



# Ti Logistics Confidence Index February 2017

Ti

Onwards and upwards: improvements in the Logistics Confidence Index hint at the beginning of a positive trend



Logistics Briefing



Ti Dashboard



Ti Reports



Ti Portal GSCI



Ti Consulting



Ti Conference

## Ti's Origin and Development

Ti is a leading logistics and supply chain market analysis company developed around five pillars of growth:

- Logistics Briefing
- Ti Market Research Reports
- Ti Insight portals
- Ti Consulting
- Ti Conferences and Training

Ti acts as advisors to the World Economic Forum, World Bank, UN and European Commission and have 14 years worth of providing expert analysis to the worlds leading manufacturers, retailers, banks, consultancies, shipping lines and logistics providers.

## What Sets Ti Apart?

- Globally recognised and trusted brand
- Global Associate Network provides a multi-country, multi-disciplinary and multi-lingual extension to Ti's in-house capabilities
- More than fourteen years of knowledge delivery to global manufacturers, retailers, banks, consultancies, shipping lines and logistics providers
- Unique web-based intelligence portals
- Interactive dashboard
- On-going and comprehensive programmes of primary and secondary research

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The Logistics Confidence Index built on a positive start to the year, increasing by 2.6 points month-on-month to 54.6. The Index was also up 7.4 points year-on-year, though it stood 1.7 points below the result for February 2015.

Sea Freight Index results drove the rise in the overall Index score, with a month-on-month gain of 3.6 points to 56.6. This was somewhat tempered by a minor improvement of 1.4 points in the Air Freight Index, which rose to 52.5.

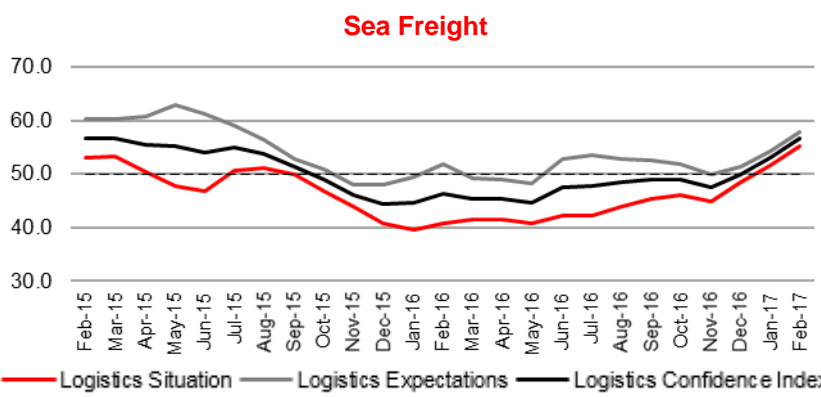
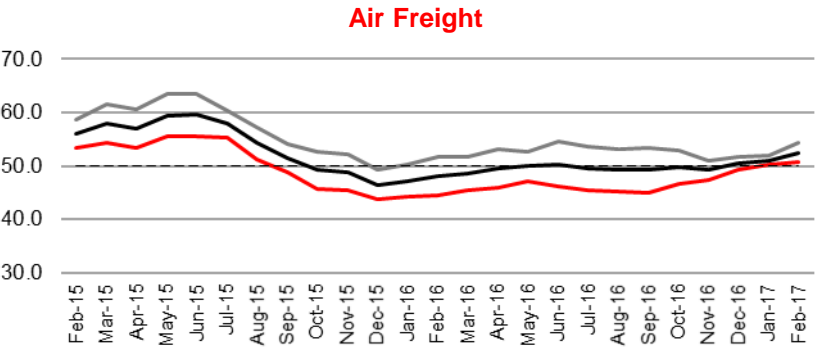
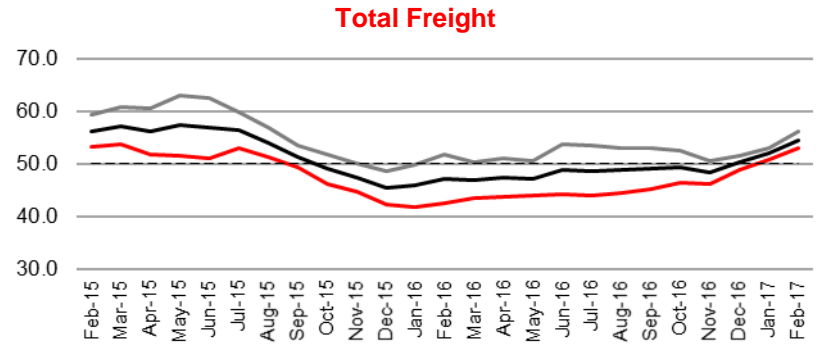
The one-off question for February cited four years of decline in container shipping rates to ask participants: “Do you believe the market has now bottomed out and an increase in rates will be observed in 2017?”

Though there was a diverse split of views, a majority (51.6%) asserted that rates will increase. The next largest response group, with 34.4% of participants, stated that rates will stay about the same overall, whilst only 10.9% of survey respondents believed that rates will decrease. The outstanding 3.1% of responses were unsure.

February 2017			
	Present Situation	Expected Situation	Logistics Confidence
<b>Air Freight</b>	50.7	54.3	52.5
<b>Sea Freight</b>	55.3	57.9	56.6
<b>Total Freight</b>	53.0	56.1	54.6

*Source: Ti*

*Note: The logistics situation Index illustrates the 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 Confidence Index



The Air Freight Index score represented a month-on-month improvement of 1.4 points to 52.5 for February 2017. When measured against the previous year's result, the Index was up by 4.4 points, though it was down by 3.5 against February 2015.

The Air Freight Logistics Situation Index noted a minor month-on-month improvement of 0.5 points to 50.7. Month-on-month changes were characterised by positive performance in trades between Europe and Asia, and negative trades between Europe and the US.

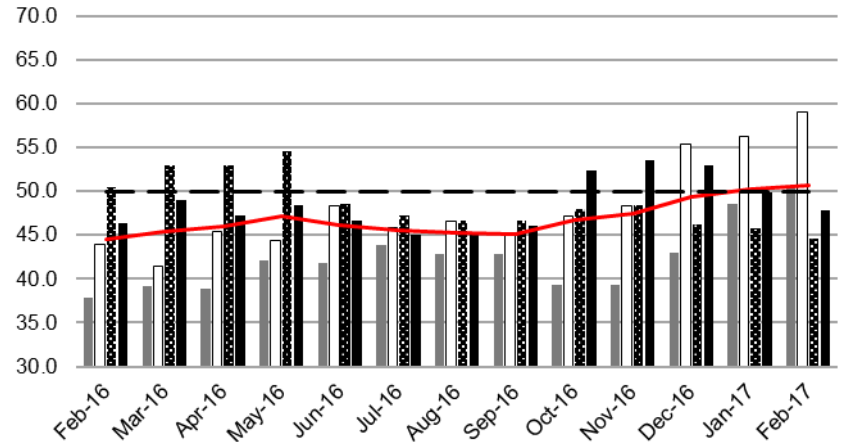
Asia to Europe noted the strongest gain, up 2.9 points to 59.1, followed by Europe to Asia, with a rise of 1.8 points to 50.4. US to Europe was the worst performing of the lanes, with a 2.0 decline to 47.8, whilst the Europe to US lane fell 1.0 to 44.7.

The Air Freight Logistics Expectations Index noted greater growth of 2.4 points, taking it to 54.3. The only lane to record a decline was US to Europe, which was down 2.3 points to 50.9. By contrast, Europe to US grew by 1.0 points to 52.4, whilst Europe to Asia improved by 3.7 points to 54.0. Asia to Europe noted the strongest growth; a jump of 6.2 points taking it to a score of 59.3.

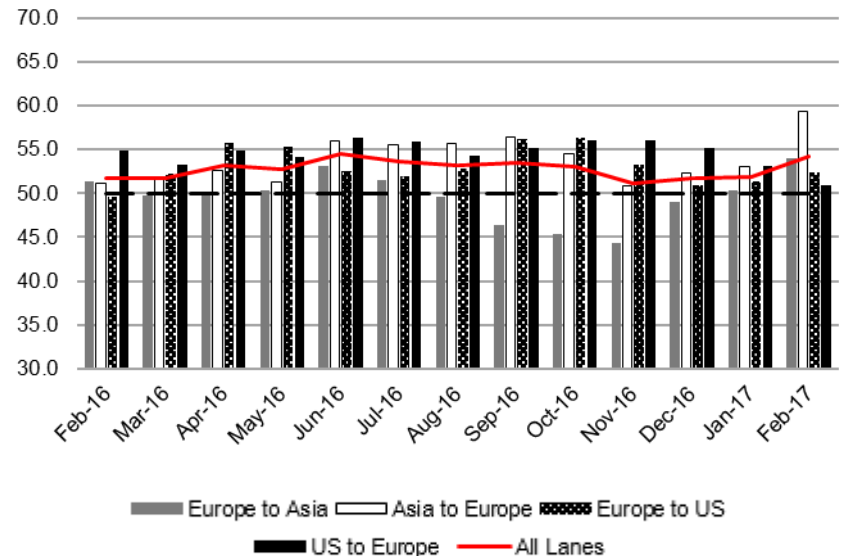
Air Freight - February 2017		
	Present Situation	Expected Situation
Europe to Asia	50.4	54.0
Asia to Europe	59.1	59.3
Europe to US	44.7	52.4
US to Europe	47.8	50.9
<b>Total Air Index</b>	<b>50.7</b>	<b>54.3</b>

*Source: Ti*

**Air Freight Logistics Situation**



**Air Freight Logistics Expectations**



# Sea Freight Confidence Index



The Sea Freight Logistics Confidence Index noted a 3.6 point gain for February, rising to 56.6. This result was markedly greater than in February 2016, when the Index hit 46.3, though it was 0.1 points less than the score of the Index in February 2015.

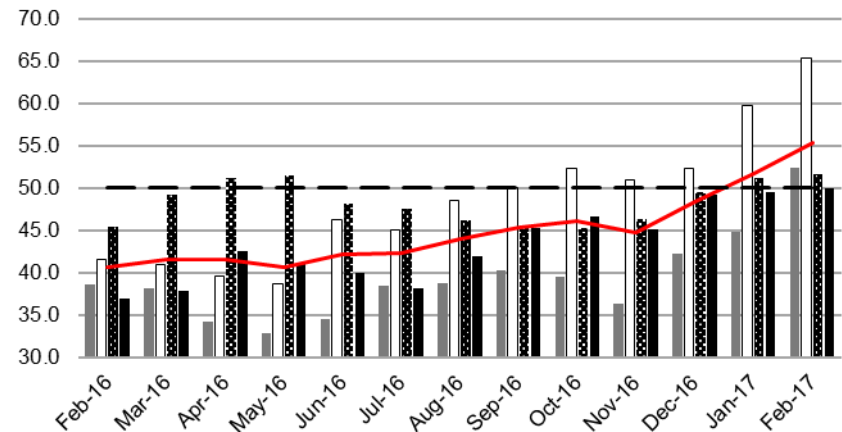
The Sea Freight Logistics Situation Index was up by 3.6 points month-on-month, scoring 55.3. This result was driven by two significant gains; a 7.6 point rise on the Europe to Asia lane, which stood at 52.5 points, and a 5.5 point increase on the Asia to Europe lane, which amounted to 65.3. By contrast, the Europe to US lane gained just 0.4 points to 51.6, and the US to Europe lane reported a similar 0.3 point gain to 49.9.

The Sea Freight Logistics Expectations Index improved by 3.7 points to 57.9 in February 2017. Growth was more balanced than in the Situational Index, with only the US to Europe lane (up 0.3 points to 52.8) noting a gain of less than 3 points. Asia to Europe led the way with a gain of 5.7 points to 62.6, followed by Europe to Asia, which rose 3.8 points to 58.1, and Europe to US, which gained 3.3 points to 55.3.

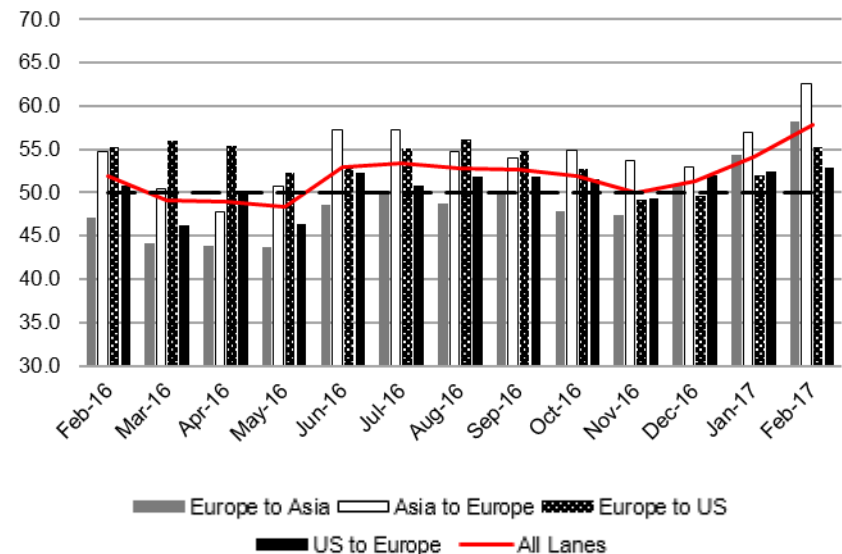
Sea Freight - February 2017		
	Present Situation	Expected Situation
Europe to Asia	52.5	58.1
Asia to Europe	65.3	62.6
Europe to US	51.6	55.3
US to Europe	49.9	52.8
<b>Total Air Index</b>	<b>55.3</b>	<b>57.9</b>

*Source: Ti*

Sea Freight Logistics Situation



Sea Freight Logistics Expectations



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 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.

To participate in next month's survey, and in order to receive an advanced copy of the results, please use the following link:

<http://www.ti-insight.com/research-papers/lcindex/>



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