

Röhlig Logistics GmbH & Co. KG. Am Weser-Terminal 8, 28217 Bremen, Germany
Economic & Market Report- Newsletter – November Edition 2015

▪ **Exchange Rates:**

Currency 14 th Aug.15 –16 th Nov.15	3 Month Low	3 Month High	3 Month Average	Actual Trading Price: 16th. Nov. 2015
Euro-to-US Dollar (€1)	USD 1.0711	USD 1.1506	USD 1.1170	USD 1.10732
Euro-to-Rupee (€1)	INR 71.24	INR 77.10	INR 73.51	INR 70.86
Euro-to-Yuan (€1)	CNY 6.8121	CNY 7.3786	CNY 7.1101	CNY 6.8700
Euro-to-GBP (€1)	GBP 0.7042	GBP 0.7480	GBP 0.7266	GBP 0.7064
Euro-to-AUD (€1)	AUD 1.5026	AUD 1.6147	AUD 1.5619	AUD 1.5062
Euro-to-BRL (€1)	BRL 3.8404	BRL 4.7304	BRL 4.2551	BRL 4.0587
Euro-to-ZAR (€1)	ZAR 14.2438	ZAR 15.7352	ZAR 15.1343	ZAR 15.4460

(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	6.00%	5.75%	07/2015
United Kingdom	0.50%	1.00%	03/2009
United States	0.25%	1.00%	12/2008

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

Oil Prices

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

* Data is delayed

44.75 USD

Last | 3:00:00 AM EST

▲0.28 (+0.63%)

Change

13,380

Volume

QUOTE CHART NEWS PROFILE EARNINGS PEERS FINANCIALS OWNERSHIP

Stock Summary | Options Chain



High	44.99	52 wk High	85.00	EPS	--	Revenue (TTM)	--
Low	44.39	52 wk Low	44.16	Market Cap	--	Beta	--
Volume	12.7K	YTD % Change	-32.33	Shares Out	--	Dividend	--
10 Day Avg. Vol	231.9K	1 Yr % Change	-46.98	Price/Earnings	--	Yield	--

(Source: CNBC Market Data, <http://data.cnbc.com/quotes/LCOU3/tab/2> Nov.16th 2015)

Crude Oil	2 Year	1 Year	3 Month	1 Month	Trading Price Nov..16th
	USD 106.28	USD 79.64	USD 46.85	USD 49.89	USD 44.75

Gross Domestic Product (% year)

Country	2014	Q1 2015	Q2 2015	Q3 2015	Q4 2015 Forecast	2015 Forecast	2016 Forecast	2017 Forecast
Australia	2,70%	2,70%	2,50%	2,50%	2,00%	2,40%	2,80%	3,20%
Brazil	0,90%	-0,60%	-2,60%	-1,60%	-2,60%	-2,40%	-0,70%	1,00%
China	7,30%	7,30%	7,00%	7,00%	7,00%	7,10%	7,20%	7,20%
Euro Area	0,80%	0,80%	1,20%	1,70%	1,90%	1,50%	1,40%	1,40%
France	0,41%	0,41%	0,82%	0,94%	1,08%	1,10%	1,10%	1,30%
Germany	1,20%	1,20%	1,20%	1,20%	1,60%	1,50%	1,40%	1,50%
India	8,20%	8,20%	7,50%	7,50%	7,00%	7,40%	7,80%	8,10%
South Africa	1,30%	1,60%	1,30%	2,10%	1,20%	1,40%	1,60%	1,90%
South Korea	3,20%	2,70%	0,80%	2,50%	2,20%	2,40%	2,70%	2,60%
United Arab Emirates	5,20%	5,20%	4,30%	4,30%	4,60%	3,00%	2,40%	2,90%
United Kingdom	2,60%	2,40%	2,90%	2,70%	2,40%	2,60%	2,40%	2,20%
United States	2,70%	2,40%	2,90%	2,90%	2,70%	2,40%	2,30%	2,20%

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

■ JP Morgan Global Manufacturing Purchasing Managers Index (PMI) –Nov. 2015

	August	Sept.	Oct.	Summary, Rate of Change
Global PMI	51.1	50.2	50.1	Expanding, slower rate
Output	50.1	51.8	53.4	Expanding, faster rate
New Orders	51.4	53.0	53.2	Expanding, faster rate
Australia	51.7	52.1	50.2	Expanding, slower rate
Brazil	45.8	47.0	44.1	Contracting, faster rate
China	47.3	49.9	50.0	Expanding, change of direction
Euro Area	52.3	52.0	52.3	Expanding, faster rate
France	48.3	51.9	52.7	Expanding, faster rate
Germany	53.3	54.1	54.5	Expanding, faster rate
India	52.3	51.5	52.6	Expanding, faster rate
United Kingdom	51.6	51.5	55.5	Expanding, faster rate

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

Commentary: Global growth regains momentum at start of final quarter

October PMI surveys signaled a modest acceleration in the rate of global economic expansion. Faster output growth was seen in both the manufacturing and service sectors, with the steeper expansion noted in the latter.

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: <http://www.markiteconomics.com/Survey/PressRelease.mvc/8580ebed59a7402ba6cc0e93a1905c90>

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.

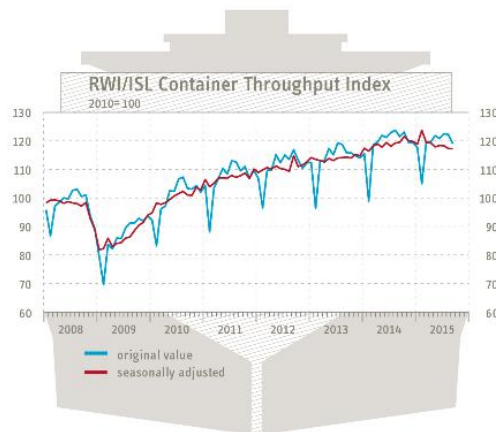
■ **Market Inflation Rate**

Country	2014	Q1 2015	Q2 2015	Q3 2014	Q4 2015 Forecast	Forecast 2015	Forecast 2016	Forecast 2017
Australia	2,50%	1,70%	1,30%	1,50%	2,00%	1,60%	2,30%	2,90%
Brazil	6,30%	8,13%	9,56%	9,93%	8,70%	8,90%	7,00%	5,50%
China	2,00%	1,40%	1,60%	2,00%	1,60%	1,40%	1,30%	1,30%
Euro Area	0,40%	-0,10%	0,10%	0,00%	-0,10%	0,00%	0,60%	1,10%
France	0,60%	-0,30%	0,30%	0,00%	0,00%	0,20%	0,90%	1,10%
Germany	0,80%	0,30%	0,20%	0,00%	0,30%	0,20%	1,40%	1,40%
India	6,50%	5,37%	5,40%	3,66%	4,41%	4,80%	5,50%	5,00%
South Africa	6,10%	3,90%	4,70%	4,60%	4,60%	4,70%	6,30%	5,90%
South Korea	1,30%	0,40%	0,70%	0,60%	0,90%	0,70%	1,50%	2,60%
United Arab Emirates	2,30%	3,60%	4,20%	4,94%	4,30%	7,40%	8,80%	7,90%
United Kingdom	1,40%	0,30%	0,00%	0,00%	-0,10%	0,10%	1,30%	1,70%
United States	1,60%	-0,10%	0,10%	0,20%	0,00%	0,10%	1,50%	2,10%

(Source: HSBC Global Research – Key Economic Forecast)

Commentary: RWI/ISL-Container Throughput Index World Trade Stuck in Reverse Gear

During September, the negative trend that the RWI/ISL-Container Throughput-Index has been subject to since roughly one year continued. The index declined from a (revised) 117.3 points in August 2015 to 117.2 points in September 2015, thus indicating an extraordinary weak phase in global trade in manufactures. The current flash estimate for September is based on 35 ports representing approximately 70 % of the throughput included in the index. The flash estimate for August has been revised up by 0.3 points.



RWI/ISL computations based on data provided by 81 ports. September 2015: flash 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 September 2015

Air freight volumes were up slightly in September, with freight tonne kilometers (FTKs) 1.0% higher compared to a year ago. This was a small improvement on August, when volumes were broadly stable year to year, however, the increase is narrowly based and trade and business confidence remain weak in key regions.

The first chart below shows the growth trend in air freight volumes and world trade. FTKs expanded by 0.7% in September compared to August. But this expansion in volumes was carried mostly by airlines in advanced economies, where business conditions and trade activity have shown some improvement. Airlines in Asia Pacific, which carry the greatest share of global air cargo, continue to experience weakness.

Carriers in Europe recorded a rise of 2.8% in September, year-on-year. This is well above the trend in 2015, which has been flat year-to-date. Recent improvements in Eurozone manufacturing business activity could finally be starting to support air freight demand. In addition, some improvements in trade activity to/from Central and Eastern Europe is helping as well. Continued growth in air freight carried by Middle Eastern airlines (up 7.5%) in September year-on-year has helped offset weakness in other regions.

Asia Pacific carriers recorded an increase of just 0.3% in September. Conditions in the region remain fragile with China and other key export economies, including Korea and Chinese Taipei, continuing to see disappointing trade growth

Despite the rise in demand in September, load factors showed no improvement and remain at lows not seen since 2009. In addition to recent weakness in cargo demand, there has been continued capacity expansion, partly from growth in the passenger business, and this has placed downward pressure on cargo load factors.

Some of the conditions that led to the decline in world trade this year – a combination of weaker than expected global economic growth, particularly in emerging markets, as well as shifts toward the domestic market in China – are persisting. The September data suggests that improvements in some regions could counter further declines in air cargo demand. But this is narrowly-based and the demand backdrop for air cargo remains fragile.

▪ Traffic Growth & Load Factors & Capacity Volume

	YTD 2015 vs. YTD 2014	Sept. 2015 vs .Sept. 2014
Freight Tonne Kilometres (13.5bn)	2,4%	1,0%
Available Freight Tonne Kilometres	5,5%	5,6%
Freight Load Factor	43,6%	43,2%

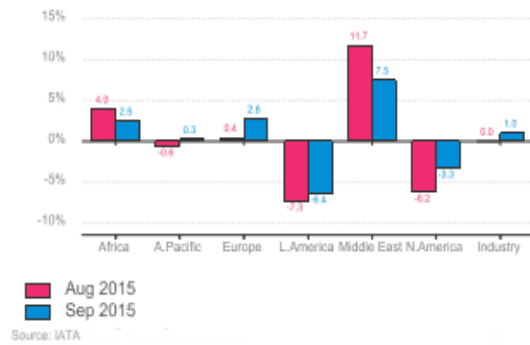
Total Freight Market

Monthly FTKs, billion



Total Freight Growth by Region

% growth in FTKs



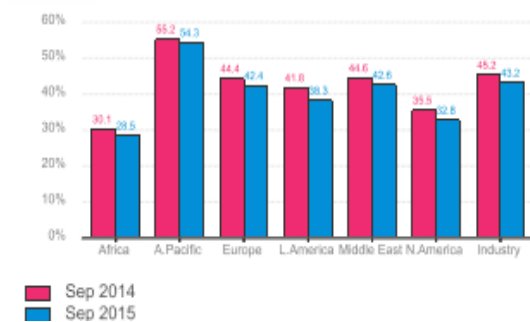
Freight Load Factor on Total Market

% of AFTKs



Total Freight Load Factor by Region

% of AFTKs



Commentary :

In the first half of 2015, declines in world trade reflected weaker than expected global economic growth as well as focal shifts in some economies. Global economic growth has softened owing to slower growth in a number of emerging economies, including China, Brazil and Argentina. The sluggish demand backdrop has been compounded by China's shift in focus toward its domestic market as well as the USA's support of its own manufacturing sector.

Air cargo markets have broadly followed the trend in world trade. And this includes more recent developments, which show that the downward trend in world trade volumes appears to have paused. This has helped contain further weakness in air freight markets.

The first chart above shows the trend in FTK volumes after adjusting for seasonal and holiday impacts. FTKs expanded by 0.7% in September compared to August. But this expansion in volumes was carried mostly by airlines in advanced economies, where business conditions and trade activity have shown some improvement. Airlines in Asia Pacific, which carry the greatest share of global air cargo, continue to experience weakness.

Carriers in Europe experienced a rise of 2.8% in September, year-on-year. This is well above the trend in 2015, which shows no increase year-to-date. Recent improvements in Eurozone manufacturing business activity could finally be starting to support air freight demand. In addition, improvements in trade activity to/from Central and Eastern Europe are helping as well.

Continued growth in air freight carried by Middle Eastern airlines (up 7.5% in September year-on-year) has helped offset weakness in other regions. 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

Asia Pacific carriers recorded an increase of just 0.3% in September. Although early H2 data show that declines in trade to/from Emerging Asia appear to have bottomed out, or at least paused, conditions in the region remain fragile. China and other key export economies, including South Korea and Chinese Taipei, continue to record disappointing trade growth. Given that manufacturing activity and export orders remain weak in China, a strong acceleration in regional trade in the near-term is unlikely.

Carriers in North America recorded a decline in FTKs of 3.3% in September year-on-year. 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. Shippers had relied heavily on air cargo to avoid delays from US container port congestion from November through March. But now, with no congestion at West Coast sea ports, demand for air freight transport has been down, particularly compared to a year ago. But despite the poor year-over-year result, volumes in September were up 0.8% compared to August, indicating the possibility of improvements in air freight demand due to better economic conditions so far in H2.

In Latin America, the region's carriers recorded a big fall of 6.4% in September. With economic and political conditions in key economy Brazil worsening, regional trade activity has taken a turn with a 7% fall in August compared to July. Although there has been some disconnect in air cargo and regional trade trends over recent months, this latest decline in Latin American trade activity does not bode well for carriers in the region, which have experienced a 6.8% contraction in air cargo year-to-date.

African airlines, carrying a small part of worldwide FTKs, recorded a rise in FTKs of 2.5% in September year-on year. From the perspective of demand drivers, major economies Nigeria and South Africa underperformed during parts of 2015, however, regional trade activity is holding up, which should support demand for air transport of goods.

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

STIFEL NICOLAUS – Logistics Confidence Index

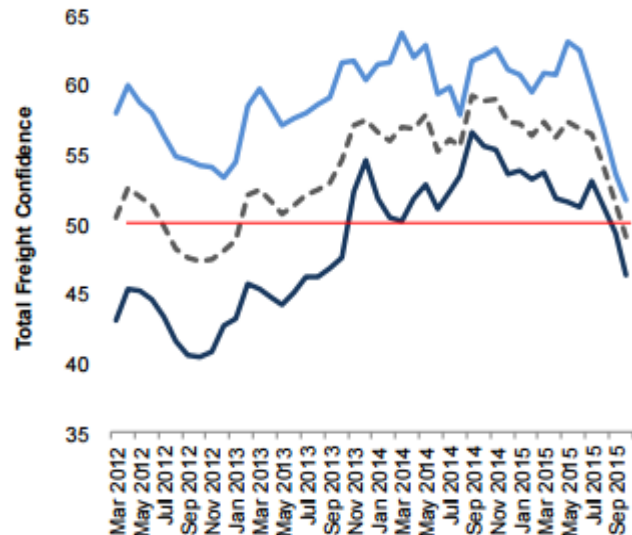
Commentary: Overview October 2015

October marked a significant low for freight forwarding confidence, with the overall index falling below the 50 point mark for the first time since January 2013. The overall Index fell 2.5 points sequentially, 9.9 points below October 2014, and 6.1 points versus October 2013.

The overall airfreight index fell 2.4 points to 49.2 for the current month. The present situation declined 3.2 points and the expected situation lost 1.5 points. The overall sea freight index slipped 2.5 points to 48.9. The present situation dropped 2.9 points and the expected situation was down 2.1 points for the month.

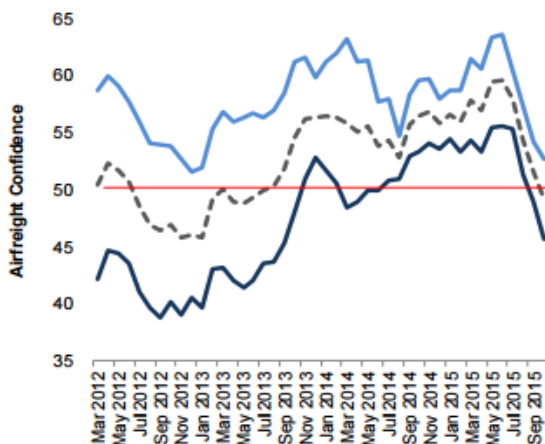
The October one-off question was based around the impact of currency movements upon the re-shoring or near-shoring of manufacturing. Participants were asked whether the decline in the Euro versus other world currencies has made near-shoring or re-shoring more attractive. Whilst 36% of respondents believed it has, the largest response group was “unsure”, at 40% of the sample. The remaining 24% thought that that the Euro’s decline did not make re-shoring or nearshoring more attractive.

Total Freight

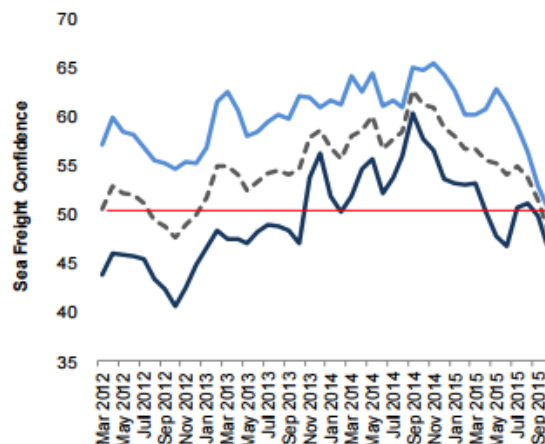


The logistics situation index illustrates current condition faced by forwarders, while the logistics expectations index shows how the situation is expected to develop over the next six months. The logistics confidence index, an average of both the present situation and expected situation indices, expresses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

Air Freight



Sea Freight



— Present Situation - - - Logistics Confidence — Expected Situation

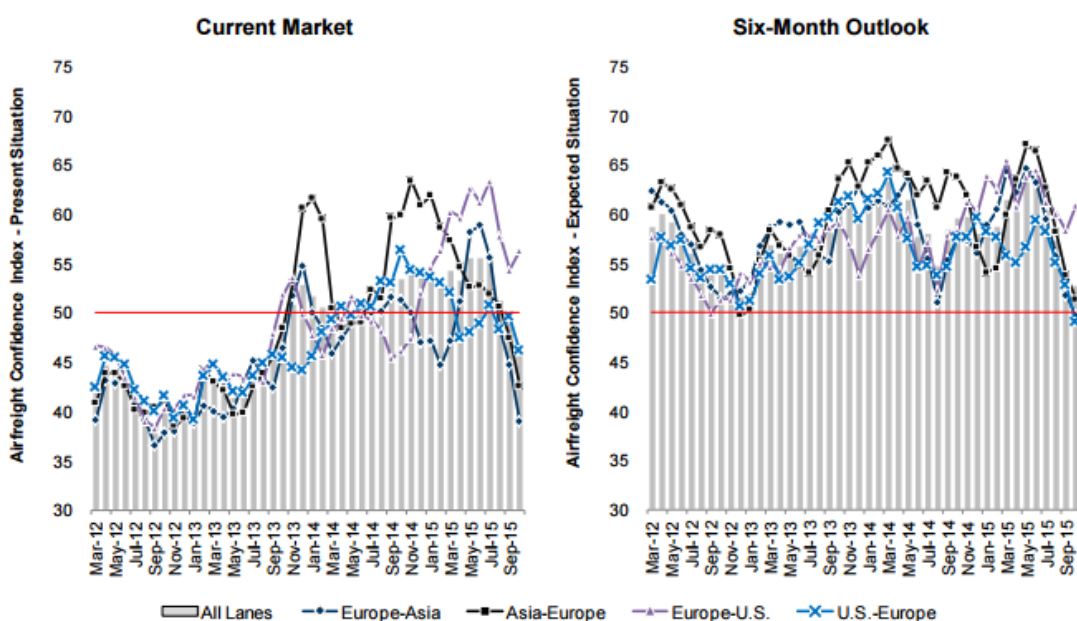
	Present Situation	Expected Situation	Confidence
Mode	Oct 2015	Apr 2016	Average
Air Freight	45.7	52.7	49.2
Sea Freight	46.9	50.8	48.9
Total Freight	46.3	51.8	49.0

Air Freight Confidence Index

The total air freight logistics confidence index decreased 2.4 points to 49.2 in October 2015. Compared with October 2014, the index is 7.3 points worse, while it is also 5.5 points lower than October 2013.

In terms of the present situation, the air freight index fell further, dropping 3.2 points to 45.7. All lanes were down for the month, with the exception of Europe to U.S., which was up by 1.9 points to 56.3. Europe to Asia noted the biggest fall, down 5.7 points to 39.0, followed by Asia to Europe, which decreased 4.9 points to 42.6. U.S. to Europe declined 3.5 points to 46.1.

For the six month outlook, the expected situation index for total air freight decreased 1.5 points to 52.7. Again, the Europe to U.S. lane was the only one bucking the downward trend, gaining 2.6 points to 60.9. By contrast, U.S. to Europe noted the greatest fall, declining 3.8 points to 49.0. Asia to Europe fell 2.4 points to 51.4, whilst Europe to Asia lost 2.1 points to reach 49.7 on the indexed scale.



Trade Lane	Air Freight		
	Oct 2015	Apr 2016	Confidence
Europe-Asia	39.0	49.7	44.4
Asia-Europe	42.6	51.4	47.0
Europe-U.S.	56.3	60.9	58.6
U.S.-Europe	46.1	49.0	47.6
Total Index	45.7	52.7	49.2

Sea Freight Confidence Index

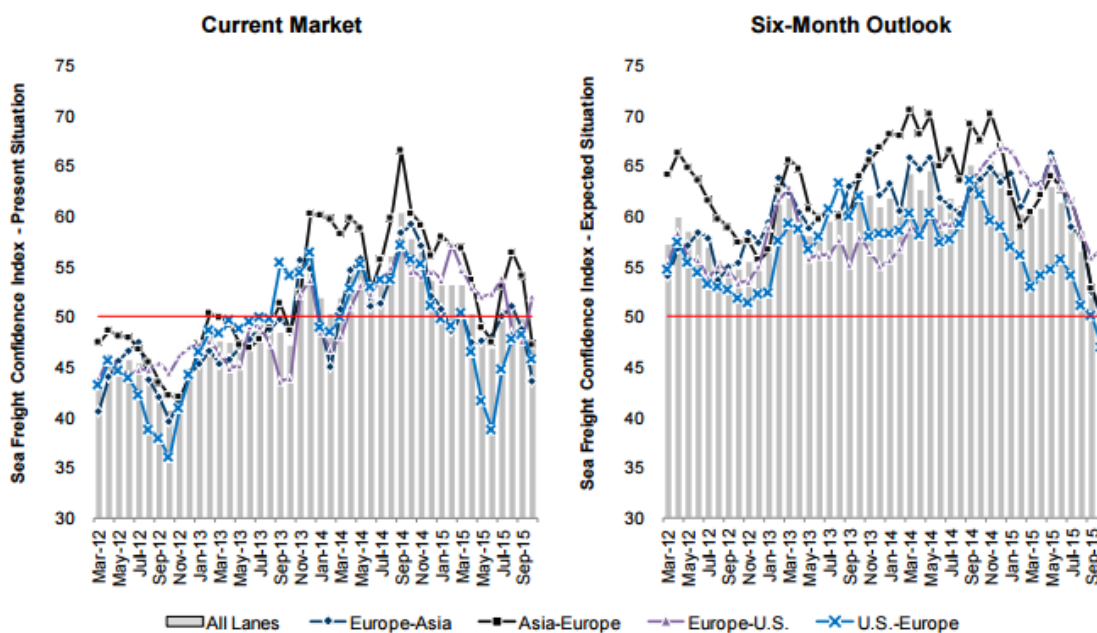
For sea freight, the logistics confidence index fell 2.5 points to 48.9. Compared with the same month in 2014, the index is 12.3 points lower, and it is also 6.7 points lower than in October 2013.

For the present situation, the index fell 2.9 points to 46.9. All lanes noted declines in October, with the exception of Europe to U.S., which rose 4.4 points to 52.0 for the month. The resilience on U.S. import lanes was consistent with reports by Kuehne + Nagel that U.S. demand remains healthy, aided by relative dollar strength.

Other lanes did not fare as well, though, with Asia to Europe noting the steepest decline, falling 7.0 points to 47.1. Meanwhile, Europe to Asia fell by 5.1 points to 43.6, and U.S. to Europe lost 2.4 points to total 45.8.

The expected situation index for sea freight decreased 2.1 points to 50.8. Again, Europe to U.S. grew, appreciating 0.8 points to 56.7. This lane thus noted gains in both modes across both current volumes and future, expected performance.

The health in the U.S. import lanes was in stark contrast to other European lanes. The greatest decline was recorded in U.S. to Europe, which fell 3.2 points to 46.9. Europe to Asia fell by 2.7 points to 49.8, whilst Asia to Europe noted a similar contraction of 2.6 points, amounting to 50.2.



Sea Freight			
Trade Lane	Oct 2015	Apr 2016	Confidence
Europe-Asia	43.6	49.8	46.7
Asia-Europe	47.1	50.2	48.7
Europe-U.S.	52.0	56.7	54.4
U.S.-Europe	45.8	46.9	46.4
Total Index	46.9	50.8	48.9

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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