The American Supply Association (ASA) and its Industrial Piping Division (IPD) is the national organization serving wholesaler-distributors and their suppliers in the industrial and mechanical pipe-valve-fitting industry. As a powerful alliance of channel partners, we provide a forum for your upstream trading partners to exchange critical information and address key issues.

In particular, ASA's IPD members constantly check the pulse of the materials and commodities they proudly supply to you. ASA's IPD members are knowledgeable industry leaders, and those who volunteer their service on the IPD Executive Council compile and prepare the *IPD Commodity Reports.* The *Reports* contain some of the most current and qualified market data and information available from the industry's leading manufacturers and distributors about emerging trends and other price-influencing actions and events.

This information is an example of how ASA's IPD manufacturer and distributor members are constantly looking ahead to ensure you have information and resources you need to be successful. Learn more at www.asa.net.

Oil and Fuel Outlook

Negotiations in the Middle East are still based on pressure campaigns both ways. The US imposed a heavy set of economic sanctions on Iran (the toughest in Iran's history) and Iran is expected to retaliate by tightening oil supplies around the globe (by increasing attacks in the Strait of Hormuz).

As is often the case in conflict negotiations, a deal could be reached unexpectedly and without warning, which would quickly turn the tides on petroleum prices. But for now, inventories are getting leaner, refinery crack spreads (the gross margin on production) are still near all-time highs, and throttled throughput in the Middle East is still the prevailing trend.

Sector production will continue to inch up mildly, but the bigger story will be ongoing maintenance and keeping refineries active. Many diesel refineries are operating at paces that have historically led to maintenance emergencies for some producers.

West Texas Intermediate (WTI) was essentially flat month-over-month at the time of writing. Oil was trading at $82.41 ($83.95 a barrel in last month's report) but once again had recently hit $92.00 in recent weeks. This current level is still 43.3% higher year-to-date and was 27.01% higher vs. this time last year (28.7% higher last month). Brent North Sea Crude was also essentially unchanged at $89.32 ($90.62 a barrel last month). This was up 46.8% YTD and was 29.9% higher over the past 12 months.

Fuel prices, however, moved up on tight refinery conditions and rising demand headed into the peak shipping season. Diesel prices were higher at $5.62 a gallon at the time of writing ($5.30 a gallon in the last briefing) (Source: AAA) which was $1.97 per gallon higher than last year and not far from the all-time highs hit in June of 2022 at $5.82. Refinery shortages have pushed average California diesel prices to $7.04 a gallon as of August 24th. Gasoline prices in contrast have been flat (but elevated) and were $4.10 a gallon ($4.11 per gallon in last month's briefing), which is still 94 cents per gallon higher than last year ($.97 higher last month).

The EIA's latest forecast and outlook for 2026 crude oil prices are still being buffeted by uncertainty in the Strait of Hormuz and Red Sea region. For 2026, the EIA has bumped up its forecasts – oil prices are expected to average $80.88 for the year ($76.26 a barrel in the last forecast and against the 2025 average of $65.40). The EIA expects prices to average $81.13 in Q3, and $74.00 in Q4 2026. Again, expect that the forecast from the EIA will continue to be volatile given how quickly conditions across various conflicts are changing.

For refined fuels, the gasoline price forecast shows them also inching higher in 2026, rising to $3.78 per gallon ($3.64 last month and against the full-year average of $3.10 in 2025) and followed up by $3.29 next year. Prices were expected to average $4.01 in Q3, and $3.72 in Q4 of 2026 (much higher than last month's outlook prices). Again, with gasoline prices currently at $4.10 nationwide, the EIA will keep its forecast higher in the near term.

Retail diesel prices as reported by the EIA show them averaging $4.85 a gallon in 2026 ($4.61 in the last update) and $4.07 in 2027 after averaging $3.66 in 2025. Prices are expected to average $5.18 in Q3, and $4.86 in Q4 of 2026. Again, current prices are $5.65 and are being driven heavily by short refinery capacity, higher input prices, and stable demand headed into the peak freight season. The latest data shows that spot demand for trucking services was 29.7% higher Y/Y through the end of July.

The EIA forecast shows 2026 US crude oil production will be higher at 13.80 Mbpd in 2026 (13.78 Mbpd in the last update). For 2027, it expects production to now remain elevated at 14.15 Mbpd (up from 14.03 Mbpd in the last forecast).

Total commercial inventories according to the EIA shows them pulled lower on a forecasted average of 1.217 billion barrels in 2026 (from 1.256 billion barrels in the last forecast) but are projected higher at 1.304 in 2027 (1.291 in the last forecast). Inventories ended 2025 at 1.286 billion, nearly 69 million higher than current 2026 expectations.

What ASA PVF Distributors Are Saying

Each month ASA and the Industrial Piping Division ask distributors doing business in the industrial and mechanical PVF sector for their thoughts on current conditions and trends they are seeing:

10-branch/approx. $300 million, Pacific Northwest Distributor
Sales are up for the year driven primarily by data center work increases and energy sector. We are doing business with mechanical contractors in Washington and Oregon who are doing work for the hyper-scalers across the country. Our biggest concern currently is availability of products and how that is affecting current pricing and upcoming pricing. Currently, there is a major scarcity of materials which is driving lead times out and prices up. However, if business were to slow down there could be major issues with prices if everyone gets huge quantities of material in that have been on order for a while, and then have nowhere to sell it.

9-branch/approx. $140 million, Southeast Distributor
Sales are up 23 percent year to date with data centers, multifamily and industrial driving business. Commodity prices continue to rise causing margin pressure. Copper, steel and plastic are all impacted.

3-branch/approx. $70 million, Midwest Distributor
Our sales are up due to data center work and investment, as well as animal and human food processing centers. We are concerned about material availability and pricing, as well as consolidation of vendors and distributors.

8-branch, New England/Upstate New York Distributor
Our sales and GP are both up 3% YTD vs. last year. Our industrial business is still strong, but what we're missing is that we have no data center activity in our marketing area. Both our industrial base and our power and energy work are very solid.

Approx. $100 million New England Distributor
Sales are up 10 percent due to price increases and projects finally going the commencement of previously-delayed projects. Colleges, hospitals and tenant fit-out projects fit-outs are driving business right now — a lot of specifically, colleges and hospitals in greater Boston, and public schools in Rhode Island.

Consolidation is always a concern in the industry. There are not as many independent wholesalers as there once were, and there are less every year.

80-branch, approx. $500 million New England Distributor
Overall, sales are up a little. PVF sales are surging with double-digit growth. The highest growth categories are mechanical and industrial products. We are experiencing great growth in steel products and valves far beyond expectations.

This time of year, we are shipping a lot of summer slammer rush projects including schools, and utility plant replacements, power shutdowns, central heating replacement in large commercial buildings, as well as ski industry work.

Northeast Distributor; More than 100 Locations
"PVF/industrial sales are up 15% over last year, with no slowdown in sight. Datacenter and semi-conductor jobs are setting the pace as the industry shifts to adapt to "Mission Critical" and "Megaprojects."

"Traditional projects (hospitals, schools, manufacturing) all continue on while struggling to secure materials as the forementioned shift puts a strain on supply chain. However, the list of traditional projects continues to grow in support of the Megaprojects and everything that comes along with them. The Northeast is positioned for steady growth with boundless opportunity for the foreseeable future (at minimum 5-10 years).

Availability is the biggest challenge, as by example a 6" SS weldneck flange could see lead times as long as 30 weeks or more. Datacenters and Semi have put a significant strain on the supply chain. Carbon, SS, sanitary, plastics, all materials are finding their way into these massive buildings utilized in everything from the building itself, to server cooling, with lines all the way up to 36 and larger. From the Northeast's perspective, this is very likely the closest thing we will ever see to an oil and gas boom.
Concerns are the limited amount of inventory and the vacuum that it has created. We are seeing materials move all around the country as suppliers struggle to fulfill orders for both Mission Critical and traditional projects. Desperation creates instability, and as an industry we need to make sure we are working together to ensure this current pace does not run completely out of control."

Carbon Steel Pipe Update

Carbon Steel Pipe pricing has seen s sharp increase over the last month that is likely to continue. First, input costs, including coking coal have increased significantly vs last year. Similarly, scrap prices have been increasing since that start of 2026. Secondly, steel producers are planning annual maintenance outages starting this fall and continuing until the end of 2026. This is normal and scheduled, but takes tons out of the market nonetheless, pushing up prices.

We are watching the effects of the recently announced 50% tariff on Canadian steel announced by the White House.

Carbon Steel Flanges Update

Lead times for carbon steel flanges are being extended. Overseas mills are running at capacity due to high demand driven by the data centers. Domestic flange manufacturers' lead times are being extended as their capacity is being strained, also.

Pricing for carbon steel flanges is seeing some upward pressure driven by rising energy and freight costs.

Stainless Steel Fittings Update

Demand continues to be strong for products in stock or with quicker deliveries for data centers. One of the future concerns might be the turn in political sentiment toward construction of these facilities. If there is any delay in construction, there is a possibility of an inventory glut for specific size ranges that are being used. The power piece of the puzzle remains the most important and still not being fully addressed.

Copper

The copper Comex closed Monday, Aug. 24 at $6.5990/pound, which is down $0.0195 from the Friday, Aug. 21 close. The Comex average year-to-date price is at $6.0793/pound.

High-Pressure Forged Steel Fittings Update

Lots of stainless AIS RFQs and buys from the West Coast. Data center work has been nonstop, especially with stainless and carbon steel outlets. With the data centers, power business is also up with a lot of chrome buys, particularly in F22 Cl1 and F91 Type 2.

Dodge Momentum Index

The Dodge Momentum Index issued by Dodge Construction Network (www.construction.com) grew 6.9 percent in July to 291.7 (2000=100) from the upwardly revised June reading of 273, Dodge noted in its early August report. Over the month, commercial planning expanded 4.1 percent and institutional planning grew 13.1 percent.

Dodge noted after a brief pause in June, data center planning momentum steadily picked up in July, while office, warehouse, retail and hotel planning slowed pace. Within the institutional portion of the index, planning momentum was more broad-based, Dodge said. Education, healthcare, recreational, religious and public building planning all accelerated in July. Dodge added when removing data centers, the commercial segment of the DMI would be down 16.2 percent from year-ago levels, given the surge in activity seen last July.

The DMI is a monthly measure based on the three-month moving value of nonresidential building projects going into planning, shown to lead construction spending for nonresidential buildings by a full year to 18 months.   Visit www.construction.com for more details on the index.