

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

Saying that the "oil and fuel market is in a wave of volatility" continues to be the understatement of the year. When petroleum prices begin trading on geopolitical news instead of fundamentals, it becomes very difficult to forecast.

Going back in time, during the 2008 period when oil prices surged to \$147 a barrel, it was not uncommon for oil prices to swing \$20 a barrel over just a few days. This current market is not there, but refined fuels are hitting record high levels that could begin to create real demand destruction. But for now, demand remains stable and US refined products are still playing a critical global role, helping backstop allies and trading partners that are seeing real supply challenges.

West Texas Intermediate (WTI) was volatile month-over-month at the time of writing. Oil was trading at \$92.62 (\$82.41 a barrel in last month's report) but had recently surged to \$102.00 in recent weeks. This current level is still 61.5% higher year-to-date and was 46.3% higher vs. this time last year (27.01% higher last month). Brent North Sea Crude was also volatile over the past 30 days and was trading at \$103.58 (\$89.32 a barrel last month). This was up 70.4% YTD and was 53.3% higher over the past 12 months.

Fuel prices are hitting a critical level at which some demand destruction is possible, and yet they continue to push higher. Tight refinery conditions and rising demand headed into the peak shipping season are still critical catalysts. Diesel prices were the big story as they hit a new all-time high at \$6.52 a gallon at the time of writing (\$5.60 a gallon in the last briefing) (Source: AAA) which was \$2.83 per gallon higher than last year. Refinery shortages have pushed average California diesel prices to \$8.43 a gallon as of September 23rd. Gasoline prices in contrast have pushed higher but not as dramatically as diesel. They were \$4.47 a gallon (\$4.10 per gallon in last month's briefing), which is still \$1.30 per gallon higher than last year (\$.94 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, and at the time of release, the EIA had not been processing the recent surge in oil prices. For 2026, the EIA has bumped up its forecasts – oil prices are expected to average \$84.65 for the year (\$80.88 a barrel in the last forecast and against the 2025 average of \$65.40). The EIA expects prices to have averaged \$84.01 in Q3, and \$85.98 in Q4 2026 before decelerating in 2027 in Q1 to \$80.90. Again, expect that the forecast from the EIA will continue to be volatile given how quickly conditions across various conflicts (Red Sea / Persian Gulf and Ukraine/Russia) are changing.

For refined fuels, the gasoline price forecast shows them also inching higher in 2026, rising to \$3.84 per gallon (\$3.78 last month and against the full-year average of \$3.10 in 2025) and followed up by \$3.35 next year. Prices were expected to have averaged \$4.01 in Q3, and \$3.95 in Q4 of 2026. Again, with gasoline prices currently at \$4.47 nationwide, the EIA will keep its forecast higher in the near term.

Retail diesel prices as reported by the EIA show them averaging \$5.07 a gallon in 2026 (\$4.85 in the last update) and \$4.40 in 2027 after averaging \$3.66 in 2025. Prices are expected to have averaged \$5.34 in Q3, and \$5.55 in Q4 of 2026. Again, current prices are \$6.52 and are being driven heavily by short refinery capacity, higher input prices, and stable demand headed into the peak freight season. Most analysts believe that \$6.60 is the “breaking point” and the inflation-adjusted all-time high equivalent, just to put it in perspective.

The EIA forecast shows 2026 US crude oil production will be higher at 13.83 Mbpd in 2026 (13.80 Mbpd in the last update). For 2027, it expects production to continue to rise and remain elevated at 14.26 Mbpd (up from 14.15 Mbpd in the last forecast).

Total commercial inventories according to the EIA shows them slightly higher on a forecasted average of 1.233 billion barrels in 2026 (from 1.217 billion barrels in the last forecast) but are projected higher at 1.327 in 2027 (1.304 in the last forecast). Inventories ended 2025 at 1.286 billion, nearly 53 million barrels 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:

9-Branch, Approx. \$140 million Southeast Distributor

“Sales are up 20 percent year to date. Data centers, government, multi-family housing, hospitals and universities (Meta, U.S. embassy work, an SEC university, large prison) are driving business right now. Tariffs are causing inflation on commodities. Supply shortage due to Strait of Hormuz.”

8-Branch, Approx. \$60 Million East Coast Distributor

“Our sales are up slightly this QTD (1-2 percent) but our booked orders are up 41 percent and have never been higher. All areas are steady and fairly active but our EPC business in the power and energy area (plant expansions and new builds in the power and energy arena) is driving our strong booked order growth.”

ASA-Member Distributor

“The past couple of months have delivered solid top-line results, with revenue growing at a mid-to-high single-digit rate YOY. Most segments of our business, particularly PVF and HVAC, have performed well through September, giving us solid momentum heading into Q4 2026.

At the same time, there are some clouds on the horizon. Higher-than-anticipated interest rates and transportation pricing challenges are expected to persist well into 2027. Additionally, continued product availability across most segments, combined with softer-than-planned construction conditions, has put pressure on overall margins. All in all, we anticipate a strong finish to the year with much work still to be completed throughout the markets we serve.”

Carbon Steel Pipe Update

Carbon steel commodities (HRC) have increased 11 percent in the last month and more than 35 percent year to date. Similarly, landed costs for steel pipe rose just over 10 percent in the last 30 days.

While a recent study shows the U.S. consuming a bit less steel than usual, worldwide output is expected to reach over 700,000,000 tons in 2027. Nucor drew frustration from investors when recently announcing its Q3 earnings would fall short of analysts' expectations, mostly due to rising input costs.

Flanges & Fittings Update

Overseas flange and fitting manufacturers are being impacted by the cost of LNG. This limits their production capacity. To purchase more LNG, they must pay premium prices to get it. They are trying to balance out how much extra LNG to purchase that will not have a negative impact on manufacturing costs. Rising energy costs continue to be a concern.

Stainless Steel Fittings Update

The stainless weld fitting market remains consistent with demand driven by data centers. Shipping costs from overseas suppliers continue to rise from disruptions to the supply of ships and containers. Prices for products are modestly rising in line with overall inflation rates. Inventory remains challenged because of the large demand on certain sizes required for DC construction..

Copper

As of this writing, the copper Comex closed at \$6.6780/pound. The Comex average year-to-date price is at \$6,1370/pound.

Cast-Iron Update

There were no announced price changes for cast iron pipe and fittings and/or no-hub couplings/service weight gaskets from Charlotte Pipe and/or McWane (Tyler) at this time.

Construction Starts Fall

<https://www.construction.com/construction-starts-fall-back-24-8-in-august/>

Total construction starts declined 24.8 percent in August to a seasonally adjusted annual rate of \$1.34 trillion according to Dodge Construction Network. Nonresidential building starts fell 32 percent over the month, residential starts decreased 5.2 percent and nonbuilding declined 26.7 percent. On a year-to-date basis, total construction starts were up 15.2 percent through August. Nonresidential starts were up 23.4 percent, nonbuilding starts improved 22.2 percent and residential starts were down 1.8 percent over the same period, Dodge noted.