

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

▪ **Exchange Rates:**

Currency 17 <sup>th</sup> Jul..15 –19 <sup>th</sup> Oct.15	3 Month Low	3 Month High	3 Month Average	Actual Trading Price: 19th. Oct. 2015
Euro-to-US Dollar (€1)	USD 1.0852	USD 1.1506	USD 1.1164	USD 1.1354
Euro-to-Rupee (€1)	INR 68.83	INR 77.10	INR 72.84	INR 73.54
Euro-to-Yuan (€1)	CNY 6.7384	CNY 7.3786	CNY 7.00674	CNY 7.2361
Euro-to-GBP (€1)	GBP 0.6963	GBP 0.7480	GBP 0.7226	GBP 0.7340
Euro-to-AUD (€1)	AUD 1.4703	AUD 1.6147	AUD 1.5498	AUD 1.5561
Euro-to-BRL (€1)	BRL 3.4455	BRL 4.7304	BRL 4.0942	-
Euro-to-ZAR (€1)	ZAR 13.4191	ZAR 15.7352	ZAR 14.7295	ZAR 14.9810

(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	4.60%	4.85%	08/2015
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 (Dec'15) (@LCO.1 :Intercontinental Exchange Europe)

\* Data is delayed

49.89 USD

Last | 4:58:00 AM EDT

▼ -0.57 (-1.13%)

Change

25,144

Volume

QUOTE CHART NEWS PROFILE EARNINGS PEERS FINANCIALS OWNERSHIP

1 Day 5 Day 1 Mo 3 Mo 6 Mo YTD 1 Yr 3 Yr 5 Yr 10 Yr

Auto Chart Style Upper Indicators Lower Indicators Standard Logarithmic

11/18/14 Open 83.42 High 84.29 Low 82.74 Close 82.89 Volume 25,550



(Source: CNBC Market Data, <http://data.cnbc.com/quotes/LCOU3/tab/2> Oct. 19<sup>h</sup> 2015)

Crude Oil	2 Year	1 Year	3 Month	1 Month	Trading Price Oct.19th
	USD 109.95	USD 87.27	USD 49.10	USD 46.85	USD 49.89

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%	-	-	-
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) –Oct. 2015

	July	August	Sept.	Summary, Rate of Change
<b>Global PMI</b>	51.0	51.1	50.2	Expanding, slower rate
<b>Output</b>	51.6	50.1	51.7	Expanding, faster rate
<b>New Orders</b>	51.2	51.4	51.3	Expanding, slower rate
<b>Australia</b>	50.4	51.7	51.7	no-change
<b>Brazil</b>	47.2	45.8	47.0	Contracting, slower rate
<b>China</b>	47.8	47.3	47.2	Contracting, faster rate
<b>Euro Area</b>	52.4	52.3	52.0	Expanding, slower rate
<b>France</b>	49.6	48.3	50.6	Expanding, change of direction
<b>Germany</b>	51.8	53.3	52.3	Expanding, slower rate
<b>India</b>	52.7	52.3	51.2	Expanding, slower rate
<b>United Kingdom</b>	51.9	51.6	51.5	Expanding, slower rate

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

**Commentary: Global manufacturing remains in low gear during September**

The global manufacturing sector continued to record lacklustre growth at the end of the third quarter, with rates of expansion in output and new orders edging lower and remaining marginal overall. The subdued conditions also filtered through to the labour market, as employment fell for the first time since July 2013.

**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.

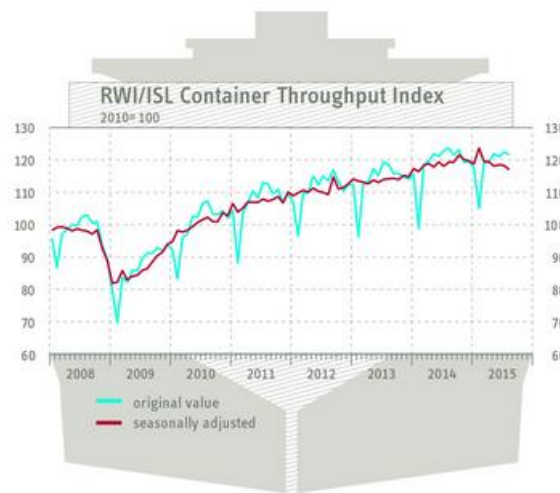
■ **Market Inflation Rate**

Country	2014	Q1 2015	Q2 2015	Q3 2014	Q4 2015 Forecast	Forecast 2015	Forecast 2016	Forecast 2017
<b>Australia</b>	2,50%	1,70%	1,30%	1,50%	2,00%	1,60%	2,30%	2,90%
<b>Brazil</b>	6,30%	8,13%	9,56%	9,53%	8,70%	8,70%	6,70%	5,50%
<b>China</b>	2,00%	1,40%	1,60%	2,00%	1,40%	1,40%	1,30%	1,30%
<b>Euro Area</b>	0,40%	-0,10%	0,10%	0,10%	0,05%	0,00%	0,60%	1,10%
<b>France</b>	0,60%	-0,30%	0,30%	0,20%	0,20%	0,20%	0,90%	1,10%
<b>Germany</b>	0,80%	0,30%	0,20%	0,20%	0,20%	0,20%	1,40%	1,40%
<b>India</b>	6,50%	5,37%	5,40%	3,78%	4,80%	4,80%	5,50%	5,00%
<b>South Africa</b>	6,10%	3,90%	4,70%	5,00%	6,00%	4,70%	6,30%	5,90%
<b>South Korea</b>	1,30%	0,40%	0,70%	0,70%	1,50%	0,70%	1,50%	2,60%
<b>United Arab Emirates</b>	2,30%	3,60%	4,20%	4,40%	-	-	-	-
<b>United Kingdom</b>	1,40%	0,30%	0,00%	0,10%	0,50%	0,10%	1,30%	1,70%
<b>United States</b>	1,60%	-0,10%	0,10%	0,20%	0,25%	0,10%	1,50%	2,10%

(Source: HSBC Global Research – Key Economic Forecast )

## Commentary: RWI/ISL-Container Throughput Index World Trade Continues to Contract

In August, the Container Throughput Index of RWI and ISL declined by a noticeable amount. From a (revised) 118.3 points (July), the index dropped to 117.0 points (August). This could be partially attributable to the disaster in Chinese port Tianjin. Usually Tianjin contributes about 4 % to the handling volumes in the entire index. Here, volumes dropped 30 % in August, a decline which was only partially offset by increases in other Chinese ports. The main reason for the lower value of the RWI/ISL index in August however is the continuously sluggish expansion of world trade. The current flash estimate for August is based on 31 ports representing nearly two thirds of the throughput included in the index. The flash estimate for July has now been revised down by 0.3 points.



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 August 2015

Air freight volumes were broadly unchanged in August compared to a year ago, with freight tonne kilometers 0.2% higher. The August data shows a pause in earlier declines in air freight volumes, consistent with developments in world trade activity. That said, the trend in air freight volumes and world trade has been in decline for the best part of 2015.

The first chart below shows the growth trend in air freight volumes and world trade. FTKs were broadly unchanged in August compared to July, but due to recent declines, the industry is still almost 2% smaller in August than it was at the end of 2014. The downward trend in world trade volumes appears to have paused, at least for the time being, and that has helped contain further weakness in air freight markets.

Airlines in Asia Pacific continue to experience weakness, but declines in volumes have eased up a bit as trade to/from emerging Asia has stopped shrinking. A slight improvement for European carriers also helped contain further declines in the industry result, with airlines in that region seeing a small 0.7% rise on a year ago. Recent improvements in Eurozone manufacturing business activity could finally be starting to support air freight demand.

Continued growth in air freight carried by Middle Eastern airlines (up 10.4% in August year-on-year), helped offset some of the decline that North American carriers are experiencing (down 3.3% in August year-on-year). Airlines in North America continue to see significant falls in FTK volumes since the boost from modal shift due to sea port congestion earlier in the year.

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. There are some tentative signs that things won't get worse – export orders have stabilized but if the current trend were to continue, we would see negative year-on-year comparisons in the coming months.

## Traffic Growth & Load Factors & Capacity Volume

	YTD 2015 vs. YTD 2014	Aug. 2015 vs .Aug. 2014
<b>Freight Tonne Kilometres (13.5bn)</b>	2,6%	0,2%
<b>Available Freight Tonne Kilometres</b>	5,6%	5,8%
<b>Freight Load Factor</b>	43,6%	40,9%

Total Freight Market

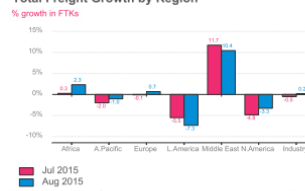


Freight Load Factor on Total Market

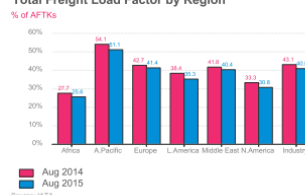


Air Freight Market Analysis August 2015

Total Freight Growth by Region



Total Freight Load Factor by Region



## Commentary :

The first chart above shows the trend in FTK volumes after adjusting for seasonal and holiday impacts. FTKs were broadly unchanged in August compared to July, but due to recent declines, the industry is still almost 2% smaller in August than it was at the end of 2014. The downward trend in world trade volumes appears to have paused, at least for the time being, and that has helped contain further weakness in air freight markets.

During the recent past, declines in trade have resulted from weaker than expected global economic growth as well as focal shifts in some economies. Global economic growth has softened due to slower growth in China as well as emerging markets in South America, including Brazil and Argentina. The sluggish demand backdrop has been compounded by China's shift in focus toward its domestic market as well as the US's support of its own manufacturing sector.

On a more positive note, the latest (July) data has shown that declines in trade to/from Emerging Asia appear to have bottomed out, or at least paused. Airlines in Asia Pacific experienced a 1.0% fall in FTKs in August year-on-year, but that is a slight improvement on the July 2.0% drop. Given recent developments in China, with the manufacturing sector struggling over recent months and declines in export orders, it is too early to say that this is the end of the weakness in trade and air freight. But there also is no sign of further weakness.

Carriers in North America recorded a decline in FTKs of 3.3% in August year-on-year. Airlines in this region have experienced a significant decline in FTK volumes since the boost from modal shift due to sea port 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 easing off. More fundamentally, although better economic performance is expected in H2, we are yet to see any benefits by way of stronger demand for air freight transport.

Growth in air freight carried by Middle Eastern carriers supported the industry result in August, with airlines in that region recording a 10.4% rise on a year ago. Major economies in the Middle East, including Saudi Arabia and the United Arab Emirates, have seen slowdowns in non-oil sectors in Q2 2015 (Markit), but the rates of growth remain robust and this should help sustain solid growth in air freight demand for local carriers.

A slight improvement for European carriers also helped contain further declines, with airlines in that region seeing a slight 0.7% rise on a year ago. Recent improvements in manufacturing business activity could finally be starting to support air freight demand.

In Latin America, the region's carriers recorded a big fall of 7.3% in August. Although key economies like Brazil and Argentina continue to struggle, regional trade activity has bucked the global trend with solid gains during H1 2015. Unfortunately, this trade activity has not benefitted air freight transport, as of yet

African airlines, carrying a small part of worldwide FTKs, recorded a rise in FTKs of 2.3% in August 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 August 2015 published on [www.iata.org/economic](http://www.iata.org/economic)**

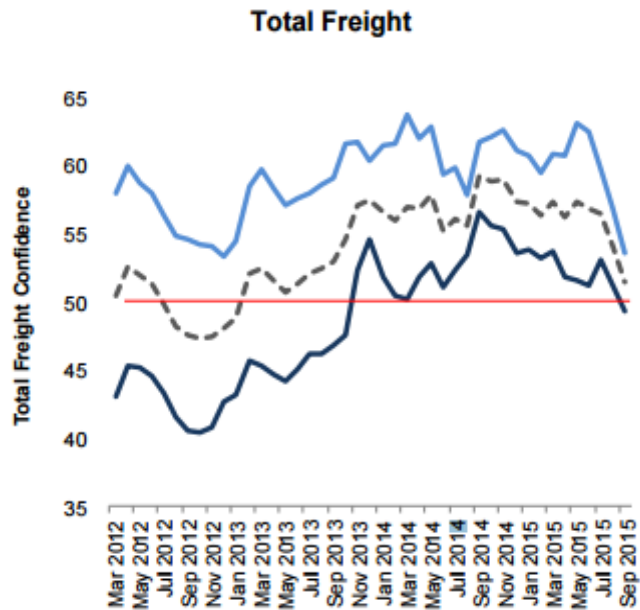
# STIFEL NICOLAUS – Logistics Confidence Index

## Commentary: Overview September 2015

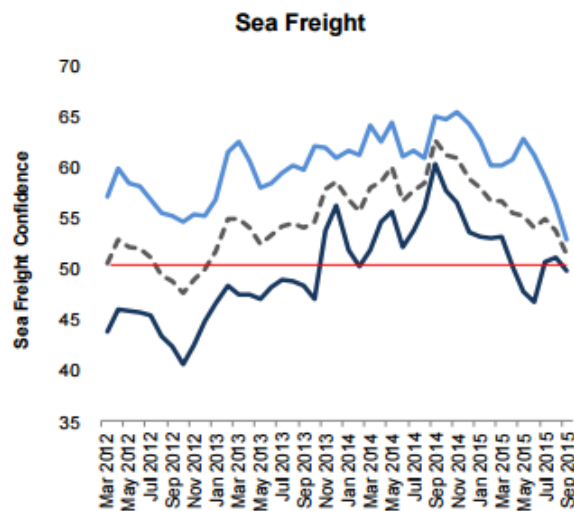
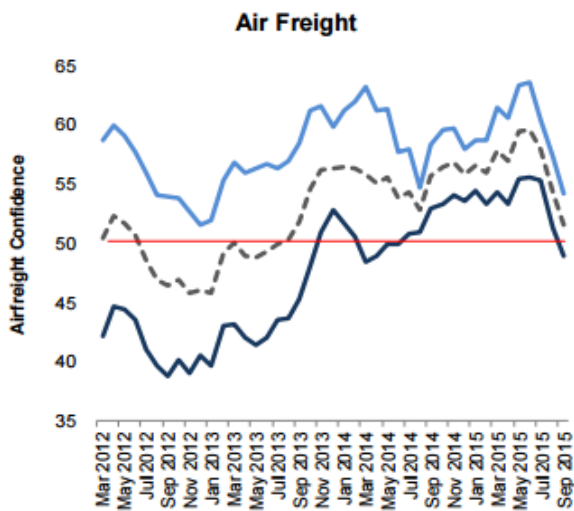
The September Logistics Confidence Index fell 2.6 points from August, suffering a deterioration in both present and future volumes, across both air and sea freight. The overall index stands 7.8 points lower than September 2014, but 1.2 points higher than September 2013.

The overall air freight index fell 2.8 points to 51.6 in September, due to a 2.4 point decline in the present situation and a 3.1 decline in the expected situation. The overall sea freight index likewise slipped, in this case by 2.5 points due to a 1.4 point fall in the present situation and a 3.5 point slide in the expected situation.

The monthly one-off question asked if airfreight volume growth over the second half of 2015 was likely to be strong enough to see volume growth across all of 2015 reach the 5.8% recorded in 2014. The largest response group, with 47.3% of responses, expected 2015 volume growth to fall short of the full-year 2014 result. Meanwhile, 24.2% expected volume growth to be similar to 2014, whilst 18.7% expected volume growth to exceed the 2014 total. A minority, 9.9%, were unsure.



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.



— Present Situation    - - - Logistics Confidence    — Expected Situation

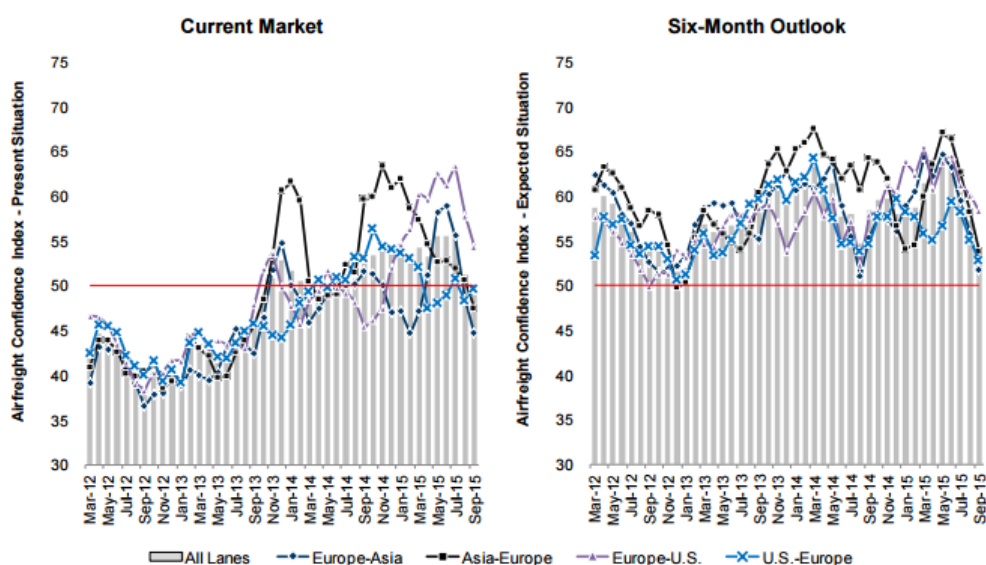
	Present Situation	Expected Situation	Confidence
Mode	Sep 2015	Mar 2016	Average
Air Freight	48.9	54.2	51.6
Sea Freight	49.8	52.9	51.4
<b>Total Freight</b>	<b>49.4</b>	<b>53.6</b>	<b>51.5</b>

## Air Freight Confidence Index

The total air freight logistics confidence index decreased 2.8 points to 51.6 in September 2015. Compared with September 2014, the index is 4.2 points lower, while it is also 0.4 points lower than September 2013.

In terms of the present situation, European airfreight volumes have begun to contract after 14 months of expansion. All lanes, save Europe to U.S. registered sub-50 index readings in September. Sequentially, the airfreight index declined 2.4 points to 8.9, driven by deceleration in all lanes but U.S. to Europe, which was up by 1.3 points against August, to a still-contracting 9.6. Europe to Asia noted the biggest fall, down 3.7 points to 44.7, followed by Europe to U.S., which decreased 3.4 points to 54.4. Asia to Europe declined 3.1 points to 47.5

For the six month outlook, the expected situation index for total air freight decreased 3.1 points to 54.2, which is still indicative of expected growth, but less so than at any other point this year. As for specific expected volume index readings, Asia to Europe was down 4.4 points to 53.8, and Europe to Asia fell 4.0 points to 51.8. Europe to U.S. declined 1.8 points to 58.3, and U.S. to Europe was down 2.3 points to 52.8.



Trade Lane	Air Freight		
	Sep 2015	Mar 2016	Confidence
Europe-Asia	44.7	51.8	48.3
Asia-Europe	47.5	53.8	50.7
Europe-U.S.	54.4	58.3	56.4
U.S.-Europe	49.6	52.8	51.2
<b>Total Index</b>	<b>48.9</b>	<b>54.2</b>	<b>51.6</b>

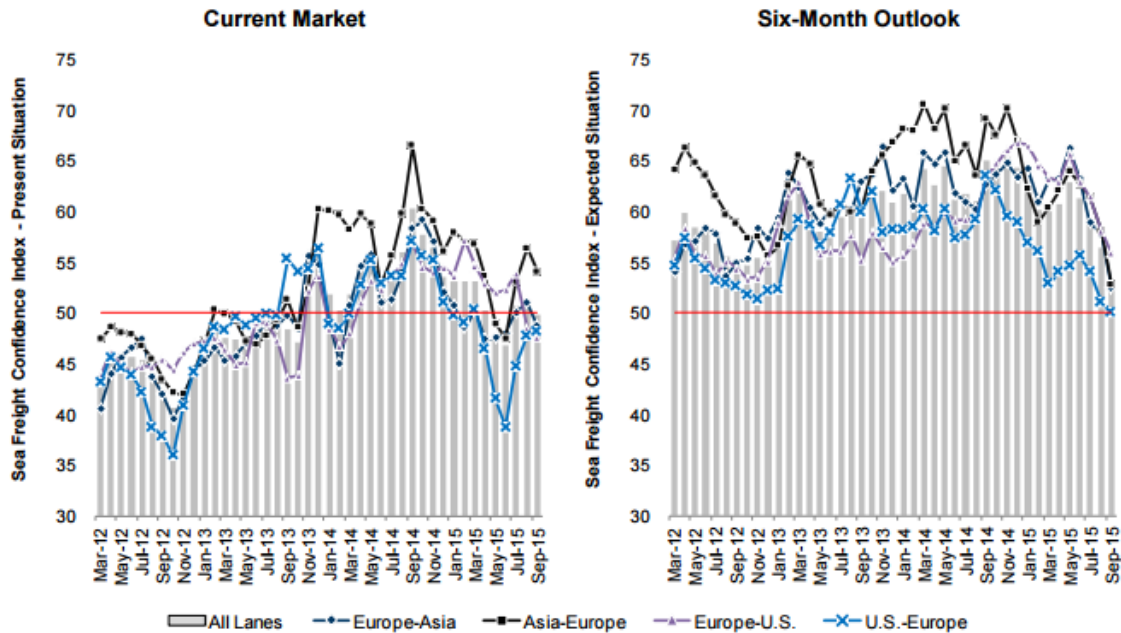
## Sea Freight Confidence Index

For sea freight, the logistics confidence index fell 2.5 points to 51.4. Compared with the same month in 2014, the index sits 11.4 points lower, and it is also 2.1 points lower than in September 2013.

For the present situation, the index fell 1.4 points to 49.8. As with the current airfreight index, most lanes now lie in contraction territory, except for the core Asia-Europe lane. This result is due to declines on all lanes, except, as with airfreight, U.S. to Europe, which gained 0.4 points to 48.2. The converse Europe to U.S. lane, however, noted a 0.9 point fall to 47.6. Europe to Asia and Asia to Europe both fell by 2.3 points, resulting in index readings of 48.7 and 54.1 points, respectively

The expected situation index for sea freight decreased 3.5 points to 52.9. All lanes reported declines with Europe to Asia and Asia to Europe again noting the joint-worst fall a decline of 5.3 points each to reach 52.5 and 52.8 points, respectively. Europe to U.S. fell by 2.2 points to 55.9, whilst U.S. to Europe fell 1.0 points to 50.1.





Trade Lane	Sea Freight		
	Sep 2015	Mar 2016	Confidence
Europe-Asia	48.7	52.5	50.6
Asia-Europe	54.1	52.8	53.5
Europe-U.S.	47.6	55.9	51.8
U.S.-Europe	48.2	50.1	49.2
<b>Total Index</b>	<b>49.8</b>	<b>52.9</b>	<b>51.4</b>

## 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

Stifel Nicolaus is the main subsidiary of Stifel Financial Corp. (NYSE: SF) and provides securities brokerage, investment banking, trading, investment advisory, and related financial services to individual investors, professional money managers, businesses, and municipalities. Stifel's Transportation & Logistics Group is one of the leading teams on Wall Street in assisting both investors and companies at better understanding the ever-changing global logistics landscape. For more information about the group or the index, please contact Bruce Chan at [chanb@stifel.com](mailto:chanb@stifel.com) or (443) 224-1386.

Source: [http://www.transportintelligence.com/articles\\_papers/](http://www.transportintelligence.com/articles_papers/)

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