>	<b>5.3%</b>	<b>2.9%</b>	<b>49.1%</b>	<b>11.5%</b>	<b>3.7%</b>	<b>3.4%</b>	<b>48.9%</b>
Africa	1.6%	32.2%	7.8%	5.0%	27.1%	26.8%	11.8%	3.1%	25.7%
Asia Pacific	33.3%	11.1%	6.6%	2.5%	60.6%	11.0%	4.3%	3.6%	58.9%
Europe	23.0%	14.4%	6.0%	3.5%	47.8%	13.6%	4.8%	3.7%	48.6%
Latin America	2.4%	10.5%	3.2%	2.5%	38.4%	-0.4%	-3.0%	1.0%	37.8%
Middle East	13.9%	3.7%	3.4%	0.1%	44.5%	7.7%	2.6%	2.1%	44.8%
North America	12.6%	17.4%	3.6%	4.9%	41.8%	13.3%	1.8%	4.3%	42.6%

<sup>1</sup>% of industry FTKs in 2016

<sup>2</sup>Year-on-year change in load factor

<sup>3</sup>Load factor level

Note: the total industry and regional growth rates are based on a constant sample of airlines combining reported data and estimates for missing observations. Airline traffic is allocated according to the region in which the carrier is registered; it should not be considered as regional traffic. Historical statistics are subject to revision.

Source: IATA-Air Transport Market Analysis June 2017 published on:

<http://www.iata.org/whatwedo/Documents/economics/freight-analysis-jun-2017.pdf>

A significant decline in sea freight volume growth expectations has taken the Logistics Confidence Index lower in July.

The Logistics Confidence Index (LCI) surveys air and sea freight market participants on volume conditions of Europe-based trade lanes. In July, the overall Logistics Confidence Index fell from 55.9 to 54.7, still comfortably above the neutral mark of 50.

According to recent reports, analysts have reported a “prosperous” first half to the year for North European port volumes, and suggest sustained if slowing growth for the rest of 2017. For Q2, year-on-year import and export growth is estimated at 5.7% and 3.7% respectively.

Q3 and Q4 import volumes are predicted to grow by 2.1% and 4.6% respectively, while for exports year-on-year growth over the same period is predicted as 5.0% and 2.9% respectively.

As for air freight, there was little change overall as relatively minor declines in present conditions were almost entirely offset by greater optimism over conditions for the next six months.

July 2017			
	Present Situation	Expected Situation	Logistics Confidence
<b>Air Freight</b>	53.3	59.8	56.6
<b>Sea Freight</b>	51.3	54.4	52.9
<b>Total Freight</b>	52.3	57.1	54.7

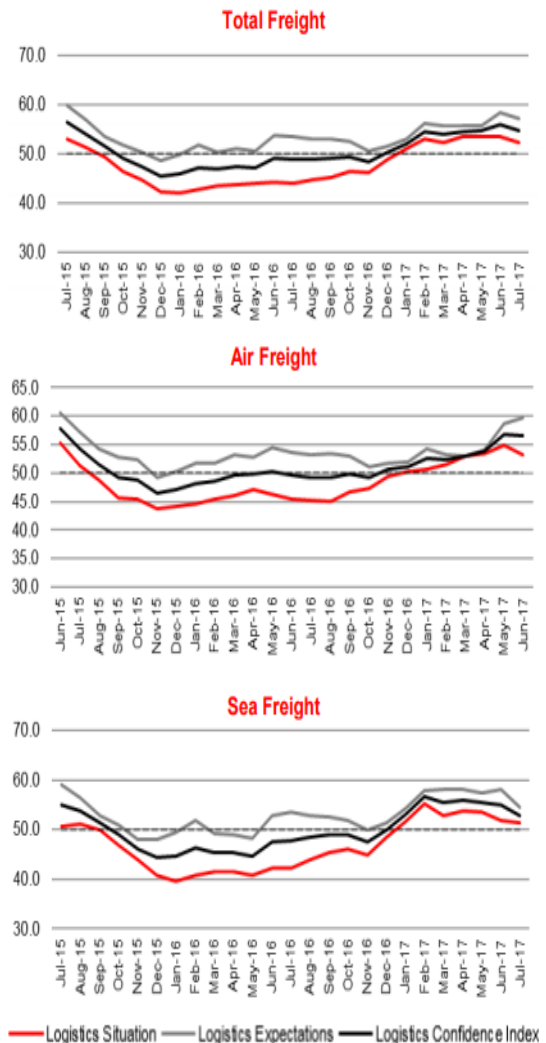
Source: TI

Note: The Present Situation Index illustrates current market volume conditions faced by forwarders, while the Expected Situation Index measures how the situation is expected to develop over the next six months. The Logistics Confidence Index, an average of both the Present and Expected indices, expresses overall confidence in the market.

### Air Freight Confidence Index

The Air Freight Index registered a month-on-month decline of 0.3 points to 56.6 for July 2017. Whilst this score reflected a year-on-year improvement of 7.0 points, it stood 1.4 points below the July 2015 total

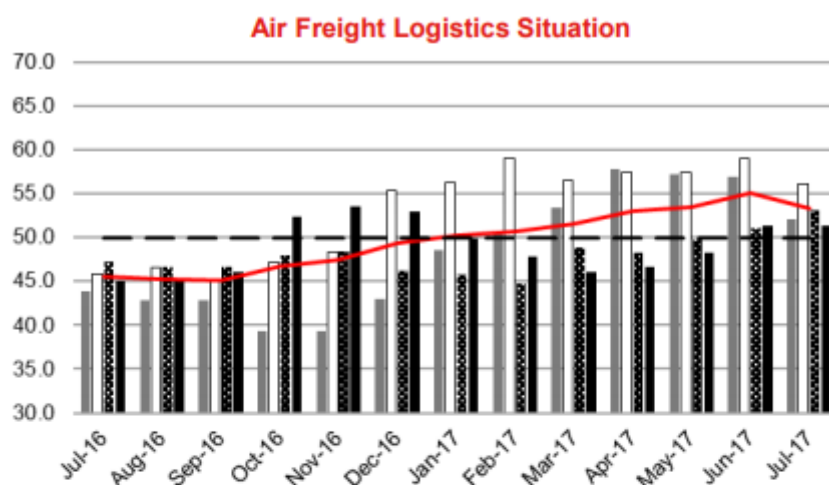
The Air Freight Logistics Situation Index noted a month-on-month decline of 1.7 points to 53.3. Asia to Europe remained the strongest lane with a score of 56.1, however this was down by 2.9 month-on-month. Europe to Asia weakened significantly, from 56.9 to 52.1. However, Europe to US (+2.0 to 53.1) improved overall momentum while US to Europe’s performance was flat at 51.3.



Following the “June boom” of the Air Freight Logistics Expectations Index (rising from 54.0 in May to 58.7 in June), its score further increased in July. The Index rose by 1.1 to 59.8 Scores for Europe to Asia (-1.5 to 58.3) and Asia to Europe (-3.4 to 66.7) fell, but growth expectations evidently remain high for these lanes, well above the neutral mark of 50. What provided additional impetus for the Index was transatlantic trade, with Europe to US expectations up by 5.3 to 55.7 while US to Europe expectations increased by 5.1 points to 57.3.

Air Freight - July 2017		
	Present Situation	Expected Situation
Europe to Asia	52.1	58.3
Asia to Europe	56.1	66.7
Europe to US	53.1	55.7
US to Europe	51.3	57.3
<b>Total Air Index</b>	<b>53.3</b>	<b>59.8</b>

*Source: Ti*



## Sea Freight Confidence Index

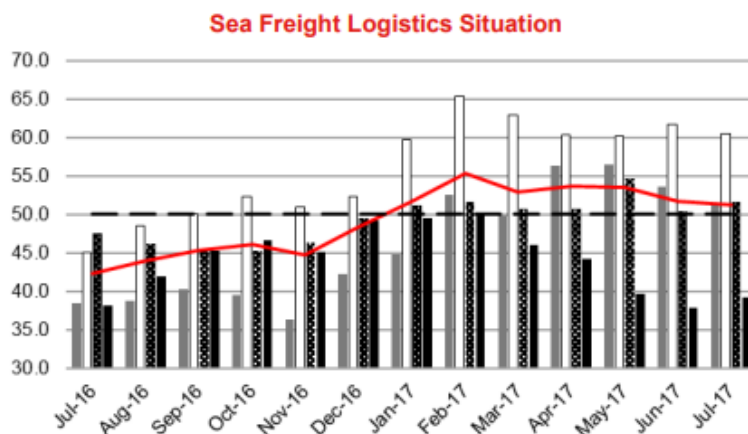
The Sea Freight Logistics Confidence Index recorded an overall score of 52.9, having decreased by 2.0 points against the previous month's score. The result was 5.0 points greater than the score registered in July 2016, but 2.0 points lower than that recorded in July 2015.

Standing at 51.3, the Sea Freight Logistics Situation Index declined by 0.5 points against the previous month. The pattern of trade lane results mirrored those in air freight. Europe to Asia (down 2.5 to 51.2) and Asia to Europe (down 1.3 to 60.5) lost growth momentum, however this was partially offset by transatlantic gains. Europe to US improved by 1.3 points to 51.7 while US to Europe's figure improved by 1.4 points to 39.2.

The Sea Freight Logistics Expectations Index totalled 54.4 points, having fallen by 3.6 against the June result. Asia to Europe's score increased by 1.1 points to 67.9. This propped up the overall Index as all other trade lanes suffered declines in their scores (Europe to Asia: -5.2 to 50.6, Europe to US: -4.2 to 49.9, US to Europe - 7.0 to 46.8).

Sea Freight - July 2017		
	Present Situation	Expected Situation
<b>Europe to Asia</b>	51.2	50.6
<b>Asia to Europe</b>	60.5	67.9
<b>Europe to US</b>	51.7	49.9
<b>US to Europe</b>	39.2	46.8
<b>Total Sea Index</b>	51.3	54.4

*Source: TI*



## Ti Logistics Confidence Index Methodology

The Logistics Confidence Index is calculated based on responses from a monthly survey, completed by a number of logistics professionals. The survey questions participants as to volumes that they are currently experiencing, relative to the time of year, as well as how they expect volumes to develop over the next six months. The total Index covers four European based trade lanes, including:

- Europe to Asia
- Asia to Europe
- Europe to U.S.
- U.S. to Europe

These trade lanes form four sub-indices, from which an overall index for both the air freight industry and sea freight industry is calculated. An index value of 50 indicates no change in the volumes of partaking logistics companies; above 50 indicates higher volumes, while below 50 indicates lower volumes

## About Stifel Nicolaus

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**Source:** <http://www.ti-insight.com/wp-content/uploads/2017/08/Ti-Logistics-Confidence-Index-July-2017-1.pdf>

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