

Economic & Market Report- Newsletter – May Edition 2017

▪ Exchange Rates:

Currency 17 <sup>th</sup> Feb. 17 –18 <sup>h</sup> May 17	3 Month Low	3 Month High	3 Month Average	Actual Trading Price: 18 <sup>th</sup> May 2017
Euro-to-US Dollar (€1)	USD 1.0513	USD 1.1117	USD 1.0739	USD 1.1129
Euro-to-Rupee (€1)	INR 68.29	INR 71.46	INR 70.05	INR 71.17
Euro-to-Yuan (€1)	CNY 7.2311	CNY 7.6552	CNY 7.4024	CNY 7.6503
Euro-to-GBP (€1)	GBP 0.8343	GBP 0.8756	GBP 0.8544	GBP 0.8533
Euro-to-AUD (€1)	AUD 1.3689	AUD 1.5014	AUD 1.4214	AUD 1.4974
Euro-to-BRL (€1)	BRL 3.2412	BRL 3.4917	BRL 3.3636	BRL 3.4909
Euro-to-ZAR (€1)	ZAR 13.4816	ZAR 14.8848	ZAR 14.1706	ZAR 14.7890

(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	11.25%	12.25%	04/2017
China	4.35%	4.60%	10/2015
European Monetary Union	0.00%	0.05%	03/2016
India	6.25%	6.50%	10/2016
South Africa	7.00%	6.75%	03/2016
United Kingdom	0.25%	0.50%	08/2016
United States	1.00%	0.75%	03/2017

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

Oil Prices

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

\* Data is delayed

+ WATCHLIST

51.38 USD

▼-0.83 (-1.59%)

95,261

Last | 11:14:57 AM BST

Change

Volume

QUOTE CHART NEWS PROFILE EARNINGS PEERS FINANCIALS OWNERSHIP

Stock Summary | Options Chain



Crude Oil	2 Year	1 Year	3 Month	1 Month	Trading Price May. 18th.
	USD 67.56	USD 48.21	USD 51.65	USD 51.88	USD 51.38

(Source: CNBC Market Data, <http://data.cnbc.com/quotes/%40LCO.1>. May..18th 2017)

Gross Domestic Product (% year)

Country	Q4 2015	Q1 2016	Q2 2016	Q3 2016	Q4 2016	Q1 2017	Q2 2017 Forecast	2017 Forecast	2018 Forecast
Australia	2,00%	3,00%	3,10%	3,10%	3,10%	1,90%	2,40%	2,80%	3,20%
Brazil	-4,50%	-5,90%	-5,40%	-3,60%	-3,60%	-2,90%	-2,50%	0,80%	3,60%
China	6,90%	6,80%	6,70%	6,70%	6,70%	6,80%	6,90%	6,70%	6,70%
Euro Area	1,50%	1,60%	1,70%	1,60%	1,70%	1,90%	1,90%	1,50%	1,40%
France	1,10%	1,30%	1,40%	1,10%	1,30%	1,20%	0,80%	1,30%	1,40%
Germany	1,80%	2,10%	1,50%	3,10%	3,10%	1,50%	1,20%	1,60%	1,70%
India	7,40%	7,30%	7,90%	7,30%	7,10%	7,40%	7,00%	7,10%	7,50%
South Africa	1,20%	0,60%	-0,01%	-0,10%	0,70%	0,70%	0,70%	0,90%	1,30%
South Korea	2,70%	3,10%	2,80%	3,30%	3,30%	2,40%	2,70%	2,40%	2,40%
United Arab Emirates	4,30%	4,60%	4,60%	4,00%	4,00%	4,00%	3,40%	2,20%	3,10%
United Kingdom	2,10%	2,10%	2,00%	2,10%	2,00%	1,90%	2,10%	1,90%	1,40%
United States	2,10%	2,00%	1,60%	1,30%	1,30%	1,70%	2,00%	2,30%	2,70%

(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) – Apr. 2017

	February	March	April	Summary, Rate of Change
<b>Global PMI</b>	53.0	53.0	52.8	Expanding, slower rate
<b>Output</b>	54.3	54.2	53.7	Expanding, slower rate
<b>New Orders</b>	54.2	54.2	53.7	Expanding, slower rate
<b>Australia</b>	59.3	57.5	59.2	Expanding, faster rate
<b>Brazil</b>	46.9	49.6	50.1	Expanding, change of direction
<b>China</b>	51.7	51.2	50.3	Expanding, slower rate
<b>Euro Area</b>	55.4	56.2	56.7	Expanding, faster rate
<b>France</b>	52.2	53.3	55.1	Expanding, faster rate
<b>Germany</b>	56.8	58.3	58.2	Expanding, slower rate
<b>India</b>	50.7	52.5	52.5	no-change
<b>United Kingdom</b>	54.5	54.2	57.3	Expanding, faster rate

(Source: <https://www.markiteconomics.com/Survey/PressRelease.mvc/39b36ce5e5164f1b850ca35f6ee84beb>)

**Global Manufacturing PMI slips to three-month low**

The rate of growth of the global manufacturing sector slowed to a three-month low at the start of the second quarter. This was signalled by the J.P.Morgan Global Manufacturing PMI™ – a composite index<sup>1</sup> produced by J.P.Morgan and IHS Markit in association with ISM and IFPSM – falling to 52.8 in April, down from 53.0 in March.

Full Document available: <https://www.markiteconomics.com/Survey/PressRelease.mvc/8a51418b2775498d8d6c31b409710de1>

**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.

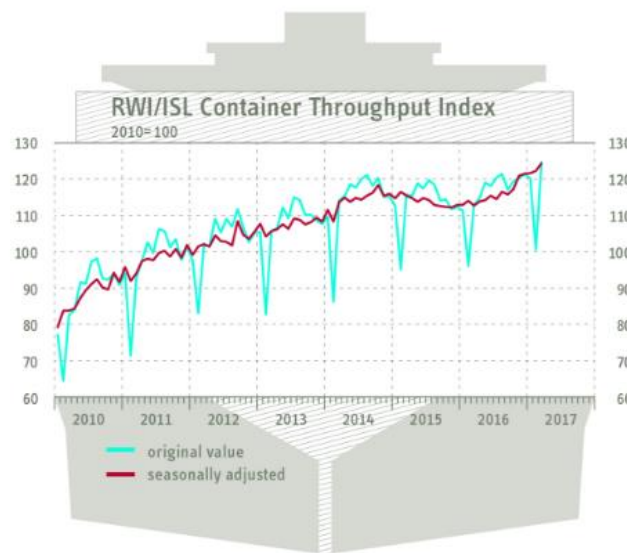
■ **Market Inflation Rate**

Country	Q4 2015	Q1 2016	Q2 2016	Q3 2016	Q4 2016	Q1 2017	Q2 2017 Forecast	2017 Forecast	2018 Forecast
<b>Australia</b>	1,50%	1,70%	1,30%	1,30%	1,30%	1,50%	2,10%	2,30%	2,60%
<b>Brazil</b>	10,67%	9,28%	8,84%	8,97%	5,35%	4,76%	4,57%	4,30%	4,00%
<b>China</b>	1,60%	2,30%	1,80%	1,80%	2,50%	0,90%	1,20%	2,20%	2,10%
<b>Euro Area</b>	0,30%	-0,20%	0,20%	0,20%	1,80%	2,00%	1,60%	1,70%	1,40%
<b>France</b>	0,20%	-0,20%	0,20%	0,20%	1,30%	1,10%	1,20%	1,50%	1,50%
<b>Germany</b>	0,50%	-0,10%	0,40%	0,40%	1,90%	1,60%	2,00%	2,00%	1,80%
<b>India</b>	5,69%	4,83%	5,77%	6,07%	3,41%	3,65%	3,81%	5,00%	4,70%
<b>South Africa</b>	5,20%	6,30%	6,03%	6,00%	6,80%	6,30%	6,10%	5,70%	5,50%
<b>South Korea</b>	1,30%	1,00%	0,70%	0,40%	2,00%	2,20%	1,90%	2,10%	1,50%
<b>United Arab Emirates</b>	3,50%	1,43%	1,76%	1,76%	1,20%	2,70%	3,00%	2,00%	2,60%
<b>United Kingdom</b>	0,30%	0,50%	0,50%	0,60%	1,60%	2,30%	2,30%	3,00%	2,50%
<b>United States</b>	0,70%	0,90%	1,00%	0,80%	2,10%	2,70%	2,40%	2,40%	2,00%

(Source: [HSBC Global Research – Key Economic Forecast](#) )

## RWI/ISL-Container Throughput Index continues to rise strongly

During March 2017, the Container Throughput Index of the RWI – Leibniz Institute for Economic Research and the Institute of Shipping Economics and Logistics (ISL) rose by a hefty 1.5 points. The index thus reached 126.0 points. This implies that the expansion of world trade continued regardless of the spectre of rising protectionist tendencies. The February estimate showed no need for revisions.



*RWI/ISL computations based on data provided by 82 ports. March 2017: flash estimate.*

### 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>

# Air Freight Indicators:

## ■ Airfreight Market Analysis

### March data complete a strong Q1 for annual FTK growth

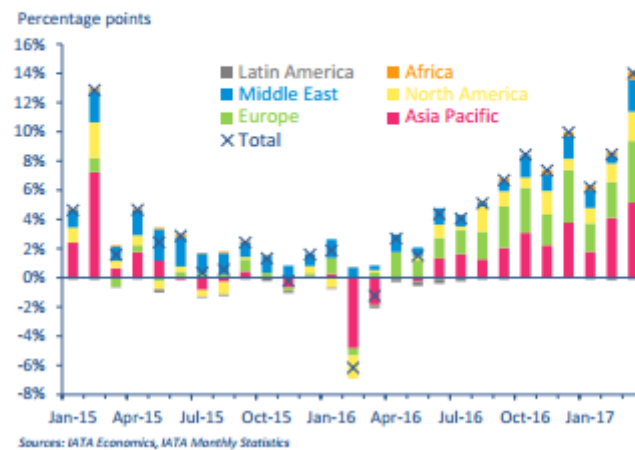
- Global freight tonne kilometres (FTKs) grew by 14% year-on-year in March – the fastest pace since Oct 2010.
- The result completed a very strong first quarter for year-on-year growth, albeit partly flattered by weakness last year. Freight volumes rose by nearly 11% year-on-year in Q1 allowing for the extra day in February 2016.
- Leap year effects are distorting the data...
- Seasonally adjusted (SA) traffic bounced back in March, although the upward trend has eased since H2 2016.
- The freight load factor has continued to recover, and is now back to levels last seen in early 2015.

### Growth reaches a multi-year high in March...

Global FTKs grew by 14.0% year-on-year in March – the fastest pace since October 2010.

Airlines based in Europe and Asia Pacific accounted for around two-thirds of the annual increase in freight volumes, with the remainder split almost equally between North American and Middle Eastern carriers. (See Chart 1.) The modest positive contribution made by African airlines was the strongest in nearly seven years, but Latin American carriers detracted from annual FTK growth for the thirteenth month in a row.

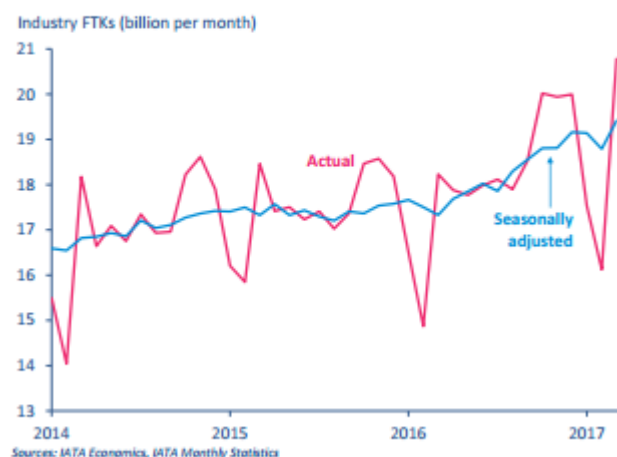
**Chart 1 – Contributions to year-on-year growth by airline region of registration**



### ...and completes a very strong Q1 2017

The March result was flattered in part by the comparison with a weak patch in Q1 2016. (Recall that March was the low point for seasonally adjusted (SA) volumes last year – see Chart 2.) We estimate that this accounted for around 1.5 percentage points of March's year-on-year growth rate – a boost that will not be repeated in the April data.

**Chart 2 – FTK levels**



Nonetheless, Q1 was clearly a very strong quarter for annual FTK growth. The shifting timing of Chinese New Year means that it is always difficult to get a clear reading of underlying developments in air freight at the start of each year. Now that we have data for the first three months, the picture is clearer. FTKs have grown by 9.7% in annual terms so far this year to date. In fact, adjusting for the extra day in February 2016 owing to the leap year, we estimate that the true pace of FTK growth was even faster – closer to 11%.

### Air freight market overview - March 2017

	World share <sup>1</sup>	March 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>14.0%</b>	<b>4.2%</b>	<b>4.1%</b>	<b>47.4%</b>	<b>9.7%</b>	<b>2.6%</b>	<b>2.9%</b>	<b>44.3%</b>
International	86.7%	15.8%	4.5%	5.1%	52.1%	10.9%	2.7%	3.6%	48.6%

<sup>1</sup>% of industry FTKs in 2016    <sup>2</sup>Year-on-year change in load factor    <sup>3</sup>Load factor level

### Upward seasonally adjusted trend has slowed

Developments in SA terms are not quite as stellar as the annual growth rate would suggest. Admittedly, having dipped in February, freight volumes bounced back in SA terms in March. But looking across Q1 as a whole, the upward trend has moderated from that seen in H2 2016. Indeed, around two-thirds of March's strong year-on-year FTK growth rate relates to gains that took place last year.

### Improved backdrop for world trade conditions

The pick-up in air freight since the middle of last year has coincided with a broader improvement in world trade conditions. Business surveys continue to indicate healthy export order books for global manufacturers. The new export orders component of the global purchasing managers' index (PMI) remains close to a six-year high, and at current levels, is consistent with year-on-year FTK growth of around 7.5% in Q2 2017. (See Chart 3.)

Meanwhile, traditional demand drivers for air freight have been strong. We expect silicon shipments data from Q1 2017, which are due for release just after the publication of this note, to have continued the strong year-on-year growth seen in Q4 2016.

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



Rising protectionist rhetoric is an ongoing concern, and something that warrants close monitoring. Moreover, as shown in Chart 3, in the absence of further gains in manufacturing export order books, support for freight growth looks likely to moderate towards the end of the year. However, air freight has gained market share over the past year or so. Moreover, the increasing importance of niche areas such as pharmaceuticals and cross-border ecommerce may yet help air freight to de-couple from wider world trade conditions.

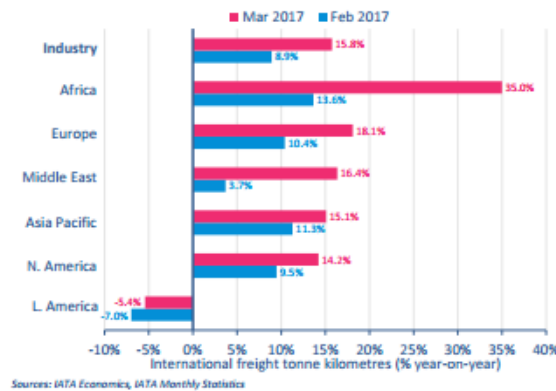
### The freight load factor has increased in 2017 so far

Available freight tonne kilometres (AFTKs) grew by 4.2% year-on-year in March. Adjusting for the leap year effect, we estimate that AFTKs have grown by around 3.7% in annual terms in 2017 to date. The industry-wide load factor has risen by nearly three percentage points over the past year and, in seasonally adjusted terms, is currently back to levels last seen in early 2015.

**International FTK growth outpaces the total again.**

International FTK growth jumped to 15.8% year-on year in March. (See Chart 4.) Year-on-year growth accelerated from the previous month in all regions, although the February data were distorted downwards by there being one fewer day in the month this year compared to 2016. (All else equal, this effectively subtracted around 3.3 percentage points from the year-on-year growth rates in February.)

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



**Double-digit growth in the four major regions**

The four largest regions in terms of freight flown all posted double-digit year-on-year growth in international FTKs in March. As a result, the industry-wide load factor has increased by 2.3 percentage points so far this year to date compared to the same period in 2016.

International freight volumes flown by European airlines grew by 18.1% in year-on-year terms – the fastest pace in almost six years. The region’s robust performance continues to be helped by the ongoing weakness in the euro, which is visible in very strong order books for European exporters.

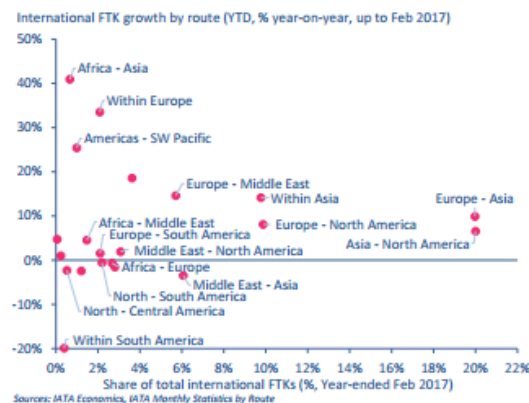
The SA trend in international freight volumes has slowed from the stellar trend seen in H2 2016, but remains firmly upwards. Air freight is growing strongly on the trade lanes to and from Asia, and across the Atlantic; SA freight volumes on the latter recently reached levels last seen in early-2011.

**Strong growth in the Asia Pacific region**

Air freight is a key part of airline business models in Asia Pacific, and the region is the biggest in terms of international FTKs flown. International freight volumes grew by 15.1% year-on-year in March and the SA upward trend remains positive: volumes recently surpassed the levels reached following the global financial crisis in 2010.

Exporters in much of the region have continued to report buoyant order books. Notwithstanding a modest weakening in demand conditions across the Pacific, demand conditions on other key routes to, from and within the region have strengthened considerably over the past six months: International FTKs within the region have grown by 14.1% in annual terms so far this year to date, while the Europe-Asia market has also seen volumes rise by 9.9% on the same basis. (See Chart 5.)

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



### Recovery in Middle East growth conditions

International FTKs flown by Middle Eastern airlines climbed by 16.4% year-on-year in March – the fastest pace since June 2015. The upward trend in SA traffic remains robust, and freight volumes have grown by nearly 11% this year to date allowing for the leap year effect. Having moderated in late-2015 and throughout 2016, the year-on-year growth rate has recovered back broadly in line its long-run average pace..

A big divergence has emerged in performance on the major segment-based routes to and from the region: FTKs flown between the Middle East and Europe have grown by more than 15% so far this year allowing for the impact of the leap year in 2016, but traffic to and from Asia has fallen modestly over the same period.

### North American trend has slowed

North American airlines posted annual FTK growth of 14.2% year-on-year in March. This was the fastest pace of growth since the boost to air freight caused by disruption at US west coast seaports in early 2015. That said, in contrast to the other major regions, the SA trend in freight volumes has slowed almost to a standstill, alongside a modest weakening in demand conditions across the Pacific.

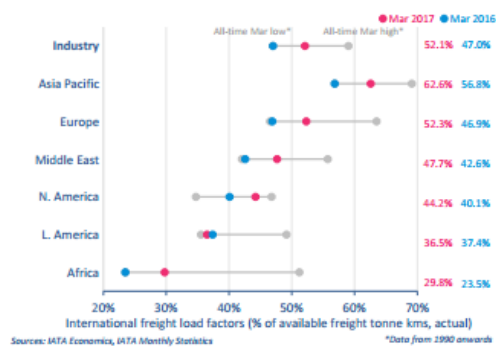
The strength of the US dollar is likely to continue to support US inbound air freight, but it is also expected to continue to keep outbound flows under pressure.

### Contrasting fortunes for the smallest regions

African and Latin American airlines fly a comparatively small proportion of global air cargo (less than 5% of international FTKs combined). The two regions have seen a big divergence in performance so far this year.

International FTKs flown by African carriers surged by 35% year-on-year in March (and by more than 25% so far this year to date adjusting for the leap year impact) The performance has continued to be helped by rapid growth on the trade lane to and from Asia, following an increase in direct services between the continents; while still a comparatively small route, FTKs between Asia and Africa have jumped by more than 40% so far this year. (Again, see Chart 5.) The region's load factor remains the lowest out of all the regions, but increased by more than six percentage points compared to March 2016. (See Chart 6.)

Chart 6 – Freight load factors by region



Meanwhile, international FTKs flown by Latin American airlines fell once again in year-on-year terms in March (for the 26th time in the last 28 months) Having recovered partly during H2 2016, the region's SA traffic trend fell in March to its lowest level since October 2010; FTKs are now more than 18% lower than their 2014-peak. The region's airlines have managed to adjust capacity, which has limited the impact on the region's load factor. But the March load factor has only been lower on one occasion (in 2002), and the region was the only one to see a fall in loads compared to March 2016. (Again, see Chart 6.)



### Air freight market detail - March 2017

	World share <sup>1</sup>	March 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>14.0%</b>	<b>4.2%</b>	<b>4.1%</b>	<b>47.4%</b>	<b>9.7%</b>	<b>2.6%</b>	<b>2.9%</b>	<b>44.3%</b>
Africa	1.6%	33.5%	6.3%	5.9%	28.9%	23.1%	4.4%	3.9%	25.8%
Asia Pacific	37.5%	13.6%	4.8%	4.4%	57.0%	10.0%	3.9%	2.9%	52.1%
Europe	23.5%	18.2%	6.7%	4.9%	50.8%	12.8%	4.4%	3.5%	47.3%
Latin America	2.8%	-4.2%	-1.9%	-0.8%	31.9%	-4.3%	-2.0%	-0.7%	30.5%
Middle East	13.9%	16.3%	2.7%	5.6%	47.6%	9.7%	1.5%	3.4%	44.8%
North America	20.7%	9.5%	2.8%	2.3%	36.9%	7.0%	0.7%	2.1%	35.9%
<b>International</b>	<b>86.7%</b>	<b>15.8%</b>	<b>4.5%</b>	<b>5.1%</b>	<b>52.1%</b>	<b>10.9%</b>	<b>2.7%</b>	<b>3.6%</b>	<b>48.6%</b>
Africa	1.6%	35.0%	6.6%	6.3%	29.8%	24.1%	4.5%	4.2%	26.6%
Asia Pacific	33.3%	15.1%	4.6%	5.7%	62.6%	10.9%	3.6%	3.8%	57.3%
Europe	23.0%	18.1%	5.9%	5.4%	52.3%	12.6%	3.5%	4.0%	48.9%
Latin America	2.4%	-5.4%	-3.1%	-0.9%	36.5%	-5.8%	-3.2%	-1.0%	35.9%
Middle East	13.9%	16.4%	4.0%	5.1%	47.7%	9.8%	2.5%	3.0%	44.9%
North America	12.6%	14.2%	3.6%	4.1%	44.2%	10.4%	0.9%	3.7%	42.4%

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

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

<sup>3</sup>Load factor level

Source: IATA-Air Transport Market Analysis Mar. 2017 published on:  
<http://www.iata.org/whatwedo/Documents/economics/freight-analysis-mar-2017.pdf>

The Logistics Confidence Index (LCI) has rebounded from the slight dip experienced in March, with Present Index scores demonstrating a continuation of volume growth.

This appears to tally with the recent results from leading players involved in global freight movements. In recent filings, UPS, C.H. Robinson and Kuehne + Nagel all reported volume increases in their freight forwarding businesses for the first quarter of the year. The latter recorded a striking set of results, with Air Freight volumes up by 16%, and Sea Freight up by 9%.

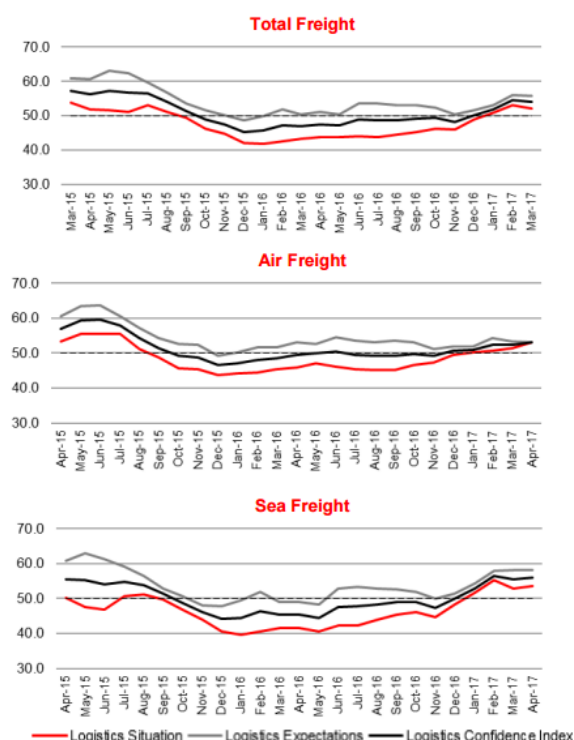
The Air Freight Index registered a month-on-month rise of 0.6 points to 53.0 for April 2017. Whilst this score reflected a year-on year improvement of 3.4 points, it stood 4.0 points below the April 2015 total.

The Sea Freight Logistics Confidence Index recorded an overall score of 56.0, having increased by 0.4 points against the previous month's score. The result was 10.7 points greater than the score registered in April 2016, and 0.4 points below that recorded in April 2015.

April 2017			
	Present Situation	Expected Situation	Logistics Confidence
Air Freight	53.0	53.0	53.0
Sea Freight	53.7	58.2	56.0
Total Freight	53.4	55.6	54.5

*Source: TI*

*Note: The Present Situation Index illustrates the current condition faced by forwarders, while the Expected Situation Index shows 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 rise of 0.6 points to 53.0 for April 2017. Whilst this score reflected a year-on year improvement of 3.4 points, it stood 4.0 points below the April 2015 total.

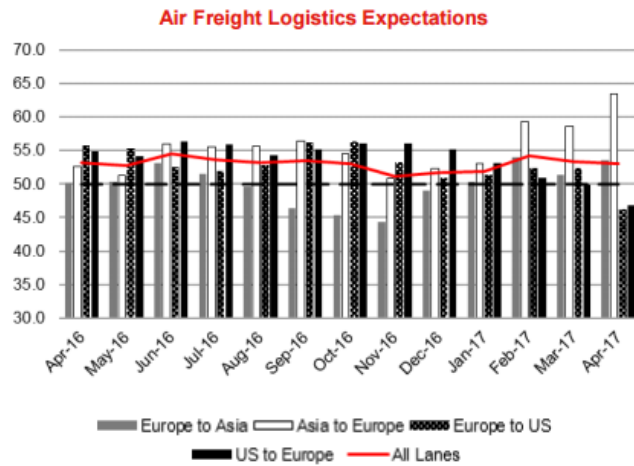
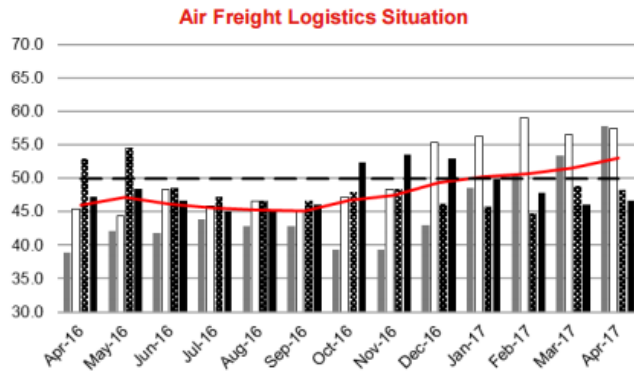
The Air Freight Logistics Situation Index noted a month-on-month improvement of 1.5 points to 53.0. Month-on-month changes were driven by a strong performance on the Europe to Asia lane, which saw a 4.4 point improvement to 57.8. Nonetheless, two other lanes also recorded gains over the same timeframe; Asia to Europe, which noted a 0.9 point gain to total 57.4, and US to Europe, which improved by 0.5 points, though at 46.6, still remained in negative territory. Europe to US was the only lane to record a decline, falling by 0.6 points to 48.3.

The performance of the Air Freight Logistics Expectations Index was decidedly more mixed, with two lanes displaying gains, and two recording losses. Europe to US was the most significant mover month-on-month, with a 6.2 point decline to total 46.2. A more moderate decline was seen on the US to Europe lane, which fell by 3.1 points to 46.8. In contrast to these results, expectations were strong for Asia to Europe, which was up by 4.8 points to 63.5, and also for Europe to Asia, which scored 53.6 following a 2.2 point improvement.

## Air Freight - April 2017

	Present Situation	Expected Situation
<b>Europe to Asia</b>	57.8	53.6
<b>Asia to Europe</b>	57.4	63.5
<b>Europe to US</b>	48.3	46.2
<b>US to Europe</b>	46.6	46.8
<b>Total Air Index</b>	53.0	53.0

*Source: Ti*



### Sea Freight Confidence Index

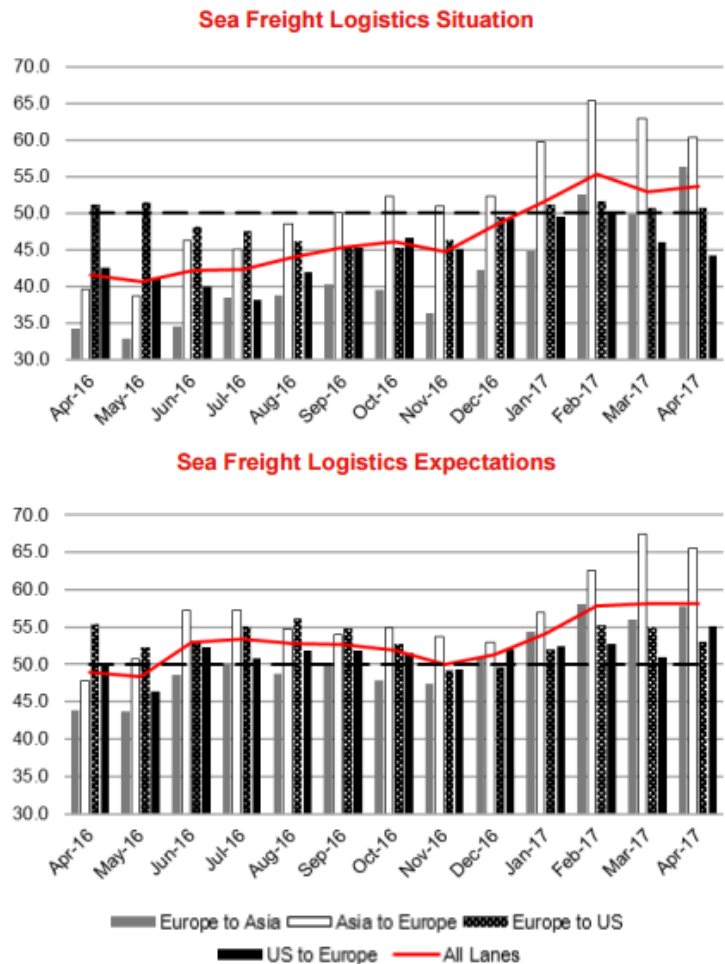
The Sea Freight Logistics Confidence Index recorded an overall score of 56.0, having increased by 0.4 points against the previous month's score. The result was 10.7 points greater than the score registered in April 2016, and 0.4 points below that recorded in April 2015.

Standing at 53.7, the Sea Freight Logistics Situation Index improved by 0.8 points against the previous month. This result was driven by a significant monthly improvement in one lane, Europe to Asia, which improved by 6.4 points. This was the only lane to note an improvement, with declines registered on the Asia to Europe (down 2.5 points to 60.4) and US to Europe (down 1.8 points to 44.2) lanes. The Europe to US Lane was unchanged, with a score of 50.7.

The Sea Freight Logistics Expectations Index was unchanged from March, totaling 58.2. This outcome was derived from a mixed performance amongst the lanes surveyed. Whilst Europe to Asia saw a points increase of 1.7 to 57.7, Asia to Europe declined by 2.0 points to 65.5. Similarly, the US to Europe lane improved by 4.2 points to 55.1, whilst the reverse lane, Europe to US, declined by 1.8 points to 53.1.

Sea Freight - April 2017		
	Present Situation	Expected Situation
Europe to Asia	56.3	57.7
Asia to Europe	60.4	65.5
Europe to US	50.7	53.1
US to Europe	44.2	55.1
<b>Total Sea Index</b>	<b>53.7</b>	<b>58.2</b>

*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/2017/01/Ti-Logistics-Confidence-Index-Jan-2017-1.pdf>

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