

Röhlig Logistics GmbH & Co. KG. Am Weser-Terminal 8, 28217 Bremen, Germany
Economic & Market Report- Newsletter – January Edition 2016

▪ **Exchange Rates:**

Currency 15 th Oct.15 –15 th Jan.16	3 Month Low	3 Month High	3 Month Average	Actual Trading Price: 15th. Jan. 2016
Euro-to-US Dollar (€1)	USD 1.0579	USD 1.1439	USD 1.0888	USD 1.0904
Euro-to-Rupee (€1)	INR 70.34	INR 74.50	INR 72.07	INR 73.75
Euro-to-Yuan (€1)	CNY 6.7611	CNY 7.2583	CNY 6.9922	CNY 7.2129
Euro-to-GBP (€1)	GBP 0.6998	GBP 0.7570	GBP 0.7224	GBP 0.7603
Euro-to-AUD (€1)	AUD 1.4489	AUD 1.5707	AUD 1.5167	AUD 1.5867
Euro-to-BRL (€1)	BRL 3.9359	BRL 4.4791	BRL 4.2142	BRL 4.3979
Euro-to-ZAR (€1)	ZAR 14.8862	ZAR 18.0475	ZAR 15.8700	ZAR 18.1490

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

▪ **Interest Rates**

Country	Current Rate	Previous Rate	Last Change
Australia	2.00%	2.25%	05/2015
Brazil	14.25%	13.75%	07/2015
China	4.35%	4.60%	10/2015
European Monetary Union	0.05%	0.15%	09/2014
India	6.75%	7.25%	09/2015
South Africa	6.25%	6.00%	11/2015
United Kingdom	0.50%	1.00%	03/2009
United States	0.50%	0.25%	12/2015

(Source: <http://www.global-rates.com>)

Oil Prices

Brent Crude (Mar'16) (@LCO:1:Intercontinental Exchange Europe)

* Data is delayed

+ WATCHLIST

29.52 USD

Last | 5:21:00 AM EST

▼-1.36 (-4.4%)

Change

96,511

Volume

QUOTE CHART NEWS PROFILE EARNINGS PEERS FINANCIALS OWNERSHIP

Stock Summary | Options Chain



High	31.02	52 wk High	73.21	EPS	--	Revenue (TTM)	--
Low	29.46	52 wk Low	29.46	Market Cap	--	Beta	--
Volume	96.3K	YTD % Change	-22.24	Shares Out	--	Dividend	--
10 Day Avg. Vol	186.9K	1 Yr % Change	-49.00	Price/Earnings	--	Yield	--

Crude Oil	2 Year	1 Year	3 Month	1 Month	Trading Price Jan.15th
	USD 107.52	USD 45.96	USD 44.75	USD 37.45	USD 29.52

(Source: CNBC Market Data, <http://data.cnbc.com/quotes/LCOU3/tab/2> Jan..15th 2016)

Gross Domestic Product (% year)

Country	2014	Q1 2015	Q2 2015	Q3 2015	Q4 2015	Q1 2016 Forecast	2016 Forecast	2017 Forecast
Australia	2,70%	2,70%	2,50%	2,00%	2,00%	2,50%	2,60%	3,00%
Brazil	0,90%	-0,60%	-2,60%	-3,00%	-4,50%	-3,00%	-2,80%	-1,00%
China	7,30%	7,30%	7,00%	7,00%	7,00%	6,90%	6,70%	6,70%
Euro Area	0,80%	0,80%	1,20%	1,50%	1,50%	1,60%	1,50%	1,50%
France	0,41%	0,41%	0,82%	1,08%	1,08%	1,10%	1,20%	1,30%
Germany	1,20%	1,20%	1,20%	1,60%	1,60%	1,80%	1,50%	1,60%
India	8,20%	8,20%	7,50%	7,00%	7,00%	7,40%	7,50%	7,50%
South Africa	1,30%	1,60%	1,30%	1,20%	1,20%	1,00%	1,60%	1,90%
South Korea	3,20%	2,70%	0,80%	2,20%	2,20%	2,70%	2,20%	2,40%
United Arab Emirates	5,20%	5,20%	4,30%	4,30%	4,30%	4,60%	2,40%	2,90%
United Kingdom	2,60%	2,40%	2,90%	2,40%	2,40%	2,10%	2,40%	2,30%
United States	2,70%	2,40%	2,90%	2,70%	2,70%	2,10%	2,30%	2,20%

(Sources: HSBC Global Research – Key Economic Forecast; <http://www.tradingeconomics.com>)

■ JP Morgan Global Manufacturing Purchasing Managers Index (PMI) – Jan. 2016

	Oct.	Nov.	Dec.	Summary, Rate of Change
Global PMI	50.1	48.6	48.2	Contracting, faster rate
Output	53.1	53.9	53.1	Expanding, slower rate
New Orders	53.0	48.9	49.2	Contracting, slower rate
Australia	50.2	52.5	51.9	Expanding, slower rate
Brazil	44.1	43.8	45.6	Contracting, slower rate
China	50.0	48.6	48.2	Contracting, faster rate
Euro Area	52.3	52.8	53.2	Expanding, faster rate
France	52.7	50.6	51.4	Expanding, faster rate
Germany	54.5	55.6	56.5	Expanding, faster rate
India	52.6	50.3	49.1	Contracting, change of direction
United Kingdom	55.5	52.5	51.9	Expanding, slower rate

Source: <http://www.markiteconomic.com/Survey/Page.mvc/PressRelease>

Commentary: Global manufacturing subdued as emerging market downturn continues

The global manufacturing sector ended 2015 on a disappointing note, with the rates of expansion in production and new orders both slowing in December.

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.

Full Document available:

<https://www.markiteconomics.com/Survey/PressRelease.mvc/0985e879f82144f69e1e5528a996456b>

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.

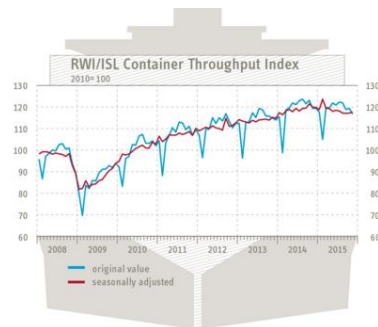
■ Market Inflation Rate

Country	2014	Q1 2015	Q2 2015	Q3 2015	Q4 2015	Q1 2016 Forecast	2016 Forecast	2017 Forecast
Australia	2,50%	1,70%	1,30%	1,50%	1,50%	1,50%	2,10%	2,70%
Brazil	6,30%	8,13%	9,56%	9,93%	10,48%	10,67%	7,00%	5,50%
China	2,00%	1,40%	1,60%	1,30%	1,50%	1,60%	1,00%	0,90%
Euro Area	0,40%	-0,10%	0,10%	0,10%	0,20%	0,20%	0,50%	1,30%
France	0,60%	-0,30%	0,30%	0,10%	0,10%	0,00%	0,50%	1,00%
Germany	0,80%	0,30%	0,20%	0,30%	0,40%	0,30%	0,80%	1,20%
India	6,50%	5,37%	5,40%	5,00%	5,00%	5,41%	5,50%	5,00%
South Africa	6,10%	3,90%	4,70%	4,70%	4,70%	4,80%	6,30%	5,90%
South Korea	1,30%	0,40%	0,70%	0,90%	1,00%	1,00%	1,40%	2,50%
United Arab Emirates	2,30%	3,60%	4,20%	4,30%	3,50%	3,70%	3,80%	2,60%
United Kingdom	1,40%	0,30%	0,00%	-0,10%	-0,10%	0,10%	1,00%	1,70%
United States	1,60%	-0,10%	0,10%	0,20%	0,20%	0,50%	1,50%	2,10%

(Source: HSBC Global Research – Key Economic Forecast)

RWI / ISL Container Throughput Index: Growing evidence of stronger world trade

In November, the Container Throughput Index of the Rhine-Westphalia Institute for Economic Research (RWI) and the Institute of Shipping Economics and Logistics (ISL) has improved slightly. It has increased from 117.2 (revised) to 117.6. However, the index for October was revised downwards noticeably by 0.7 points compared with the flash estimate. Nevertheless, the index now rises the second month in a row.



However, the quick estimate for November rests merely on entries of 30 ports that effect about 65% of the transshipment covered by the index. Hence, greater revisions are also possible this time. In October, an erroneous entry also contributed to the relatively strong revision of the index compared with the quick estimate.

The index is based on data of 81 world container ports covering approximately 60% of worldwide container handling. The ports are continuously monitored by the ISL as part of their market analysis. 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.

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/forschung-und-beratung/wachstum-und-konjunktur/projekte/containerumschlagindex/>

Air Freight Indicators:

Key Points November 2015

Air freight volumes in November were 1.2% lower compared to a year ago, but the year-on-year decline is mostly a result of a particularly strong November 2014. The trend in FTKs during the past few months suggests that earlier declines are now bottoming out, consistent with trade volumes stabilizing.

The first chart below shows that air freight volumes are now higher than the low point in August, which is consistent international trade stabilizing after declines earlier in the year, mostly due to better conditions in advanced economies. There was an increase of 0.9% in FTKs volumes in November compared to October.

The year-on-year comparisons were weak across all regions, except for the Middle East, where volumes were 5.4% higher. However, the downward pressure on growth trends has eased in some key regions. This includes Asia Pacific, where there was a 1.9% increase in FTKs carried in November compared to October. The latest estimation of monthly volumes for Asia Pacific airlines suggests that the downward trend is bottoming out. Much of that is a result of better demand conditions in advanced economies, which are supporting a slight pick-up in export growth in some Asian nations, like Japan.

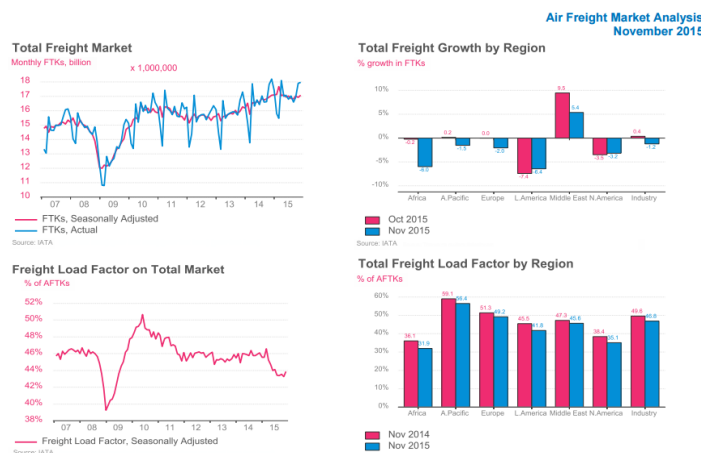
By contrast, carriers in Europe didn't see any expansion in volumes in November. But improvements in Eurozone manufacturing and export orders are likely to support air freight demand in the coming months for carriers in this region.

Load factors increased in November by 0.6% compared to October, supported by the rise in volumes as well as a contraction in capacity. Load factors are still very low, however, and below 44% on a seasonally adjusted basis.

The outlook for air freight and world trade remains fragile, but there are now some more signs that earlier declines have bottomed out. Indicators in the Eurozone are looking better and globally, export orders have improved slightly. That said, it is too early to say if this cautiously positive development will be sustained, as the global economy remains fragile.

Traffic Growth & Load Factors & Capacity Volume

	YTD 2015 vs. YTD 2014	Nov. 2015 vs. Nov. 2014
Freight Tonne Kilometres (13.5bn)	2,3%	-1,2%
Available Freight Tonne Kilometres	6,0%	4,5%
Freight Load Factor	44,1%	46,8%



Commentary :

The year-on-year comparisons were weak across all regions, except for the Middle East, where volumes were 5.4% higher. But the year-on-year declines are mostly a result of a particularly strong November 2014.

The downward pressure on growth trends has eased in some key regions. This includes Asia Pacific, where there was a 1.9% increase in FTKs carried. In fact, the latest estimation of monthly volumes suggest that the downward trend is bottoming out. Much of that is a result of better demand conditions in advanced economies, which are supporting a steady recovery in export growth in some Asian nations. In Japan, for example, there has been a steady increase in exports since mid-2015. Trade export volumes for Japan were 5% higher in November compared to May 2015. In addition, there have been improvements in export orders for China in Q4 compared to Q3. Typically, this would also indicate improvement in export activity in the coming 2-3 months.

By contrast, carriers in Europe didn't see any improvement in volumes in November compared to October. But improvements in Eurozone manufacturing and export orders is likely to support air freight demand in the coming months for carriers in this region. There was a negative bias on the year-on-year comparison due to Lufthansa strikes, but we expect that the result would be weak even after these impacts.

Carriers in North America saw FTKs fall 3.2% in November year-on-year, but there was an expansion in volumes in November compared to October. Airlines in this region have experienced a significant decline in FTK volumes since the boost from modal shift due to seaport congestion earlier in the year. Recent month-to-month results, including the 0.4% expansion in November compared to October, suggest that weakness in volumes so far this year may be coming to a halt. That said, most recent readings of exports orders have been very close to indicating contraction, which doesn't bode well for US trade export volumes.

In Latin America, the region's carriers recorded another big fall, with FTKs down 6.4% in November year-on-year. There was also a contraction of 1.4% in November compared to October. With economic and political conditions in key economy Brazil worsening, regional trade activity has been very volatile over recent months. That said, air freight demand on carriers in this region has shown little correlation with trade to/from the region. Rather, it has mirrored the weakening consumer sentiment in the key economies.

African airlines, carrying a small part of worldwide FTKs, recorded a fall in FTKs of 6.0% in November year-on-year. From the perspective of demand drivers, the underperformance of major economies Nigeria and South Africa during parts of 2015 has been a challenge. However, with trade to/from the region continuing to expand slowly, airlines in the region have seen expansion in FTKs for the year-to-date.

Continued steady growth in air freight volumes carried by Middle Eastern carriers throughout the year has resulted in FTKs being 5.4% higher in November compared to a year ago. Major economies in the Middle East, including Saudi Arabia and the United Arab Emirates, have seen slowdowns in non-oil sectors (Markit), but the rates of growth remain robust and this should help sustain solid growth in air freight demand for local carriers.

Source: IATA - Air Transport Market Analysis Nov. 2015 published on www.iata.org/economic

STIFEL NICOLAUS – Logistics Confidence Index

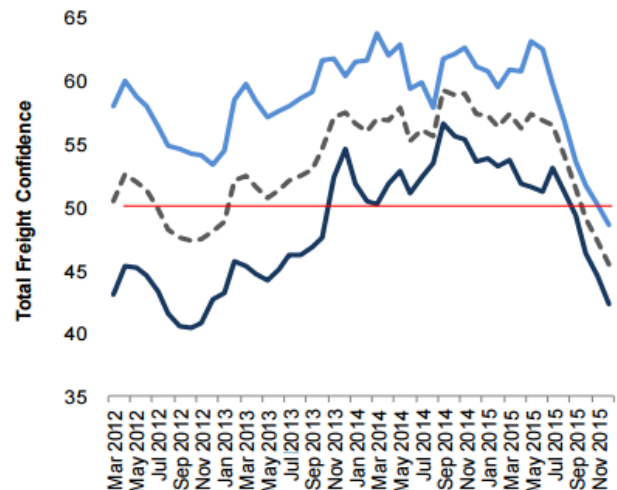
Commentary: Overview December 2015

In December, the Stifel Logistics Confidence Index reached lowest ever score, with the overall Index declining 2.0 points sequentially, and 12.0 points year over-year. The reading was also 12.1 points lower than in December 2013.

The overall air freight Index saw its monthly decline accelerate once again down 2.3 points sequentially to 46.6 this month. The present situation fell by 1.6 points and the expected situation lost 3.0 points. The overall sea freight Index totaled 44.3 after losing 1.8 points sequentially. In this case, the present situation showed a 3.3 point fall, though the expected situation was down by just 0.2 points.

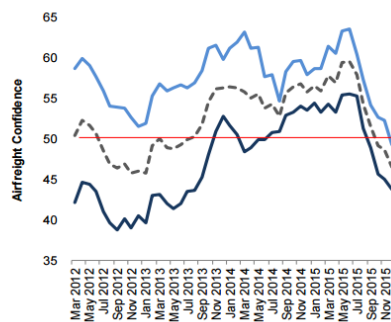
The December one-off question asked if respondents believed other shipping lines would follow Maersk's lead in laying-up one of its flagship 18,000 TEU vessels, removing more capacity from the market. A 71% majority answered yes versus 18% responding no (11% were unsure). Of those that responded "yes", 86% though the lay up would last 4 weeks or longer, 10% expect it to last 3-4 weeks, and the remaining 4% replied that it would last less than 3 weeks.

Total Freight

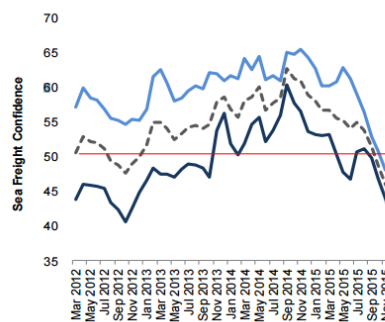


The logistics situation index illustrates current condition faced by forwarders, while the logistics expectations index shows how the situation is expected to develop over the next six months. The logistics confidence index, an average of both the present situation and expected situation indices, expresses overall confidence in the market.

Air Freight



Sea Freight



— Present Situation - - - Logistics Confidence — Expected Situation

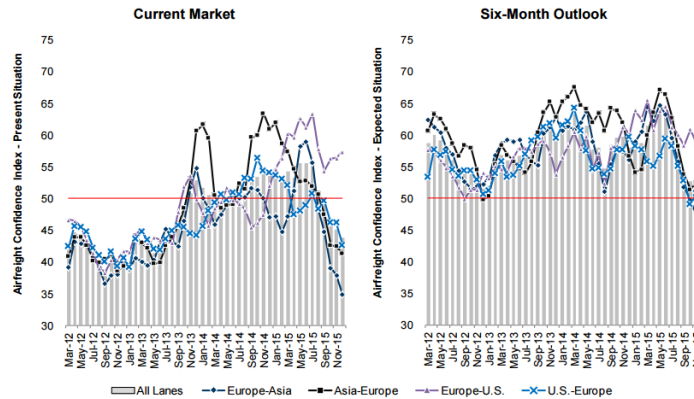
Mode	Present Situation	Expected Situation	Confidence
	Dec 2015	Jun 2016	Average
Air Freight	43.8	49.3	46.6
Sea Freight	40.7	47.9	44.3
Total Freight	42.3	48.6	45.4

Air Freight Confidence Index

The total air freight logistics confidence Index contracted by 2.3 points in December 2015, amounting to 46.6. The Index is 9.2 points lower than in December 2014, and 9.8 points lower than in December 2013.

Regarding the present situation, the air freight Index fell by 1.6 points to 43.8. Following a now well established pattern, all lanes posted month on month declines with the exception of Europe to U.S., which gained 1.0 points to reach 57.4. By contrast, U.S. to Europe stood at 42.6 after losing 3.5 points, whilst Asia to Europe and Europe to Asia lost 1.1 and 3.1 points respectively, totaling 41.3 and 34.8.

In the expected outlook, there were no exceptions to the pattern of decline. Europe to Asia recorded the slightest change out of the four lanes, having fallen by 0.1 points to 47.4. Next in line was U.S. to Europe, which was down 1.5 points to 49.2. Europe to U.S. stood out once more as the only lane in expansion territory at 54.2 points, but the sequential pattern was still one of deceleration, with a month on month decline of 4.6 points. Worse still was the core Asia to Europe lane, which, at 46.9, has now fallen below the 50 point mark for the first time since December 2012, losing 5.5 index points from last month.



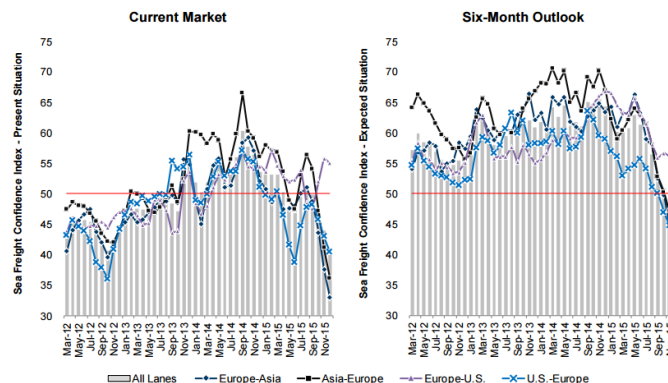
Air Freight			
Trade Lane	Dec 2015	Jun 2016	Confidence
Europe-Asia	34.8	47.4	41.1
Asia-Europe	41.3	46.9	44.1
Europe-U.S.	57.4	54.2	55.8
U.S.-Europe	42.6	49.2	45.9
Total Index	43.8	49.3	46.6

Sea Freight Confidence Index

The logistics confidence Index for sea freight declined by 1.8 points to 44.3. Compared with the same month in 2014, the Index is 14.7 points lower, and it is also 14.3 points lower than in December 2013.

For the present situation, the Index fell 3.3 points to 40.7. All lanes noted declines in December, though Europe to U.S. lost only 0.8 points. On an absolute basis, that lane remains in a stronger position than the others at 55.0 the only measured lane currently in expansion territory. Having declined by 4.7 points from November, Europe to Asia was the weakest of the lanes, and recorded a points total of 32.9. Asia to Europe noted an even greater decline of 5.0 points, and stood at 36.1. U.S. to Europe recorded a moderate loss of 2.6 points, which brought it to 40.4 overall.

The expected situation Index for sea freight was more positive than the present situation, with mixed results producing an aggregate 0.2 point decline. Europe to U.S. saw the most positive result, gaining 0.8 points to 56.9, whilst Asia to Europe similarly gained 0.7 points to score 47.8. Europe to Asia saw a 0.3 point decline to 44.7, but U.S. to Europe was down 2.1 points to 42.7.



Sea Freight			
Trade Lane	Dec 2015	Jun 2016	Confidence
Europe-Asia	32.9	44.7	38.8
Asia-Europe	36.1	47.8	42.0
Europe-U.S.	55.0	56.9	56.0
U.S.-Europe	40.4	42.7	41.6
Total Index	40.7	47.9	44.3

Methodology

The Stifel Nicolaus 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 US • US 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.transportintelligence.com/articles_papers/

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