



MATERIALS MARKET DIGEST[®]

CRITICAL UPDATES FOR THE
INDUSTRIAL/MECHANICAL
PVF SUPPLY CHAIN

JANUARY 2026

Presented by:

ASA Industrial Piping Division

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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 >

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*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

At the time of writing, geopolitical uncertainty was impacting markets, especially across the oil complex. Risks in the Strait of Hormuz had added nearly \$10 in geopolitical premiums to oil prices, silver prices were surging, and a host of winter weather, tariff and trade uncertainty, and other factors were forcing commodity markets to perform perhaps outside of supply/demand fundamentals more than usual.

US Manufacturing activity was modestly expanding again in January. The S&P Global Flash PMI came in at 51.9, up slightly from 51.8 in December. Based on new order activity and this measure, it would suggest US GDP growing at just 1.5%, not the 4.3% that the Atlanta Fed is currently showing.

Private sector reports show **retail sales** likely grew 3.3% through November. **When adjusted for inflation, sales were up at a sluggish 0.6% annual pace.** Home improvement retail was up 1.3% M/M, but remained sluggish Y/Y, falling 2.8%.

Data was still lagging from the Federal Government on **residential housing**. But the National Association of Realtors (NAR) is sticking with its forecast for 2026 with **existing home sales growth of 14% Y/Y and new homes sales at a 5% rate.**

But the Mortgage Banking Association (MBA) is calling for continued but modest growth in home sales in 2026, fighting through a softening job market, sticky inflation, elevated home inventories and interest rates on long-term debt that remain stubbornly high.

Total vehicle sales came in at an annual rate of **16.089 million units in December (latest available) which was up from 15.781 million in November, but it continued to be down 4.5% Y/Y.**

New-vehicle inventory early in 2026 was about 2.8 million units—**down 9% YoY**. Auto inventory/sales ratios are at 1.38 months, well above the post-COVID trough (less than 0.4 when supplies were tight) but **tighter than pre-COVID peaks.**

Carbon Steel

NYMEX Domestic Hot-rolled Coil steel prices (CRU-HRCc1) were higher over the past 30 days at \$973 per ton in early February (\$929 per ton in the last update and up 29% from last year's lower level of \$762.00).

Producer Prices for steel pipe and tube were sharply higher in the latest data from the end of December (latest available). They were up 2.9% month-over-month (0.2% last month). **Year-over-year, the PPI was sharply higher by 9.4%** (5.5% Y/Y in the last update). Producer Prices lag the spot market by 30-60 days.

Member Comment: "Carbon steel pipe pricing has been fairly flat since the close of Q3, 2025. Hot-rolled coil saw a 6% increase at the very end of December 2025, jumping from \$906 to \$967, a level it has maintained through the start of 2026."

While pricing for steel pipe has been steady, lead times have stretched to three-year highs. It should be noted that while Chinese steel production fell to its lowest levels since 2018, their exports rose to record levels, as they continue to find buyers for their products."

The balance of factors **now supports firm to modestly higher HR coil prices through Q1**, with U.S. spot levels gravitating toward the upper end of the recent 850–950 USD/ton band, **even as underlying demand remains average**.

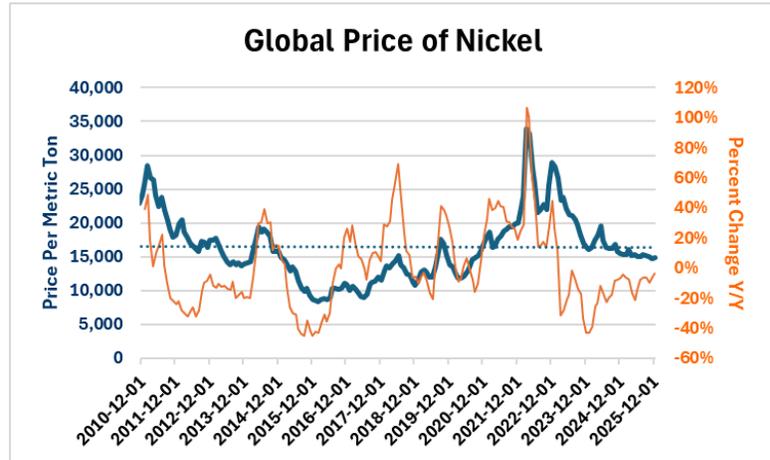
Mills are still enforcing a policy- and cost-supported price floor, but that floor has ratcheted higher as import competition is constrained by tariffs and price gaps, **service-center inventories remain relatively light**, and buyers move to cover spring needs.

This leaves a wider two-way risk band: sentiment-driven spikes are plausible if **supply disruptions or trade headlines** hit a tight market, but the **lack of strong end-user demand** also raises the risk of brief 'air pockets' or **pullbacks if buyers resist higher offers** later in the quarter."

Stainless Steel & Alloys – Cont'd

LME Nickel Prices were lower over the past 30 days at @\$7.96 per lb. (\$8.37 in the last update), this was 4.8% lower M/M.

Producer prices for nickel were higher by 0.8% month-over-month in December (latest available) (0.8% lower last month). They were 1.3% higher year-over-year (1.9% last month).



Member Comment: "Pricing remains steady with stainless fittings. The projects have been slow to materialize with the exception of data centers. Hoping to see activity pick up for other projects throughout this quarter. Data centers still command the majority of new activity."

Nickel's volatility is being driven more by policy and positioning than by a clean demand boom. The physical market is still nominally in surplus for 2025–2026, with bank estimates showing supply growth outpacing stainless and battery demand, but Indonesia's sudden shift from 'maximize volume' to 'manage value' has injected a new risk premium into prices."

Jakarta has tightened output via lower annual mining quotas, a de-facto production cap near 250MT of ore in 2026 versus roughly 380MT of capacity in 2025, and delayed permit approvals, all of which point to slower future supply growth.

Looking ahead, upside price risk comes from further Indonesian quota cuts and continued short-covering if traders doubt the surplus narrative. Downside risk is that EV demand remains softer than hype, and Indonesia still has room to lift effective utilization if prices spike too far, too fast.

Tubular Products

Producer Prices for steel pipe and tube were mixed in the latest data from the end of December (latest available). They were up 2.9% month-over-month (0.2% last month). **Year-over-year, the PPI was moderately higher by 9.4%** (5.5% Y/Y in the last update) against higher comparisons. Producer Prices lag the spot market by 30-60 days.

Member Comment: “McWane (Tyler Pipe) and Charlotte Pipe and Foundry announced new 2026 list price sheets for cast-iron pipe & fittings that represented an approximate 5% list price increase; this new pricing is now active. There were no further updates to report.”

Member Comment: “Large data center demand for carbon steel weld fittings & flanges is causing shortages for finished products and an increase in pricing for carbon steel flanges.”

Active **global oil wells** are down 49 Y/Y according to **Baker Hughes** (total wells are currently at 1,065 up slightly from 1,059 from the last report).

US active rig counts are down 36 wells Y/Y in the last week to 546 active rigs (546 in the last update). The US had 1,045 wells active in 2019 prior to the pandemic.

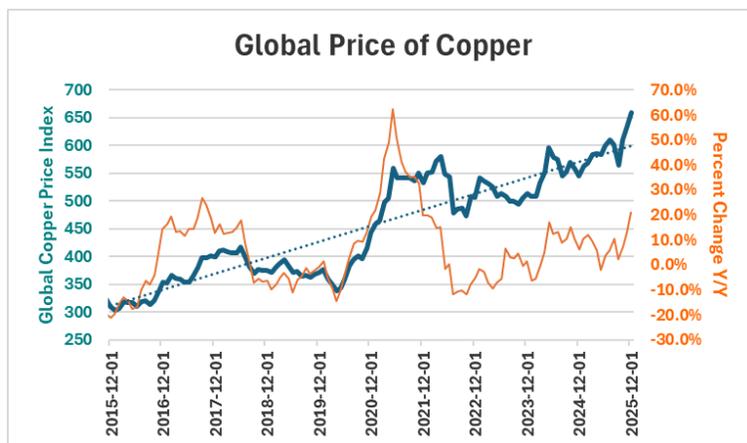
The EIA showed that 2025 **full year daily crude oil production** came in at 13.61 Mbpd (million barrels per day). It is now showing **production slightly lower at 13.59 bpd in 2026** (13.53 in the last update).

Producers continue to emphasize capital discipline and cash flow over volume growth, signaling a willingness to let rig counts drift rather than chase marginal barrels if WTI spends much time near the low-50s per barrel range shown in the latest EIA outlook.

Venezuelan crude remain a weak threat for U.S. tubular demand: incremental heavy barrels mostly displace Canadian and other heavy imports at Gulf Coast refiners and are generally not a direct competitor to U.S. light sweet crude.

Copper

The **price of copper** was cooling in early February at **\$5.82/lb.** (\$6.04/lb. last month), this remained higher than prior cycles. This keeps copper prices on the **spot** market 2.26% higher YTD and are 35.79% higher Y/Y.



The **Producer Price Index (PPI)** for December (latest available) was higher month-over-month by 4.4% (3.4% last month). It was up sharply by 20.9% year-over-year (+13.1% last month). The current index was 659.1 (the prior all-time high was 635.2 in July 2025, and the low was 302.9 in 2016).

Member Comment: “Copper Comex average price for January is \$5.8642 compared to December’s \$5.3988 per lb. The price rose substantially and has not come down.”

Copper has shifted to a full-blown squeeze, with record **prices being driven by tightening mine supply and a looming refined deficit** - rather than a sudden demand boom.

For Q1, the key issue is that **supply is the constraint**: major disruptions, falling grades, and a thin project pipeline have pulled hundreds of thousands of tons out of expected mine output just as the market was transitioning from a small 2025 surplus to a projected 2026 refined deficit. At the same time, electrification, grid and data-center build-out, and incremental construction demand keep global refined usage growing a bit above 2% annually, enough to tighten balances even without a strong macro backdrop. **Investors keep positioning around this “structural deficit” theme.**

Ferrous Scrap

Producer prices for **ferrous metal scrap** were **higher** vs. the prior month, coming in with an index of 470.1 (451.4 last month). This was **higher by 4.1% M/M** (-0.5% last month). And **year-over-year it was also higher by 4.1% Y/Y** (-2.7% 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 January to 57.3 (up from 47.9 in December)** (a reading of 50 is a balanced supply/demand environment).

Fastmarkets added: *“the fundamentals are steady, but not booming: exports have firmed a bit and domestic demand is adequate, but the real story is that sentiment has shifted to “modestly firmer” as mills return to the market after December buying cuts.”*

- Sellers: Trend Indicator of 57.3 (58.3 prior)
- Brokers: Trend Indicator of 55.0 (50.0 prior)
- Buyers: Trend Indicator of 59.7 (48.7 prior)

“The outlook calls for “modest gains” unless a macro or geopolitical shock intervenes, with most participants expecting small price increases rather than big moves i.e., the same disciplined buying patterns that carried the market through late 2025.”
- Fastmarkets

Plastics

Resin prices were lower by 1.5% in December according to the Producer Price index (latest available), (-0.7% M/M in last month's report). But they were lower by 4.1% Y/Y (-3.1% last month).

Prices were lower for LDPE in September; prices were 7.5% lower Y/Y (-6.1% lower in the last update) and were lower by 1.6% M/M (-0.1% lower last month). And **fittings and unions** were mildly higher, rising marginally by 0.4% M/M (+0.6% last month) but they were up 3.8% (+3.7% last month) year-over-year.

Oil and Fuels

Volatility in the oil and fuel sector just won't settle down. At the time of writing, **several geopolitical risks** and one of the largest winter storms in years was **keeping the oil sector off-balance**. Although fuel consumption was down during a massive winter weather event at the end of January, petroleum production was hampered by freezing temperatures and a surge in heating oil demand. These cold weather snaps were expected to continue through the end of January with another system developing at the time of writing.

Geopolitics were still playing a significant role.

Uncertainty in Iran and Venezuela was being offset by a potential ceasefire deal in Ukraine at the time of writing. Much of that ceasefire agreement may be contingent upon Russia being able to more openly distribute oil. **Volatility is likely to continue in the weeks to come.**

West Texas Intermediate (WTI) was higher month-over-month at the time of writing. **Oil was trading at \$61.79** (\$56.54 a barrel in last month's report), which is now 7.9% higher year-to-date. But it was 14.6% lower vs. this time last year (19.4% lower last month). **Brent North Sea Crude was also higher at \$65.85** (\$60.18 a barrel last month). This was up 8.6% YTD but was 13.9% lower over the past 12 months.

Fuel prices were mixed again this month. **Diesel prices were lower** at \$3.60 a gallon at the time of writing (\$3.64 a gallon in the last briefing) (Source: AAA) and were \$.10 per gallon lower than last year. **Gasoline was flat at \$2.88 a gallon** (\$2.91 per gallon in last month's briefing), which is 24 cents per gallon lower than last year (12 cents lower last month).

The EIA's latest forecast for 2026 crude oil prices inched up sequentially but remained much lower historically. For 2026, the EIA has kept the forecast low – although it adjusted the annual price per barrel up slightly, it showed oil prices remaining low at \$52.21 (\$51.42 a barrel in the last forecast and against the 2025 average of \$65.40). Prices are expected to average \$54.93 in Q1, \$52.67 in Q2, \$52.03 in Q3, and \$49.34 in Q4 2026.

Continued on the next page...

Oil and Fuels – Cont’d

For **refined fuels**, the gasoline price **forecast shows them lower in 2026**, falling to \$2.92 per gallon (\$3.00 last month and against the full-year average of \$3.10 in 2025). Prices will average \$2.85 in Q1, \$3.02 in Q2, \$3.03 in Q3, and \$2.78 in Q4 of 2026. **Retail diesel prices** as reported by the EIA show them averaging \$3.43 in 2026 after an average of \$3.66 in 2025. Prices are expected to average \$3.50 in Q1, \$3.40 in Q2, \$3.41 in Q3, and \$3.41 in Q4 of 2026.

The EIA showed that 2025 **full year daily crude oil production** came in at 13.61 Mbd (million barrels per day). It is now showing **production slightly lower at 13.59 bpd in 2026** (13.53 in the last update).

Total commercial inventories ended 2025 at 1.295 billion. Once again, this month, the **EIA now has them rising sharply to an average of 1.338 billion barrels** in 2026 (from 1.312 billion barrels in the last forecast) and 1.345 in 2027. 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.

- “January has started off pretty flat. PVF sales have been supported by a solid backlog coming out of 2025. We have no data center work in this area so that is not artificially driving the sales number up. Carbon and stainless steel business has been steady but we have seen increased margin erosion in the press business.”

From Our Distributors – Cont’d

- “Market conditions are robust. We have several ongoing projects and are quoting more. Until this coming weekend (weekend of Jan. 24-25), our weather has been good as well. That does have an effect on the current stuff. We are seeing more data centers (in our region), more hospital expansions, new school, manufacturing facilities.

The biggest opportunities for us will be the data centers. A couple have started construction, but contractors must sign NDAs and information on them is tightly controlled. There are so many of these popping up around the country. The very large national contractors are spread thin. This has allowed our regional contractors an opportunity to participate, which will benefit us greatly.

We have a large Department of Defense manufacturing segment in our state, much of it is for manufacturing rocket motors. Our allies and us are shooting these things off faster than replacement can be made.

The southern part of the state has huge Lithium brine deposits and work has started on extraction facilities for that area. Huge.

Overall, money is being spent. We have waited for the other shoe to drop concerning tariffs and supply chain issues, but that has not been the case. The amount of quoting going on and the announcement of yet another data center indicates the current environment will continue. We finished last year strong with sales and profit up significantly. That momentum has carried over into this year. Once again, we are up year over year.”

- “We are running just a little bit ahead of last year. We have received purchase orders for multi-family and are bidding for some schools.”

Additional News of Interest

- **The situation in Iran continues to be a developing situation.** The President’s call for **25% tariffs for any country trading with Iran** have yet to go into effect. But many **analysts are watching China specifically**, it has significant risk if it complies with the order. But purchasing managers would feel the impact of tariffs more significantly if they were hit with an additional 25% tariff on China-product imports.
- In manufacturing, the combination of reshoring plus automation is **driving a wave of plant retrofits rather than just greenfield builds**, which supports recurring demand for electrical gear, controls, sensors, and safety systems as older facilities are upgraded to handle robotics and higher-throughput lines.
- The **overarching theme into 2026 is narrow but durable demand**: instead of broad-based growth, the **opportunity lies in being over-indexed to mission-critical segments—data centers, grid and power work, industrial reshoring, and targeted remodeling**—while managing exposure to weaker segments like conventional office and big-box retail.
- **Modular and off-site construction** are gaining traction in industrial and manufacturing projects, as **owners look to add lines or buildings without shutting plants**; that shift tends to favor earlier, larger-lot purchasing of structural steel and MEP packages that can be fabricated and kitted off-site.
- Mission-critical infrastructure—power, grid upgrades, and transmission—is emerging as a “second leg” under the construction outlook, with some surveys showing **these categories plus data centers now accounting for more than 25% of nonresidential building activity** in certain markets. And between data centers and power generation, they account for nearly 90% of the incremental growth across nonresidential construction. Health care, education, and manufacturing make the up the remaining growth, other segments are slightly negative (except in some markets).

Additional News of Interest

- **Residential remodeling is expected to grow, but slower**, with Harvard’s LIRA calling for homeowner improvement and repair spending to **rise roughly 2–3% early this year** before cooling toward 1–2% growth by late 2026, **still totaling more than 520 billion USD in annual outlays**.
- **The mix inside remodeling is shifting**: high mortgage rates and elevated home prices are **nudging owners toward “need-to-have” projects (roofs, HVAC, efficiency upgrades, accessibility)** rather than big discretionary additions, which supports steady demand for core building materials even if headline growth slows.
- **Food and beverage e-commerce sales are surging**. And although just a fraction of overall e-commerce business, cold chain demand is growing. **Construction of cold-chain logistics facilities are expected to grow at a 20% CAGR** through 2030 with regions in the Sunbelt leading the charge. This brings a host of HVAC and advanced automation needs for these facilities, increasing demand for ASA Member products.
- With the clock ticking for projects that want to capitalize on the **100% Bonus Depreciation benefit in the tax bill, most nonresidential and multi-family projects will have to get started in ‘26/27** to take the write-off benefit. Speaking with general contractors, this has provided a mild increase in inquiries and planning but has yet to really materialize into actual new starts. But some believe that **a better interest rate environment could be the signal that some project managers need to kick off those projects**.

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	Dec-25	Nov-25	M/M% Chg	Dec-24	Y/Y % Chg	Annual Forecast
Core Materials							
Copper	WPU1019011	659.1	631.2	4.4%	545.1	20.9%	0.1%
Lumber	WPU081	259.2	259.4	-0.1%	265.8	-2.5%	-1.2%
Nickel	WPU102504	213.1	211.5	0.8%	210.3	1.3%	-3.5%
Cement	PCU327320327320	392.7	392.1	0.1%	393.0	-0.1%	4.1%
Pipe, Valves and Fittings							
Metal valves, except fluid power	WPU114902	482.5	482.5	0.0%	448.8	7.5%	5.8%
Gates, globes, angles and check valves	WPU114902011	186.0	186.0	0.0%	172.9	7.6%	6.0%
Ball valves	WPU11490202	639.2	639.2	0.0%	575.9	11.0%	3.9%
Butterfly valves (formerly W2421490203)	WPU11490203	354.2	354.2	0.0%	323.1	9.6%	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	438.3	438.3	0.0%	409.1	7.1%	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%	494.0	8.4%	3.8%
Steel pipe and tube	WPU101706	391.7	380.8	2.9%	358.1	9.4%	-0.5%
Steel pipe and tube, stainless	WPU10170674	145.3	144.6	0.5%	133.3	9.0%	1.2%
Copper and Brass Mill Shapes	WPU102502	712.6	691.2	3.1%	637.5	11.8%	1.2%
Plastic pipe	WPU07210603	169.4	172.2	-1.6%	183.0	-7.5%	-4.9%
Plastic pipe fittings and unions	WPU07210604	331.0	329.7	0.4%	319.0	3.8%	11.8%
Plumbing Fixtures, Fittings and Trim							
Bath and shower fittings	WPU10540211	286.7	286.7	0.0%	286.7	0.0%	0.0%
Lavatory and sink fittings	WPU10540218	211.6	211.1	0.3%	207.9	1.8%	1.4%
Enameled iron and metal sanitary ware	WPU1056	284.5	284.5	0.0%	284.5	0.0%	0.0%
Steam and Hot Water Equipment							
Cast iron heating boilers, radiators and convectors	WPU10610106	331.4	330.3	0.3%	310.0	6.9%	12.1%
Domestic water heaters	WPU106601	645.3	645.3	0.0%	590.6	9.3%	8.2%
Electric water heaters	WPU10660101	639.7	639.7	0.0%	586.6	9.1%	8.5%
Non-electric water heaters	WPU10660114	392.7	392.7	0.0%	359.0	9.4%	7.9%
Warehousing, Storage and Related Services							
	WPU321	148.4	146.9	1.0%	142.0	4.5%	-1.0%