

Welcome and Introductions

2012 Rate Outlook Speakers

Moderators



Michael Levans
*Supply Chain Group
Editorial Director
Peerless Media*



Patrick Burnson
*Executive Editor,
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Oil & Fuel



Derik Andreoli Ph.D.c.
*University Washington,
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John Larkin
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Rail/Intermodal



Brooks Bentz
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Accenture*

Air Cargo



Charles Clowdis
*Managing Director,
IHS Global Insight*

Ocean Cargo



David Jacoby
*President, Boston
Strategies
International*

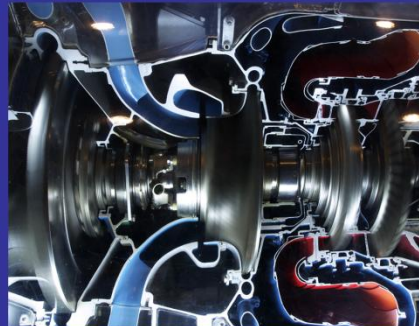
Parcel Express



Jerry Hempstead
*President, Hempstead
Consulting*

2012 Logistics Rate Outlook

Ocean

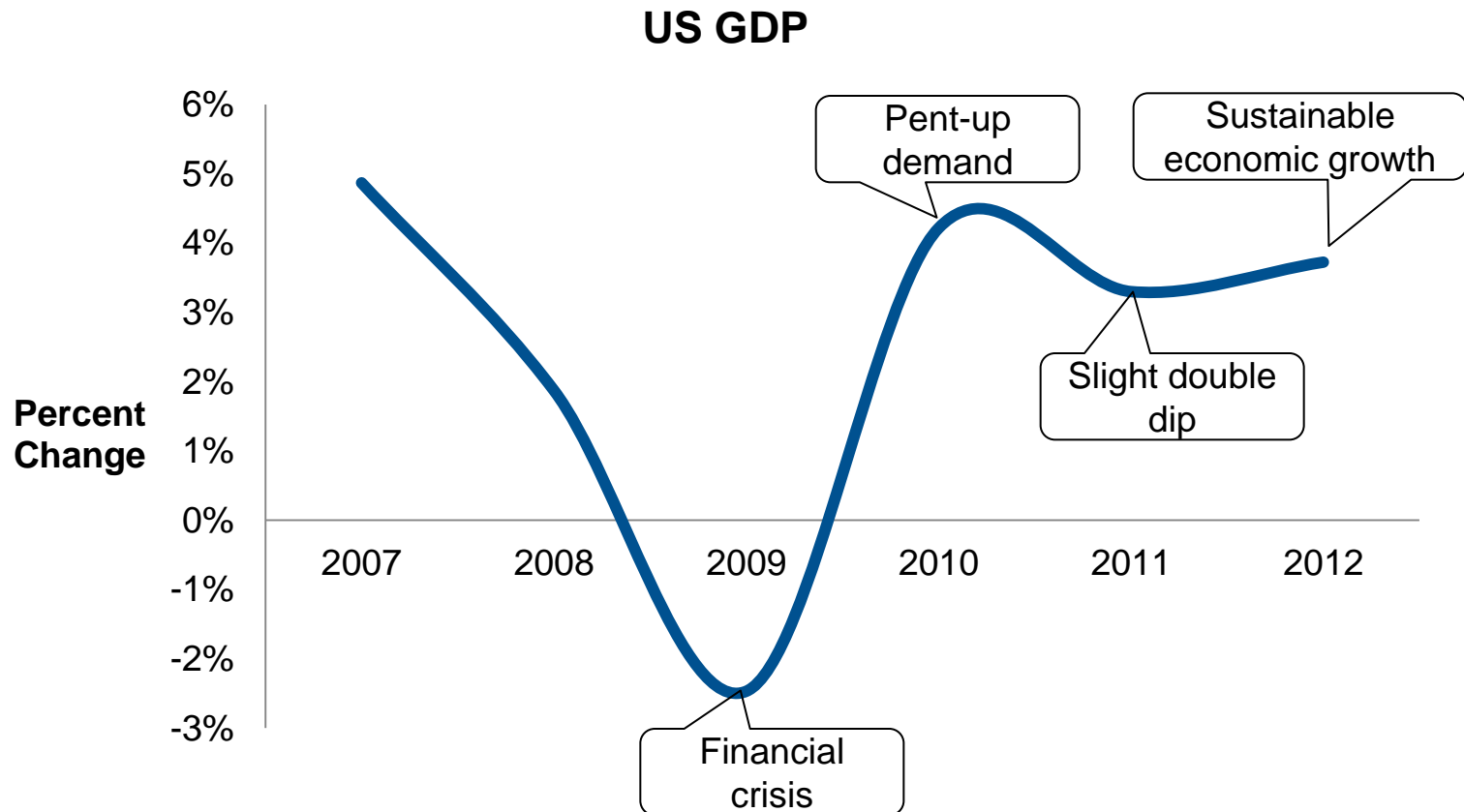


David Jacoby
President,
Boston Strategies International



BOSTON STRATEGIES INTERNATIONAL
Global growth. Guaranteed.

Moderate (3%) GDP growth in 2011 on sluggish US recovery, 2012 outlook is similar.



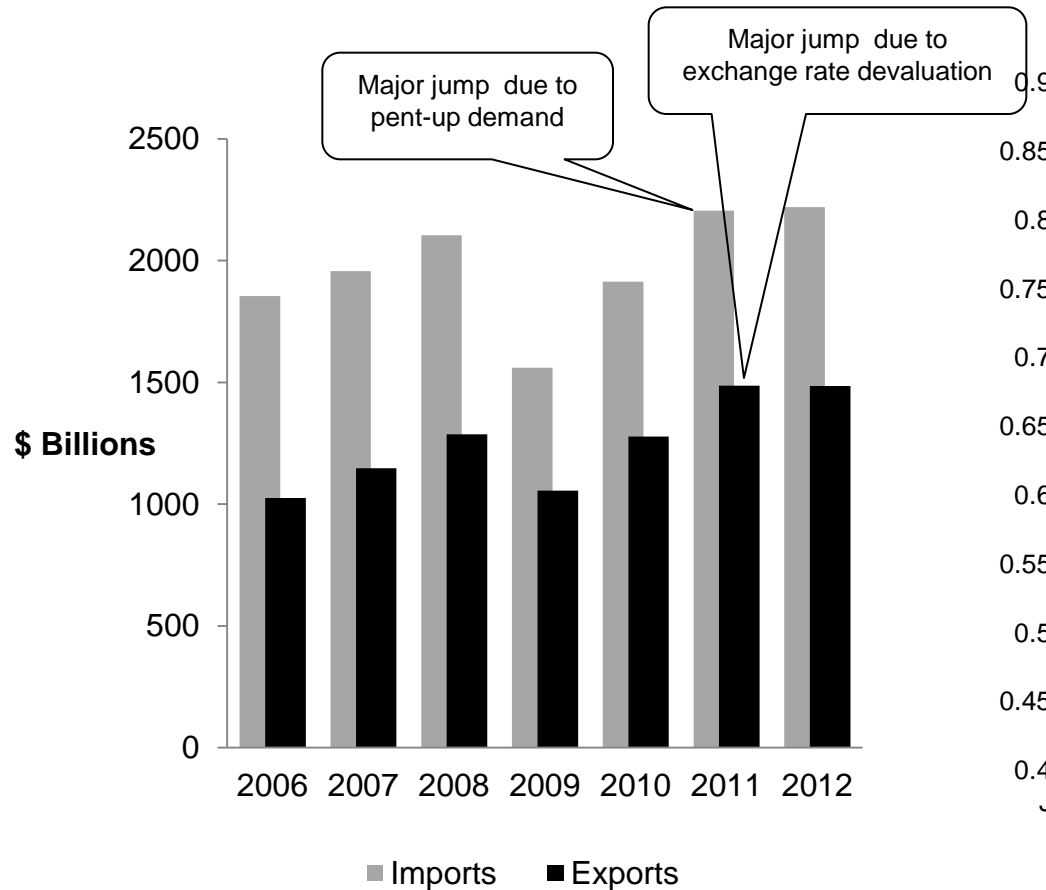
Source; BSI analysis of EIU data

Notes: Nominal GDP, on a purchasing power parity basis.

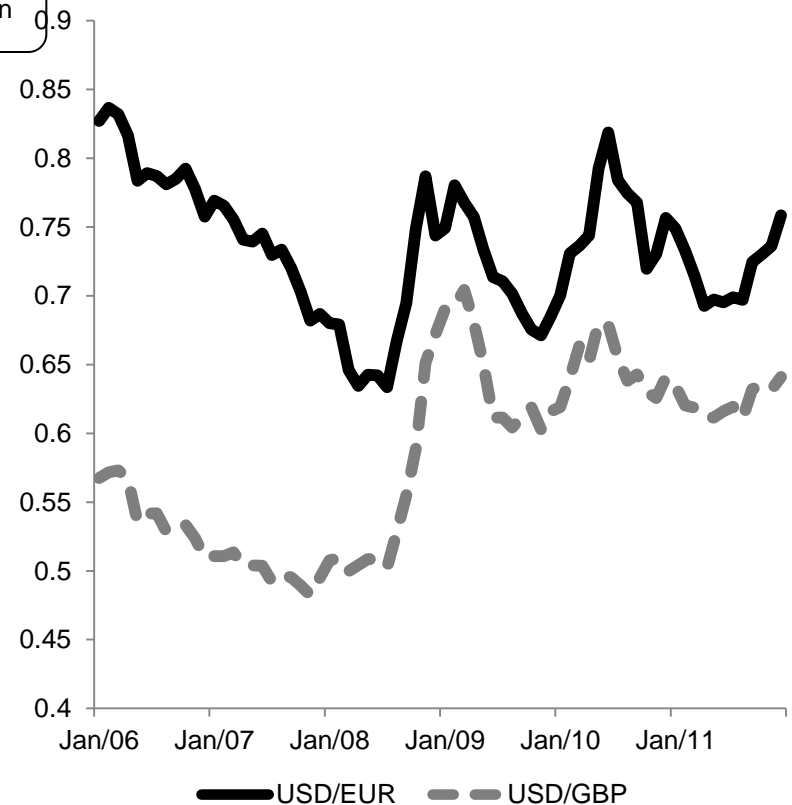


Imports surged (15%, by value), exceeding 2008 levels; a weak dollar boosted exports even more.

US Merchandise Exports and Imports



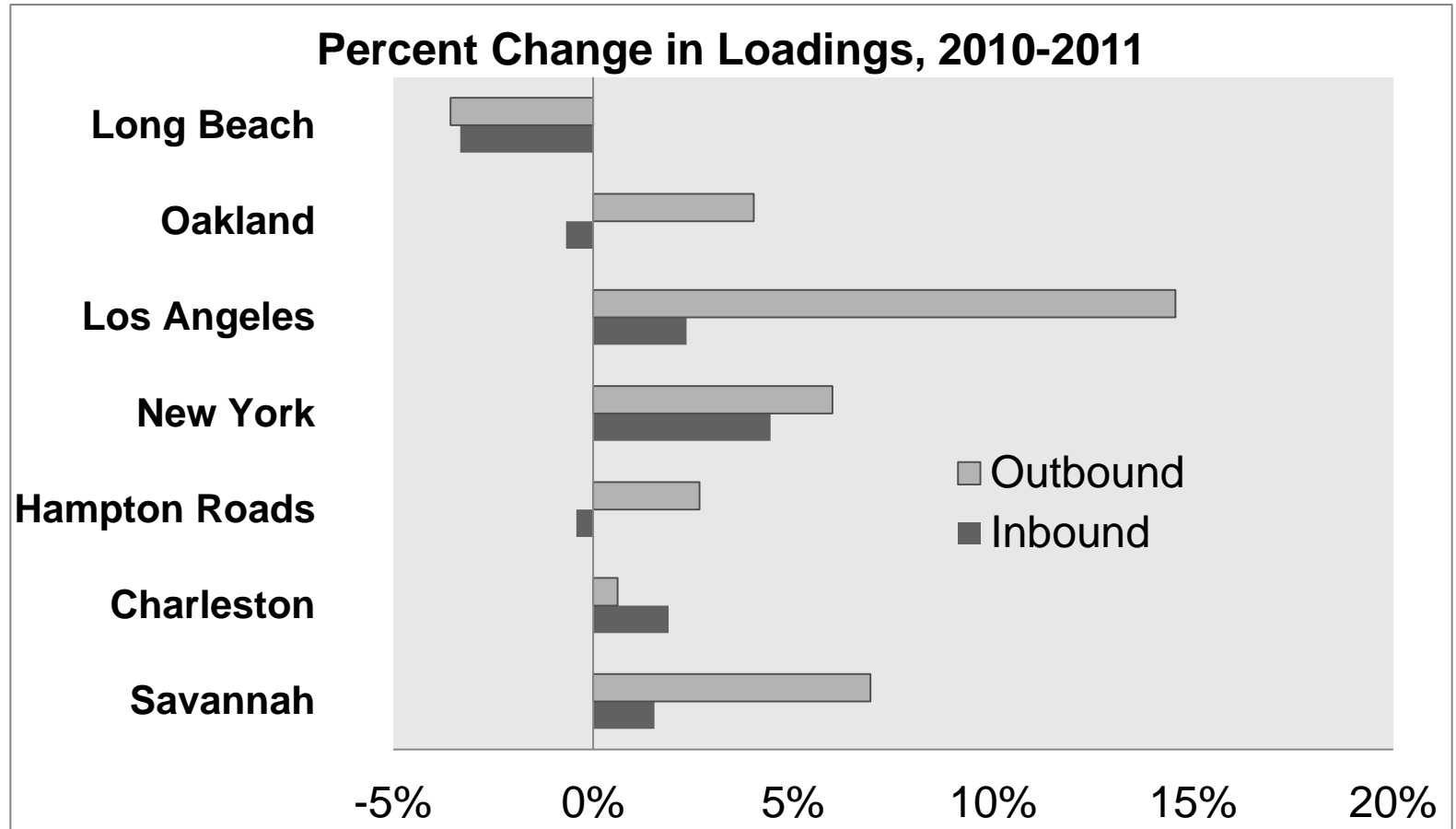
US Dollar Exchange Rate



Source: BSI analysis of EIU data
Notes: Imports on CIF, exports on FOB basis



Overall container volume rose by about 7%; volume continued to shift to the East Coast.

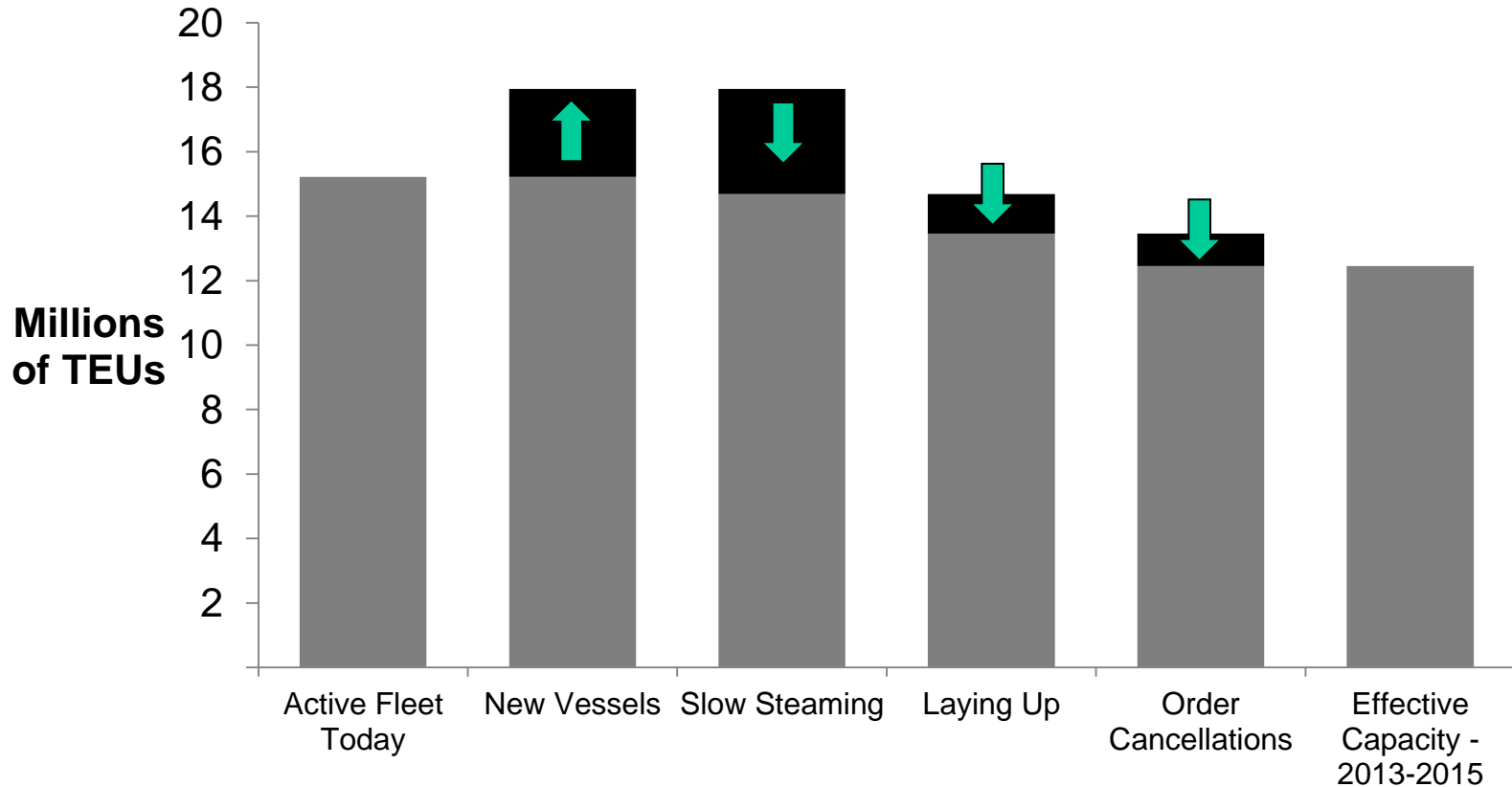


Source; BSI Analysis



Carriers are adding E-Types, but also laying up, slow steaming, and canceling orders.

Factors Affecting Effective Fleet Size



Source; BSI Analysis



Rates slid on overcapacity, but carriers propped them up to mitigate losses.

Asia-USWC Container Benchmark

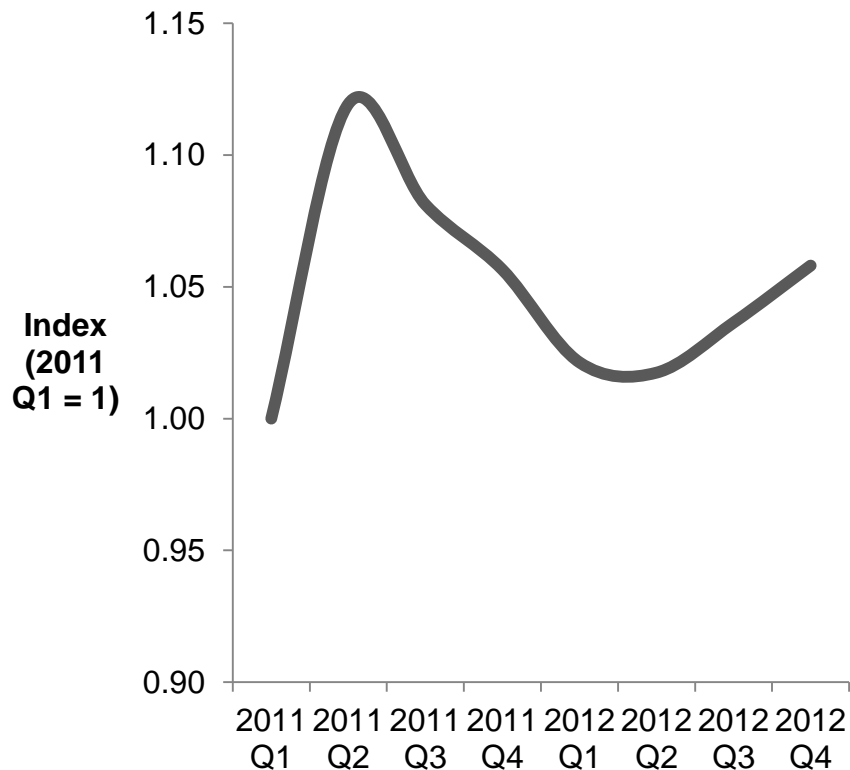


Source; BSI Analysis of JOC data



Fuel costs have swung; bunker adjustments dampen some noise, but both will rise in 2012.

Composite Fuel Price (Quarterly)



Source; BSI Analysis

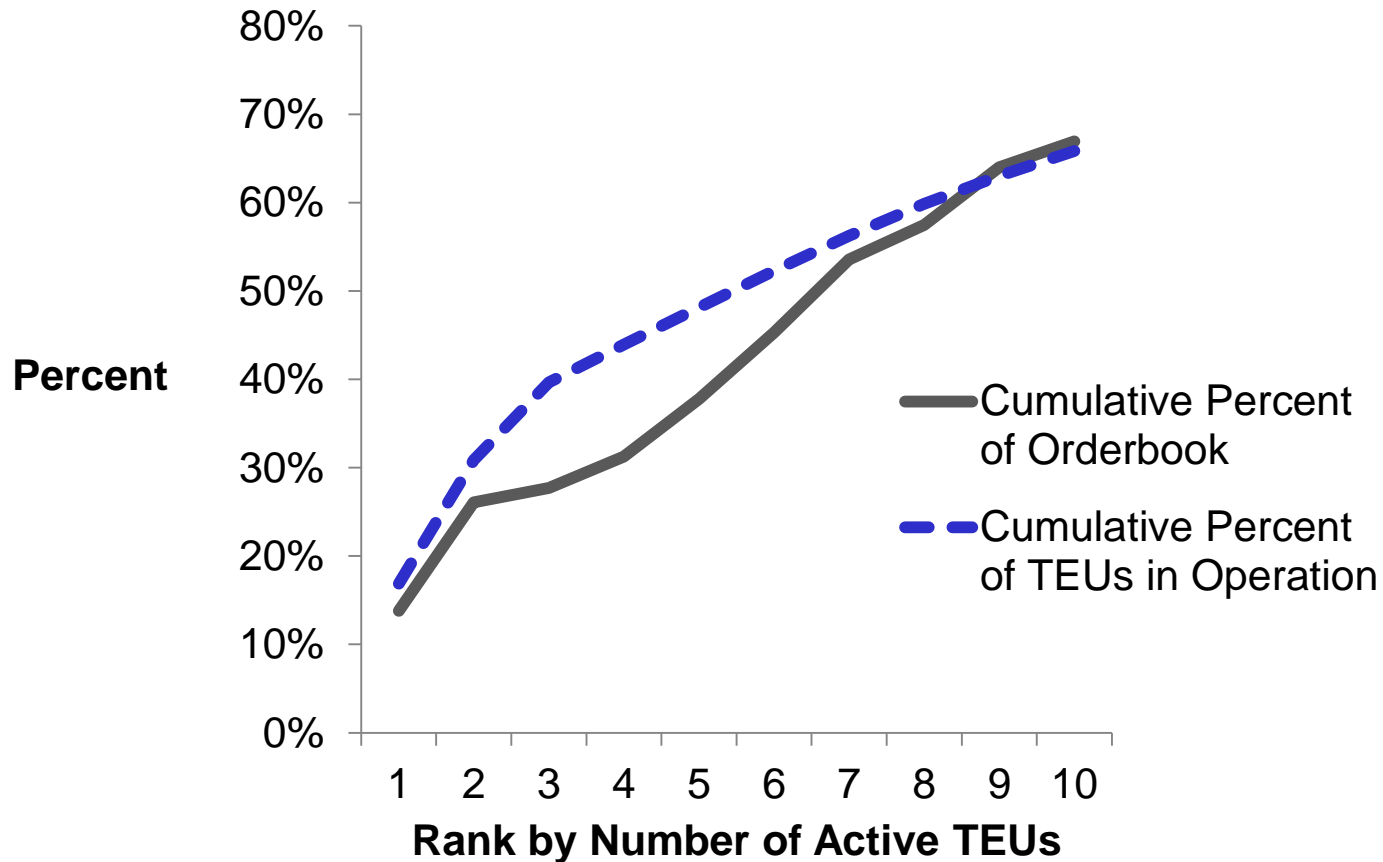
Bunker Fuel Price (Daily)*



Source: Bloomberg; Weighted Average 380cST Bunker Fuel Price (BUNKI380:IND)



Wait to negotiate. Index contracts. Think strategically.



Source; BSI Analysis of data from Alphaliner



Questions & Answers

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