



MATERIALS MARKET DIGEST[®]

CRITICAL UPDATES FOR THE
INDUSTRIAL/MECHANICAL
PVF SUPPLY CHAIN

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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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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

Q3 US GDP is running well ahead of expectations at 3.9%. Consumer spending was still very strong and accounted for 56% of the growth rate through September 26th. Corporate investment in new commercial projects was still building momentum and accounted for 27% of the growth rate. Residential spending on housing was still sluggish and was the biggest concern overall (typically accounting for 16% of GDP).

US Manufacturing activity is expected to remain strong at 52.0 in September based on Flash reports. According to the S&P Global PMI which came in at 53.0 in August, it was trending at 52.0 points through mid September. Manufacturers were more optimistic about the next 6 months in the latest survey, despite concerns that the last few months of 2025 could be sluggish.

Retail sales and consumer spending accelerated overall in August (latest available). Advanced retail sales were up 5.0% Y/Y in August and were well ahead of expectations on the back of strong back-to-school spending.

Once again however, Home Improvement retail sales were flat; they were 0.1% higher M/M (-1.0% last month) but were down 2.3% Y/Y (-2.6% last month).

Home construction was still struggling; total **permits were down by 9.9% Y/Y** through the end of August (latest available). **Single-family was down sharply again by 11.3%** from a year ago and **multi-family was down by 7.1%** from last year.

Housing starts were mixed in August (latest available), total starts were down by 6.0% Y/Y. Single-family home starts were sharply lower; they were down 11.7% Y/Y. Multi-family was up significantly by 15.8% (this is volatile data).

Total vehicle sales came in at an annual rate of **16.492 million units in August, down slightly from 16.988 million in July.** But year-over-year adjusted sales are up 5.5%.

Carbon Steel

NYMEX Domestic Hot-rolled Coil steel prices (CRU-HRCc1) were slightly higher over the past 30 days at \$808 per ton in late September (\$799 per ton in the last update and up 12.3% from last year's level of \$718.00).

Producer Prices for steel pipe and tube were mixed in the latest data from the end of August (latest available). They were down 1.0% month-over-month (-0.7% last month). **Year-over-year, the PPI was moderately higher by 4.1%** (3.7% Y/Y in the last update) against higher comparisons. Producer Prices lag the spot market by 30-60 days.

Mills have largely emerged from summer heat-related slowdowns. Weekly AISI figures show utilization hovering in the high-77% range—slightly better than the midsummer trough—so producers have headroom to lift output if spot demand strengthens. Lead times remain predictable at 4–6 weeks for coil and 5–7 weeks for standard pipe, giving distributors consistent delivery schedules while prices consolidate.

Carbon-steel pipe remains steady: most welded and seamless items are still flat to down only 1–2% across product lines, echoing the shallow movement seen since March.

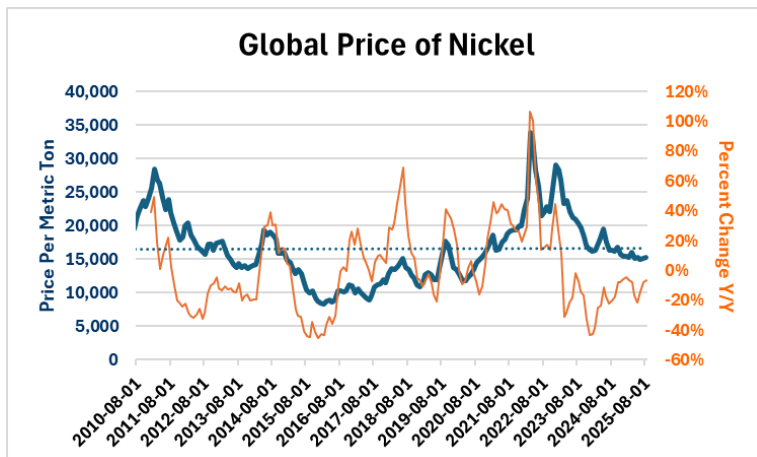
Member Comment: “McWane (Tyler Pipe) and Charlotte Pipe and Foundry have announced new 2026 list price sheets for cast-iron pipe & fittings that will represent an approximate 5% list price increase for all cast-iron pipe & fittings. Both companies will be taking allocated orders from the current list price sheet through the end of November 2025. Tyler and Charlotte Pipe are asking that you contact your local sales representative to help address any questions or specific details you may have.”

Member Comment: “Current economic factors related to Section 232 and reciprocal tariffs will cause upcoming price increases on malleable iron pipe fittings and steel pipe nipples and couplings.”

Stainless Steel & Alloys – Cont'd

LME Nickel Prices were lower but remained rangebound over the past 30 days at @\$6.88 per lb. (\$6.93 in the last update).

Producer prices for nickel were higher by 1.5% month-over-month in August (latest available) (0.4% higher last month). They were 6.3% lower year-over-year (-7.8% last month).



Member comment: “The stainless fitting market remains stable because there have been no major changes on tariffs. There is some confusion on how to price the tariffs as some suppliers are blending the old costs with the newer costs as most markets, other than data centers, have been slow to grow. The reality is that all steel products do have a 50% tariff on the material portion of what is being imported. Domestic products have been able to be more competitive because of the new costs. The stock market is still broadcasting optimism for the future.”

Nickel prices have stayed largely range-bound through the back half of 2025—hovering in the \$15,000-16,000/mt corridor as Indonesia’s aggressive capacity buildout keeps the market in surplus. Analysts now expect that oversupply to persist through 2026, holding average prices around \$15,400/mt this year before a modest uptick toward \$16,000/mt next year as tighter Indonesian mining quotas and license revocations begin to curb ore availability.

Tubular Products

Producer Prices for steel pipe and tube were mixed in the latest data from the end of August (latest available). They were down 1.0% month-over-month (-0.7% last month). **Year-over-year, the PPI was moderately higher by 4.1%** (3.7% Y/Y in the last update) against higher comparisons. Producer Prices lag the spot market by 30-60 days.

U.S. steel pipe and tube producers operated at 77.9% capacity during the week ending September 13, 2025, slightly below early-September levels. Year-to-date capacity utilization stands at 77.0%, a modest improvement versus the same period last year.

Active **global oil wells** are down 66Y/Y according to **Baker Hughes** (total wells are currently at 1,076, up slightly from 913 from the last report).

US active rig counts are down 38 wells Y/Y in the last week to 549 active rigs (537 in the last update). The US had 1,045 wells active in 2019 prior to the pandemic.

The EIA expects daily crude oil production to be slightly higher at 13.44 million barrels per day in 2025 (13.41 in the last update) but is still showing a pullback at 13.30 mbpd in 2026 (13.28 in the last update). Once again, this month, the EIA now has oil inventories rising sharply to an average of 1.274 million barrels in 2026 (from 1.261 billion barrels in the last forecast).

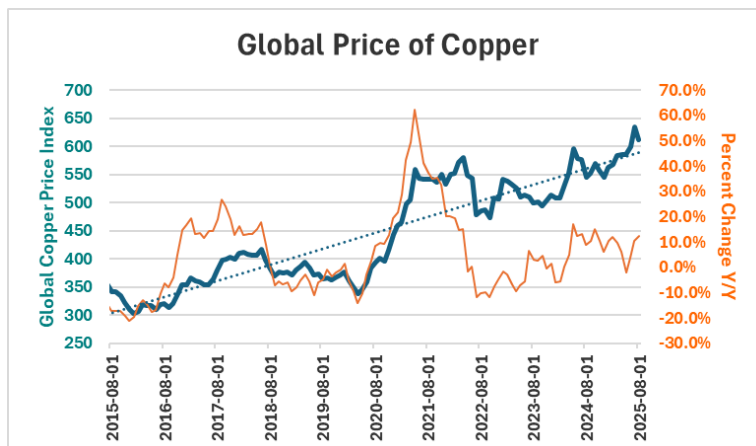
Copper

The **price of copper** was sharply higher at the end of September at **\$4.72/lb.** (\$4.48/lb. last month), but this was sharply higher than prior cycles. This pushes copper prices on the spot market to 13.3% higher YTD but are just .08% higher Y/Y.

Note: Copper theft incidents are rising—telecom carriers report nationwide losses of \$40 million YTD, with Midwest hotspots tied to higher scrap values. Many distributors are being reminded to review yard security and transport insurance.

Copper – Cont'd

The **Producer Price Index** (PPI) for August (latest available) was lower month-over-month by 3.6% (+6.0% last month). It was up 12.4% year-over-year (+10.3% last month). The current index was 612.5 (the prior all-time high was 635.2 in July 2025, and the low was 302.9 in 2016).



Imports for September fell 12% month over month per U.S. customs data, following a 34% decline in August as buyers drew down pre-tariff inventories.

Domestic tube mills are running at roughly 69% of rated capacity in mid-September—well below the 91% contract-utilization peak in July—which leaves limited headroom should HVAC demand rebound.

All three major U.S. producers' 8% list-price hike from August 5th remains in force. Multipliers on tube and fittings are still 2-4 index points higher than mid-August, and one mill added a floating fuel surcharge tied to diesel over \$4.25/gal on September 18th (current diesel prices are \$3.68).

Analyst targets for Q4 copper now have a wide range from \$4.40 to \$4.90/lb (highlighting the uncertainty), with spot cathode averaging \$4.72/lb in late September and LME volatility elevated on supply-deficit concerns.

Section 232 duties continue to add about 20 ¢/lb to U.S. pricing. The court challenge is still at the discovery phase, so any tariff relief is unlikely before 2H 2026, effectively locking in the premium for the next two buying cycles.

Ferrous Scrap

Producer prices for **ferrous metal scrap** were **higher** vs. the prior month, coming in with an index of 467.1 (464.4 last month). This was **higher by 0.6% M/M** (-0.2% last month). And **year-over-year it was higher by 2.2% Y/Y** (+1.1% 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 fell in September to 47.4 (down from 52.3 in August)** (a reading of 50 is a balanced supply/demand environment).

Fastmarkets added: *"The ferrous scrap market is forecasted to remain broadly stable in September, with the Trend Indicator easing slightly to 47.4 – suggesting a modest bearish bias... participants look for a clearer signal in an environment characterized by limited upside and no major disruptive forces."*

- *Sellers: Trend Indicator of 53.7 (62.5 prior)*
- *Brokers: Trend Indicator of 50.0 (42.9 prior)*
- *Buyers: Trend Indicator of 38.46 (51.5 prior)*

"The scrap market sentiment for August indicates a marginally positive outlook, with the Trend Indicator at 52.3, suggesting a modest 1.3% month-on-month price increase." - Fastmarkets

Plastics

Resin prices were marginally higher by 0.4% in August according to the Producer Price Index (latest available), (-0.6% M/M in last month's report). But they were lower by 2.8% Y/Y (-2.9% last month).

Prices were lower for LDPE in August; prices were 7.4% lower Y/Y (-6.6% lower in the last update) and were lower by 1.1% M/M (-0.9% lower last month). And **fittings and unions** were generally higher, rising marginally by 0.2% M/M (+0.3% higher last month) but they were up 2.3% (+2.4% last month) year-over-year.

Oil and Fuels

The **Energy Information Administration (EIA)** is keeping their forecast for the petroleum sector bearish, in the sense that **they expect inventories to surge and prices to plummet in early 2026**. Recent inventory data in September may have reversed some of this outlook, inventories fell in the first two weeks of the month. The next forecast from the EIA would incorporate some of this most recent data, increases in US exports of crude, and slight increases in global consumption. In other words, expect revisions to the 2026 forecast in the coming months.

West Texas Intermediate (WTI) was slightly higher month-over-month at the time of writing. Oil was trading at \$64.76 (\$63.34 a barrel in last month's report), which is now 5.6% lower year-to-date. It was 3.3% lower vs. this time last year (11.03% lower than last month). Brent North Sea Crude was also moderately higher at \$69.04 (\$67.26 a barrel last month). This was down 4.2% YTD and was 4.6% lower over the past 12 months.

Fuel prices were relatively unchanged this month. **Diesel prices** were essentially unchanged at \$3.69 a gallon at the time of writing (\$3.70 a gallon in the last briefing) (Source: AAA) but were \$.10 per gallon higher than last year. **Gasoline** was also relatively unchanged at \$3.16 a gallon (\$3.18 per gallon in last month's briefing), which is 4 cents per gallon lower than last year (17 cents lower last month).

The EIA's latest forecast for 2026 crude oil prices remained sharply lower. Prices are expected to average \$64.16 in 2025 (\$63.58 in the last update). For 2026, the EIA has adjusted the forecast sharply downward, showing oil prices falling to \$47.77 (\$47.77 a barrel in the last forecast). Prices are expected to average \$65.14 in Q3, \$55.41 in Q4, \$45.97 in Q1, and \$46.33 in Q2 of next year. As mentioned, if oil prices do break the \$50 per barrel threshold, that will put pressure back on producers as many fall below critical breakeven levels.

Continued on the next page...

Oil and Fuels – Cont’d

The gasoline price forecast was relatively unchanged once again and are expected to average \$3.09 in 2025 (versus \$3.07 last month vs. a \$3.31 average in 2024). But the new forecast has them going much lower in 2026, falling to \$2.86 per gallon (\$2.88 last month). Prices will average \$3.14 in Q3, \$2.96 in Q4, \$2.73 in Q1, and \$2.89 in Q2 of 2026.

Diesel prices as reported by the EIA currently show them slightly higher at \$3.65 (\$3.61 in the last update) through 2025 (after averaging \$3.76 in 2024). Prices are expected to average \$3.75 in Q3, \$3.67 in Q4, \$3.47 in Q1, and \$3.35 in Q2 of 2026.

The EIA expects daily crude oil production to be slightly higher at 13.44 million barrels per day in 2025 (13.41 in the last update) but is still showing a pullback at 13.30 mbpd in 2026 (13.28 in the last update). Total commercial inventories (all types of crude oil and fuels) are still expected to surge to an average 1.265 billion barrels in 2025 (1.248 in last month’s report and vs. 1.229 billion in 2024). Once again, this month, the EIA now has them rising sharply to an average of 1.274 million barrels in 2026 (from 1.261 billion barrels in the last forecast).

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.

- *“September started out white hot out of the gate but cooled mid-month. The early push may have been driven by the tariffs affecting the copper press business with contractors scrambling to get their orders out before the 25 percent price increase. The lowering of the interest rates should help some with multi-unit housing starts but that business has been tepid at best all year.*

Distributors – Cont’d

- *“After a feverish string of bookings and shipments from Q2 to mid-Q3, we have seen activity levels normalize in September. Our order backlog continues to remain solid but quoting for end of 2025 and early 2026 projects is softer than we have seen for most of the year. Overall, inventory is readily available from our manufacturing partners, and we look to remain aggressive on the sales front to finish the year on a high note.”*
- *“We are seeing a slowdown in September as we are waiting on customer projects to be scheduled. Hopefully, the interest rate reduction in October that is being talked about will happen.”*
- *“We are primarily in the petrochemical/chemical space, and our customers are all slower than they have been the last couple months.”*
- *“Sales are up (15 percent). A few good-size projects are in full swing. A new hospital, several defense infrastructure buildings, three schools, one factory (4 expansions) and three warehouses.”*
- *South Central Location: “Some retooling. Manufacturing expansion. Still waiting for the other shoe to drop concerning tariffs. Prices are steadily increasing.*

Forecast: Customers/owners are cautiously moving forward, but with an eye on the effect of the tariffs. We hear from some of our bigger players that they are not looking beyond the current slate of business, which in many cases, will stretch into 2026. I don’t expect significant change for the rest of this year.”

- *Northeast Location: “Our sales were up 10% in August and are up 7% YTD. We had solid sales performance at all of our branches and divisions in August. Our power and energy division is certainly busy, but sales are solid across the board. Anticipation of on-hold project releases is building with the anticipation of the Fed’s rate cut.*

Forecast: We see no slowdown in current activity, and we are looking for a solid finish to the year.

Tariff Update

- **Section 232 Steel & Aluminum – New Inclusion Window (Sept 15-29):** The Commerce Department opened its quarterly window for producers to petition adding more HTS codes to the 50% steel/aluminum tariff list. Any successful additions could broaden duties on fittings, flanges or specialty coils that many members import for PVF inventories.
- **Executive Order on Reciprocal Tariffs (Effective Sept 8):** A presidential order revised the IEEPA reciprocal-tariff program, adding 40 HTS codes to exempt status and removing 8. Newly exempt items include several critical minerals (e.g., nickel ores) and certain industrial LEDs, while aluminum hydroxide and PET resins lost their exemptions. Members sourcing alloys, coatings or plastic-lined pipe should double-check landed-cost models.
- **Sweeping New Duties Announced (Effective Oct 1):** On Sept 24-26 the White House confirmed fresh tariffs: 25% on heavy-duty trucks and 100% on patented pharmaceuticals and select household furniture. Although metals are not the primary target, trucking-equipment costs and medical-gas piping projects could feel passthrough price pressure.
- **Auto-Parts 232 Expansion Process:** Commerce released an interim rule on Sept 17 outlining how domestic auto-parts makers can request inclusion under Section 232; the first submission window opens Oct 1. If drivetrain or chassis components are added, downstream demand for carbon-steel tubing and bar could shift toward domestic sources.
- **Legal & Political Uncertainty Continues:** Appeals courts heard arguments in September on the president's use of IEEPA for broad tariffs, and a Supreme Court challenge still looms. A ruling limiting executive authority could unwind portions of the reciprocal-tariff framework—creating potential refund opportunities but also short-term sourcing chaos.

Additional News of Interest

- **The Federal Reserve is expected to trim interest rates by another 50 basis points (a quarter point cut in October followed by one in December).** Concerns over labor markets and slowing job creation was weighing more heavily on Fed sentiment than inflation concerns.
 - For the residential housing market, the **10-Year US Treasury yield affects long-term mortgage rates**. At the time of writing, the 10Y bond yield was still dropping, but remained higher than the 15-year average range.
 - As mortgage rates ease, **home improvement projects** will see a modest uptick in activity.
- **More than 143 large industrial/manufacturing construction projects were announced in the past 60 days.**
 - More than 16 of those were expected to be above \$100 million.
 - Geographically, the projects were spread out with at least 20 projects announced in each of Texas, Georgia, Ohio, Michigan, New York, and California.
 - More than 400 have been announced YTD, and more are likely to come in next quarter.
- **Inflation is still sending mixed signals.** The Federal Reserve's preferred inflation measure came in unchanged at 2.9% in August (still higher against their 2% target rate). Even 'average' inflation measures showed them to be 2.7%, unchanged over the past three months.
 - Tariff pressures were not yet showing up broadly at the consumer level (retail), but modest tariff inflation pressure was still evident in wholesale prices, and many manufacturers were saying through September that they will be forced to eventually pass some price increases on to consumers.
 - The Federal Reserve still believes that tariff-induced inflation is likely to hit in Q4/Q1 next year as wholesale prices are eventually passed on to consumers and pre-tariff inventories are sold off and post-tariff inventories replace them.
 - But shortly after this (by Q2 2026), inflation rates quickly drop back into the 2.4% range then hit the Fed's target rate of 2.1% in 2027.

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. Some data is delayed and may not have been updated by the time of publication.

Producer Price Index - Key Industry Products							
Category	PPI Code	Aug-25	Jul-25	M/M% Chg	Aug-24	Y/Y % Chg	Annual Forecast
Core Materials							
Copper	WPU01019011	612.5	635.2	-3.6%	545.0	12.4%	0.1%
Lumber	WPU081	265.7	264.3	0.5%	251.6	5.6%	-1.2%
Nickel	WPU102504	209.5	211.2	-0.8%	215.0	-2.5%	-3.5%
Cement	PCU32732032732	393.7	393.2	0.1%	393.4	0.1%	4.1%
Pipe, Valves and Fittings							
Metal valves, except fluid power	WPU114902	474.6	473.5	0.2%	443.7	7.0%	5.8%
Gates, globes, angles and check valves	WPU114902011	183.8	183.8	0.0%	171.5	7.2%	6.0%
Ball valves	WPU11490202	624.2	610.8	2.2%	570.2	9.5%	3.9%
Butterfly valves (formerly W2421490203)	WPU11490203	354.2	354.2	0.0%	318.0	11.4%	2.7%
Industrial plug valves	WPU11490204	345.8	345.8	0.0%	325.4	6.2%	7.1%
Solenoid valves	WPU11490208	372.2	372.2	0.0%	372.2	0.0%	1.5%
Other industrial valves, including nuclear	WPU11490209	435.5	435.5	0.0%	407.9	6.8%	9.3%
Automatic valves	WPU11490211	277.1	277.1	0.0%	263.7	5.1%	4.6%
Metal pipe fittings, flanges and unions	WPU11490301	533.2	513.7	3.8%	500.9	6.5%	3.8%
Steel pipe and tube	WPU101706	379.8	383.5	-1.0%	364.8	4.1%	-0.5%
Steel pipe and tube, stainless	WPU10170674	144.2	143.3	0.6%	133.7	7.8%	1.2%
Copper & copper-base alloy pipe and tube*	WPU10250239	314.7	314.7	NA	412.3	-23.7%	NA
Plastic pipe	WPU07210603	174.1	176.0	-1.1%	188.0	-7.4%	-4.9%
Plastic pipe fittings and unions	WPU07210604	327.5	328.0	-0.2%	320.3	2.3%	11.8%
Plumbing Fixtures, Fittings and Trim	WPU105402	438.1	438.1	0.0%	402.0	9.0%	4.3%
Bath and shower fittings	WPU10540211	286.7	286.7	0.0%	286.7	0.0%	0.0%
Lavatory and sink fittings	WPU10540218	211.1	211.1	0.0%	207.9	1.5%	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	WPU1061	483.2	482.0	0.2%	456.1	5.9%	11.5%
Cast iron heating boilers, radiators and convectors	WPU10610106	327.9	326.9	0.3%	309.6	5.9%	12.1%
Domestic water heaters	WPU106601	641.4	641.4	0.0%	590.6	8.6%	8.2%
Electric water heaters	WPU10660101	638.5	638.5	0.0%	586.6	8.8%	8.5%
Non-electric water heaters	WPU10660114	389.4	389.4	0.0%	359.0	8.5%	7.9%
Warehousing, Storage and Relates Services	WPU321	142.4	142.0	0.3%	139.7	2.0%	-1.0%