



# MATERIALS MARKET DIGEST<sup>©</sup>

CRITICAL UPDATES FOR THE  
INDUSTRIAL/MECHANICAL  
PVF SUPPLY CHAIN

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**Presented by:**

ASA Industrial Piping Division

**Prepared by:**

Armada Corporate Intelligence  
& The IPD Advisory Council





## About this Report

Each month, this report provides comprehensive insight about qualified market data for a half-dozen key materials, especially recent changes in pricing or price-influencing action(s). Also included are price changes announced by major producers, action in applicable commodity markets, factors affecting supply and demand, etc. Learn more >

(630) 467-0000 | [info@asa.net](mailto:info@asa.net) | [AdvanceYourAbility.com](http://AdvanceYourAbility.com)

### ASA THANKS OUR 2026 SUPPLIER PARTNERS\*



\*PARTNERS AS OF JANUARY 2026

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The ASA Materials Market Digest is co-written by **Armada Corporate Intelligence**. For 24 years, Armada has provided economic outlooks and market intelligence for corporations around the world. Armada has been a strategic partner of ASA since 2018.

## Headline Economic News

The conflict in the Middle East was ongoing and disrupting cargo flows through the Strait of Hormuz with extended disruptions temporarily in the Red Sea and Suez Canal. **Amid the “Fog of War” and in the modern age of AI deception, it is difficult to decipher fact from fiction.** Petroleum price impacts were near term factors; supply chain issues could be longer-term concerns to keep an eye on. But the fundamental economic underpinnings continue.

**US Manufacturing activity was modestly expanding February.** The S&P Global PMI came in at 51.6, down marginally from 52.4 in January. Based on new order activity and this measure, it would suggest US GDP growing at just 1.5%, slower than the 3.0% that the Atlanta Fed is showing.

Private sector reports show **retail sales** grew 2.4% through December. **When adjusted for inflation, sales were down by 0.2% Y/Y.** Home improvement retail was up 1.2% M/M, but remained sluggish Y/Y, rising at just 0.5%.

Residential housing permit activity was up 4.3% M/M but was down a modest 2.2% Y/Y. Single family permits were down 1.7% M/M but were down 10.9% Y/Y. **That could change as mortgage rates fell below 6% and mortgage applications surged by 8% in early February.** Multi-family permits were up 18.1% M/M and were up 18.7% Y/Y.

Private annual housing starts were 1.4M through December, up 6.2% M/M but was down 7.3% Y/Y. Single-family starts were up 4.1% M/M but were down 9% vs. last year at this time. Volatile month-family starts surged 10.1% M/M but were also down a marginal 1% Y/Y.

**Total vehicle sales** came in at an annual rate of **14.810 million units in January (latest available) which was down from 16.009 million in December, but it continued to be down 4.3% Y/Y.**

**New-vehicle inventory in January was unchanged at 2.8M units**—down 4.8% Y/Y and the days supply is still at 76, **considered to be “reasonable” by most OEMs.** Some brands remain undersupplied.

## Carbon Steel

**NYMEX Domestic Hot-rolled Coil steel prices (CRU-HRCc1) were higher** over the past 30 days at \$1,014 per ton in early March (\$973 per ton in the last update and up 9% from last year's lower level of \$925.00).

**Producer Prices** for steel pipe and tube softened in the latest data from the end of January (latest available). They were down 0.3% month-over-month (2.9% last month). **Year-over-year, the PPI was sharply higher by 9.7%** (8.6% Y/Y in the last update). Producer Prices lag the spot market by 30-60 days.

**Member Comment:** "As of early March, U.S. Midwest HRC spot prices are at a 25-month high, having climbed roughly 4–5% over the past month alone. Carbon steel pipe pricing has largely followed suit, with mills enforcing firm floors and buyers beginning to move on spring coverage."

Steel imports are running lean — down 6.4% on the most recent AISI monthly permit data — and service center inventories remain tight. That tightness has supported mills in holding firm offers.

Analysts are projecting import volumes to begin rising in early Q2, potentially reaching an annualized rate of 6.5–7.0 million tons by late Q2 as foreign producers work within the new tariff framework to recapture share. That additional supply — roughly 2 million incremental tons annualized — could apply \$50–\$70/ton of downward pressure on HRC if it arrives into a market where end-user demand has not accelerated commensurately.

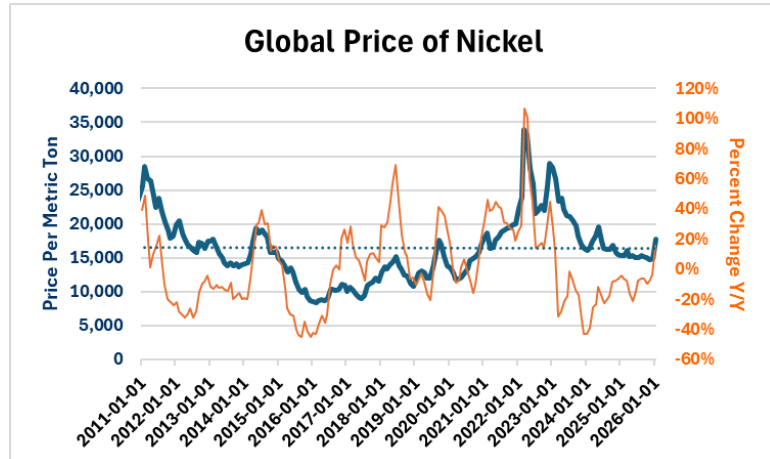
Lead times remain the most pressing operational concern. Non-standard and specialty pipe is running 50–65 days out, with the post-Chinese New Year production ramp still normalizing as of early March.

The balance of risk is shifting from tight-and-rising to high-and-vulnerable. Prices are likely to hold or drift modestly higher through mid-Q2 on the strength of spring demand and cost support, but the second half of Q2 carries real risk of a correction if import arrivals build and buyers pull back on discretionary buying.

## Stainless Steel & Alloys – Cont'd

**LME Nickel Prices** were lower over the past 30 days at @\$7.77 per lb. (\$7.96 in the last update), this was 2.4% lower M/M.

**Producer prices** for nickel were higher by 1.4% month-over-month in January (latest available) (1.5% higher last month). They were 3.7% higher year-over-year (1.2% last month).



**Member Comment:** "The market has remained stable for several months now with some talks that stainless prices will be seeing an increase in the near future due to the jump in raw materials. All was quiet on the tariff front until the recent ruling from the Supreme Court. Section 232 tariffs cover the metals and will not be rescinded by this new ruling, so caution to anyone expecting prices to be moving down. It will be hard to negotiate trade deals without the weapon of assessing duties. Business remains heavily focused on the data centers but rises in oil and natural gas prices because of the Iran conflict highlight the importance of having our domestic and nearby reserves."

LME nickel is consolidating in the \$17,000–\$18,000/ton range, and **Goldman Sachs has raised its 2026 average forecast to \$17,200/ton with a Q2 target near \$18,700.**

Looking ahead, **upside risk through Q2 centers on whether Jakarta holds the line on quota enforcement; downside risk returns quickly if Q1 production data reveals quota slippage.**

## Tubular Products

**Producer Prices** for steel pipe and tube softened in the latest data from the end of January (latest available). They were down 0.3% month-over-month (2.9% last month). **Year-over-year, the PPI was sharply higher by 9.7%** (8.6% Y/Y in the last update). Producer Prices lag the spot market by 30-60 days.

**Member Comment:** “McWane (Tyler Pipe) and Charlotte Pipe and Foundry have not announced any price changes or updates since they released the new 2026 list price sheet for cast iron pipe & fittings, which represents an approximate 5% list price increase.”

**Member Comment:** “Carbon-steel weld fittings and flanges were not affected by the Supreme Court’s decision to overturn the tariffs enacted by President Trump as they fall under Section 232 tariffs on steel and aluminum.”

Active **global oil wells** are up 14 Y/Y according to **Baker Hughes** (total wells are currently at 1,079 up slightly from 1,065 from the last report).

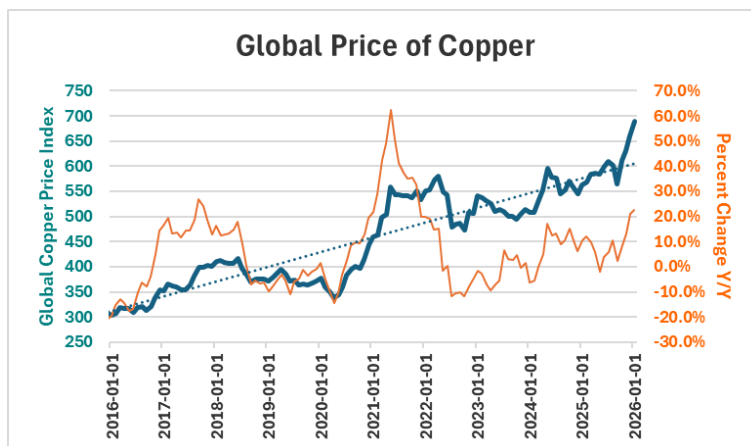
**US active rig counts** are down 43 wells Y/Y in the last week to 550 active rigs (546 in the last update). The US had 1,045 wells active in 2019 prior to the pandemic.

Of course, all factors are currently up in the air with the conflict raging in the Middle East. The EIA was still showing **production slightly lower at 13.59 bpd in 2026** (13.53 in the last update).

The key factor in the conflict (in relation to the global petroleum sector) is the **duration of the operation** and **how much of the middle east petroleum infrastructure remains unaffected**. The structure of the Iranian regime at the end of the conflict also makes a large difference. **US and Israeli forces have largely left Iranian oil infrastructure untouched**, which sets up an unbridled Iran with full export capacity if regime change takes place and sanctions get lifted. The next few months could still prove very volatile - swinging both directions.

## Copper

The **price of copper** was relatively flat in early March at **\$5.91/lb.** (\$5.82/lb. last month), but this remained higher than prior cycles. This keeps copper prices on the **spot market 3.94% higher YTD** and are 29.62% higher Y/Y.



The **Producer Price Index (PPI)** for January (latest available) was higher month-over-month by 4.7% (4.5% last month). It was up sharply by 22.7% year-over-year (+21.0% last month). The current index was 690.2 (the prior all-time high was 635.2 in July 2025, and the low was 302.9 in 2016).

**COMEX copper hit an all-time high in January before pulling back in early March** as profit-taking and macro uncertainty tempered the rally.

**The supply constraint that drove that spike has not eased.** The International Copper Study Group now projects a 150,000-ton refined deficit for 2026, a full reversal from the 178,000-ton surplus recorded in 2025, driven by mine-grade declines, concentrate bottlenecks at smelters, and ongoing disruptions at tier-1 operations.

J.P. Morgan estimates 475,000 metric tons of copper demand from data center installations alone in 2026 — up 110,000 tons year-over-year — while a single GW-scale AI campus now requires up to 50,000 tons. Grid expansion and electrification continue to layer on top of that. China's National People's Congress, meeting this week through March 11, is being closely watched for infrastructure stimulus signals that could further tighten balances into Q2.

## Ferrous Scrap

Producer prices for **ferrous metal scrap were higher** vs. the prior month, coming in with an index of 503.7 (467.2 last month). This was **higher by 7.8% M/M** (2.4% last month). And **year-over-year it was also higher by 8.1% Y/Y** (3.4% in the last update). The highest producer price prior to this was in July of 2008 when the index hit 731.4 points.

**Fastmarkets** reported that its **ferrous metal scrap trend index increased in February to 72.8 (up from 57.3 in January)** (a reading of 50 is a balanced supply/demand environment).

**Fastmarkets added:** *“The February survey tells a distinctly tighter story than a month ago: cold weather severely disrupted Midwest collection and logistics, freezing material flows and compressing obsolete grade availability, with inventories reported at 45.6 — well below the neutral 50 mark. Mill utilization climbed to 77.8%, reinforcing steady scrap consumption even as mills work to contain costs through disciplined buying.”*

- Sellers: Trend Indicator of 73.6 (57.3 prior)
- Brokers: Trend Indicator of 75.0 (55.0 prior)
- Buyers: Trend Indicator of 69.6 (59.7 prior)

*“As of early March, the market is trending sideways with underlying strength — mills are applying downward pressure where possible while export demand is quietly improving, providing an additional outlet for material. The outlook favors modest further gains through Q2.” - Fastmarkets*

## Plastics

**Resin prices were higher by 0.2% in January** according to the Producer Price index (latest available), (-1.5% M/M in last month's report). But they were lower by 3.9% Y/Y (-4.1% last month).

**Prices were lower for LDPE** in January; prices were 6.8% lower Y/Y (-7.5% lower in the last update) and were higher by 1.2% M/M (-1.6% lower last month). And **fittings and unions** were mildly higher, rising by 1.1% M/M (+0.4% last month) and they were up 4.6% (+3.7% last month) year-over-year.

## Oil and Fuels

The conflict in the Middle East is throwing a Wild Card into the mix for oil and fuel prices. At the time of writing this month's report, petroleum, diesel, and natural gas prices were among the hardest hit. Gasoline was still modestly rangebound.

**Given the volatility and rapidly changing environment, the situation will change frequently.** However, since petroleum capacity takes many months and years to come online, near term changes in US petroleum demand will simply support maximizing current infrastructure and output.

West Texas Intermediate (WTI) was of course higher month-over-month at the time of writing. Oil was trading at \$75.02 (\$60.60 a barrel in last month's report), which is now 30.5% higher year-to-date. And it was now 9.8% higher vs. this time last year (18.8% lower last month). Brent North Sea Crude was also higher at \$81.58 (\$65.51 a barrel last month). This was up 34.03% YTD and was 14.81% higher over the past 12 months.

Fuel prices are the biggest concern. Diesel prices were higher at \$4.04 a gallon at the time of writing (\$3.57 a gallon in the last briefing) (Source: AAA) and were \$.38 per gallon higher than last year. Gasoline was slightly higher at \$3.20 a gallon (\$2.88 per gallon in last month's briefing), which is 10 cents per gallon higher than last year (24 cents lower last month).

The **EIA's latest forecast for 2026 crude oil prices were issued before the conflict in the Middle East started.** Although they were aware of the potential risk, it was only modestly built into the forecast. For 2026, the EIA has kept the forecast low overall — although it once again adjusted the annual price per barrel up slightly, it showed oil prices remaining low at \$53.42 (\$52.21 a barrel in the last forecast and against the 2025 average of \$65.40). Prices are expected to average \$58.62 in Q1, \$53.65 in Q2, \$51.69 in Q3, and \$50.00 in Q4 2026. **The EIA is acknowledging the risk posed in the Strait of Hormuz and potential subsequent conflict with Iran but continues to keep the overall forecast lower on a historical basis.**

Continued on the next page...

## Oil and Fuels – Cont’d

For refined fuels, the gasoline price forecast shows them lower in 2026, falling to \$2.91 per gallon (\$2.92 last month and against the full-year average of \$3.10 in 2025). Prices will average \$2.88 in Q1, \$3.04 in Q2, \$2.97 in Q3, and \$2.76 in Q4 of 2026. Retail diesel prices as reported by the EIA show them averaging \$3.43 in 2026 and \$3.47 in 2027 after averaging \$3.66 in 2025. Prices are expected to average \$3.56 in Q1, \$3.37 in Q2, \$3.37 in Q3, and \$3.40 in Q4 of 2026.

The EIA showed that 2025 full year daily crude oil production came in at 13.60 Mbpd (million barrels per day). It is now showing production unchanged at 13.60 bpd in 2026 (13.59 in the last update). For 2027, it expects production to fall to 13.32 Mbpd.

Total commercial inventories ended 2025 at 1.300 billion. Once again, this month, the EIA now has them rising to an average of 1.321 billion barrels in 2026 (from 1.338 billion barrels in the last forecast) and 1.336 in 2027 (1.345 in the last forecast). These remain near historic highs, and this higher inventory relationship continues to put pressure on production.

## From Our Distributors

### Distributors Speak Out On Market Conditions

Each month ASA asks its industrial/mechanical PVF members for their take on current market conditions and trends.

- *“We’ve seen a strong start to the new year, with both revenue and margin up solidly in the double digits through February. Our open order value has also increased by 10% year over year as we head into the spring construction season. Quoting activity remains elevated, with high-impact projects crossing our desks. With the exception of data-center-related products, inventory remains largely available from our vendor partners. Overall, the fundamentals are in place for a solid 2026.”*

## From Our Distributors – Cont’d

- *“February has been slightly better than January. The weather has not helped again this month making jobsite cleanup difficult and delaying scheduled deliveries and billing. Unprecedented snow, not seen since the blizzard of 1978 in CT and RI, will likely be the reason why miss target this month as jobsites shut down for a few days due to lack of access.”*
- *“Our sales are up about 8 percent. New project starts are driving our current sales position — mostly healthcare and large hospitals. Challenges/risks on the radar? Instability in commodity pricing. 90-day outlook/where do you see the market heading? Continued modest gains (Northeast region).”*
- *“Our first quarter is always our weakest quarter of the year and that hasn’t changed in 2026. Sales are flat. Our power and energy group is very busy with quotations. We have planned a modest 5 percent increase in sales for 2026. We are watching the tariff changes for any potential adjustments needed. 90-day outlook/where do you see the market headed? Just the normal sales increase each month through the second quarter (New England/upstate New York region).”*
- **From a member in the northeast:**
  - *Sales: Up ~ 8%*
  - *What’s driving your current sales position? New project starts*
  - *What types of projects are generating activity right now? Mostly healthcare, large hospitals*
  - *What challenges or risks are on your radar? Instability in commodity pricing*
  - *Where do you see the market heading over the next three months? Continued modest gains*

## From Our Distributors – Cont'd

### *From a member in the New England and Upstate New York Region:*

- *Sales: Our 1st quarter is always our weakest quarter of the year and that hasn't changed in 2026, sales are flat!!*
- *What types of projects are generating activity right now? Our power & energy group are very busy with quotations.*
- *What positive trends are you seeing in the industrial/mechanical PVF market? We have planned for a modest 5% increase in sales for 2026.*
- *What challenges or risks are on your radar? We are watching the tariff changes for any potential needed adjustments*
- *Where do you see the market heading over the next three months? Just the normal sales increase each month through the 2nd quarter.*

## Additional News of Interest

- **The situation in Iran continues to be a developing situation and remains the greatest concern.**
  - The greatest question is how long the Strait of Hormuz will face disruptions – and subsequently how much risk is still in the Red Sea. Opening the Strait of Hormuz is key to getting the hundreds of ships that are stranded moving again, but if they must use the Cape of Good Hope route instead of the Red Sea, it adds 11-12 days to transit. **That will keep oil markets fluid for days to come.**
  - What is unknown is **what the regime will look like at the end of the operation?** Will there be an Iranian government that is new, and will have no sanctions and the ability to trade oil openly? If so, **that could create a new outlook for the global petroleum sector.** If this “just shuffles the deck chairs” and sanctions remain in place, then oil supply would theoretically continue to remain tight and keep US production forecasts intact. **Much will be determined in the coming weeks.**

## Tariff News

- **In the wake of the Supreme Court ruling that IEEPA tariffs were applied illegally, the Trump Administration has pivoted. Here are key items to consider moving forward.**
  - **Section 122 tariffs:** The administration has now applied a 15% global tariff on all countries not under a trade agreement for 150 days (expiring in mid July).
  - Products moving under **USMCA remain unchanged.**
  - **Section 232 and 301 tariffs remain unchanged**, and Section 122 reportedly will not “stack” in most cases. Only components not covered by 232 or 301 would get the 122-tariff applied.
  - **The administration will pursue new 232 and 301 tariffs to replace IEEPA tariffs (which would keep them open-ended)** on specific products and hope to have those in place before the July deadline. This is largely aimed at encouraging remaining countries without a trade deal to finalize one, and those operating under a tentative trade deal agreement to stick to those. Given that most agreements set broad tariff rates at 15%, and the Section 122 tariffs now set at 15%, most countries have more incentive to keep new trade deals intact.
  - **As tariff “investigations” are launched, purchasing managers will gain a better understanding of product categories** where new 232 or 301 tariffs are possible.
  - The refund process for IEEPA tariffs will take quarters (if not years) to unwind. Largely, **importers of record are eligible for direct refunds**, the distribution downstream from there will likely become a case-by-case issue between supplier/customers and will likely get tied up in legal challenges.

# Commodity Producer Price Index Update

The Producer Price Index (PPI) for key supply industry metrics is listed in the chart below including month-over-month and year-over-year comparisons. To the degree that the PPI is derived from monthly Government Surveys of actual purchasers and users of the following products, it provides a more accurate street-level pricing viewpoint.

Producer Price Index - Key Industry Products							
Category	PPI Code	Jan-26	Dec-25	M/M% Chg	Jan-25	Y/Y % Chg	Annual Forecast
<b>Core Materials</b>							
Copper	WPU019011	690.2	659.4	4.7%	562.6	22.7%	0.1%
Lumber	WPU081	265.4	259.3	2.4%	264.3	0.4%	-1.2%
Nickel	WPU102504	215.7	212.7	1.4%	207.9	3.7%	-3.5%
Cement	PCU32732032732	395.8	392.9	0.7%	397.3	-0.4%	4.1%
<b>Pipe, Valves and Fittings</b>							
Metal valves, except fluid power	WPU114902	484.9	482.1	0.6%	451.1	7.5%	5.8%
Gates, globes, angles and check valves	WPU114902011	186.8	185.7	0.6%	174.9	6.8%	6.0%
Ball valves	WPU11490202	616.4	639.2	-3.6%	576.0	7.0%	3.9%
Butterfly valves (formerly W2421490203)	WPU11490203	354.2	354.2	0.0%	326.0	8.7%	2.7%
Industrial plug valves	WPU11490204	366.5	366.5	0.0%	332.8	10.1%	7.1%
Solenoid valves	WPU11490208	372.2	372.2	0.0%	372.2	0.0%	1.5%
Other industrial valves, including nuclear	WPU11490209	450.1	438.3	2.7%	411.1	9.5%	9.3%
Automatic valves	WPU11490211	286.5	286.5	0.0%	271.9	5.4%	4.6%
Metal pipe fittings, flanges and unions	WPU11490301	535.6	535.6	0.0%	497.2	7.7%	3.8%
Steel pipe and tube	WPU101706	387.6	388.9	-0.3%	353.4	9.7%	-0.5%
Steel pipe and tube, stainless	WPU10170674	148.8	145.3	2.4%	131.7	13.0%	1.2%
Copper and Brass Mill Shapes	WPU102502	747.4	712.6	4.9%	646.0	15.7%	1.2%
Plastic pipe	WPU07210603	171.4	169.4	1.2%	184.0	-6.8%	-4.9%
Plastic pipe fittings and unions	WPU07210604	334.6	330.8	1.1%	319.7	4.6%	11.8%
<b>Plumbing Fixtures, Fittings and Trim</b>							
Bath and shower fittings	WPU10540211	286.7	286.7	0.0%	286.7	0.0%	0.0%
Lavatory and sink fittings	WPU10540218	211.6	211.6	0.0%	208.6	1.4%	1.4%
Enameled iron and metal sanitary ware	WPU1056	284.5	284.5	0.0%	284.5	0.0%	0.0%
<b>Steam and Hot Water Equipment</b>							
Cast iron heating boilers, radiators and convectors	WPU10610106	331.4	331.4	0.0%	310.9	6.6%	12.1%
Domestic water heaters	WPU106601	647.4	645.3	0.3%	591.4	9.5%	8.2%
Electric water heaters	WPU10660101	641.0	639.7	0.2%	587.0	9.2%	8.5%
Non-electric water heaters	WPU10660114	394.2	392.7	0.4%	359.7	9.6%	7.9%
<b>Warehousing, Storage and Related Services</b>							
	WPU321	149.8	146.3	2.4%	145.6	2.9%	-1.0%