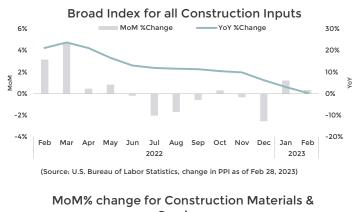
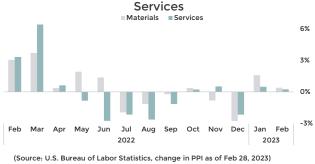
Construction Commodity Report





Deeper into the woods | Lumber prices began to recover towards the second half of March in reaction to positive new residential construction data and are currently trading in the low \$400s per thousand board feet (mbf). Mortgage rates continued to rise throughout March but leading indicators such as new residential construction are suggesting that projects are plowing ahead despite inflated borrowing costs. February's report for new single-family construction showed a 7.6% increase in permits and 1.1% in starts, month-onmonth, while Multifamily permits and starts soared 24.3% and 24.1%, respectively.

Compared to last year, February's PPI for softwood lumber is down 45.1% and particleboard & fiberboard is down 47.2%. The slump in lumber prices appears to have offset the pains of elevated interest rates and improved builder confidence. Builder sentiment for single-family homes rose for a 3rd consecutive month in March according to the National Association of Home Builders. A rebound in homebuilding activity could raise lumber prices higher.



APT-22 May-22

Source: Marketwatch

JUS

Mar-22

Construction Inflation At a Glance



(Source: U.S. Bureau of Labor Statistics, change in PPI as of Feb 28, 2023)

The producer price index (PPI) for net inputs to construction industries - not seasonally adjusted (a broad index that measures producer inflation in materials and services to construction excluding capital investments, labor, and imports)



e: U.S. Bureau of Labor Statistics, change in PPI as of Feb 28, 2023)

Lumber & Wood Products

I Mo Change 3 Mo Change Particleboard and -15.4% 0.0% fiberboard Softwood veneer and plywood -7.0% -1.3% -4.1% Plywood -1.1% 4.1% Hardwood lumber -1.6% -7.4% Softwood lumber 3.5%

(Source: U.S. Bureau of Labor Statistics, change in PPI as of Feb 28 2023)

Lumber & Wood Products

YTD Change 1 Yr Change Particleboard and fiberboard -6.9% -47.2% Softwood veneer and -35.7% -4.5% plywood -22.8% Plywood -2.5% -12.8% 6.1% Hardwood lumber -45.1% Softwood lumber -1.9%

(Source: U.S. Bureau of Labor Statistics, change in PPI as of Feb 28, 2023)



(as of 03.22.2023)

Out of the furnace | Metal markets

continue to glisten and sweat off lower prices that haunted steelmakers last year. Hot-rolled coil (HRC) futures are up nearly 40% year-todate and trading above \$1,000 per short ton (st).

U.S. steelmakers regain pricing power and push spot prices higher while demand surprises to the upside. Buyers concede and become pricetakers amid tight supply due to reduced mill utilization rates. Earlier in the month, Cleveland-

Metals & Metal Products

Decili

=11	′r Change	VTD Chan	ge
0.4%		r wire and able	7.8%
-7.5%	Hot rolled	steel, carbon	-2.4%
-25.6%		ind alloy steel crap	13.4%
-8.9%	Iron and	steel scrap	17.8%
-3.4%		cated metal ildings	0.7%
-1.0%	Fabricate	d steel plate	0.0%

Metals & Metal Products

■ 3	Mo Change	1 Mo Cha	ange
9.2%	Copper v cat		3.3%
-5.5%	Hot rolled st	eel, carbon	0.0%
24.8%	Stainless an scr		6.5%
27.0%	Iron and s	teel scrap	5.8%
-0.6%	Prefabrica build		0.6%
-0.8%	Fabricated	steel plate	0.0%

Cliffs boosted the base price of HRC to \$1,200/st, registering a \$100/st hike in March. Nucor raised their HRC minimum price in March to \$1,150/st. What's next after steel price hikes? Federal spending through the Infrastructure Investment and Jobs Act is expected to ramp up public works construction this year and boost demand in metal markets. At an investor presentation earlier this year, Nucor's management estimated that fiscal spending could boost demand for steel products by 3 to 5 million tons per year. If demand outstrips supply, product availability and lead time may become a concern.

4.3%	Cold Finished Steel Bars and Bar Shapes	1.9%	0.1%	Cold Finished Steel Bars and Bar Shapes	1.5%
-40.9%	Cold Rolled Steel Sheet and Strip	-5.6%	-7.4%	Cold Rolled Steel Sheet and Strip	3.2%
3.6%	Sheet metal products	-1.3%	-1.4%	Sheet metal products	-0.7%
-9.6%	Aluminum mill shapes	6.3%	7.5%	Aluminum mill shapes	2.9%
-1.7%	Copper and brass mill shapes	4.6%	5.5%	Copper and brass mill shapes	2.3%
-14.7%	Aluminum base scrap	3.3%	13.5%	Aluminum base scrap	1.0%
-7.3%	Copper base scrap	4.3%	6.5%	Copper base scrap	1.0%
-16.0%	Steel pipe and tube	-6.0%	-8.9%	Steel pipe and tube	-4.8%
-21.0%	Steel mill products	0.1%	-3.3%	Steel mill products	2.6%
	U.S. Bureau of Labor Statist e in PPI as of Feb 28, 2023)			e: U.S. Bureau of Labor Statis nge in PPI as of Feb 28, 2023	

Hot-rolled Coil Steel Continuous Futures (Nymex: HRN00) 5.5% \$2,200/st 52 Week High: \$1,570.00 (04.04.2022) 52 Week Low: \$635.00 (11.29.2022) Settlement Price: \$1,185.00 (03.22.2023) \$1,800/st 58.8% \$1,400/st 39.5% \$1,000/st \$600/st 30.8% M34-22 Mar.22 340-22 feb-22 3111-22 AU9-22 Sepili octil 2² 13 23 ñ , r 1 4e0 APT

(as of 03.22.2023)

Equipment & Others

■1 Yr Change ■ YTD Change			
8.1%	Heating	0.2%	
6.0%	Lighting	0.9%	
12.0%	Construction machinery and equipment	3.8%	
10.7%	Air conditioning and refrigeration equip	0.3%	
2.9%	Elevators, escalators, and other lifts	0.5%	

(Source: U.S. Bureau of Labor Statistics, change in PPI as of Feb 28, 2023)

Fuels & Related Products



(Source: U.S. Bureau of Labor Statistics, change in PPI as of Feb 28, 2023)

Rubber & Plastic Products

■1 Yr Change ■ YTD Change				
7.2%	Plastics plumbing fixtures	2.6%		
8.2%	Plastics pipe fittings and unions	-2.3%		
6.6%	Plastics water pipe	1.3%		
-7.5%	Plastics drain	-11.2%		
1.4%	Plastics pipe	-3.8%		

(Source: U.S. Bureau of Labor Statistics, change in PPI as of Feb 28, 2023)



Equipment & Others

■3 M	o Change 🛛 🔲 1 Mo	Change
0.5%	Heating equipment	-0.1%
1.1%	Lighting fixtures	0.1%
3.9%	Construction machinery and equipment	0.4%

Air conditioning and refrigeration equip 0.8% -0.1%

Elevators, escalators, and other lifts 0.0% 0.6%

(Source: U.S. Bureau of Labor Statistics, change in PPI as of Feb 28, 2023)

Fuels & Related Products







3.7%

(Source: U.S. Bureau of Labor Statistics, change in PPI as of Feb 28, 2023)

Rubber & Plastic Products

■ 3 Mo Change ■ 1 Mo C			Change
3.1%	Plastics plumbing fixtures		0.9%
-2.4%	Plastics pip and un	e fittings ions	-2.0%
-0.9%	Plastics pipe	water e	-0.4%
-10.9%	Plastics	drain	-7.2%
-4.2%	Plastics	pipe	-3.1%

(Source: U.S. Bureau of Labor Statistics, change in PPI as of Feb 28, 2023)

■3 M	o Change 🛛 1 Mo C	hange
5.7%	Construction sand/gravel/crushed stone	0.5%
-0.2%	Insulation materials	-0.8%
0.2%	Gypsum products	0.4%
4.4%	Flat glass	4.0%
4.4%	Brick and structural clay tile	3.4%
-0.4%	Prestressed concrete products	-0.6%
2.3%	Precast concrete products	0.1%
3.4%	Ready-mix concrete	0.8%
5.3%	Concrete pipe	0.3%
5.0%	Concrete block and brick	0.1%
6.0%	Cement	1.1%

(Source: U.S. Bureau of Labor Statistics, change in PPI as of Feb 28, 2023)

Nonmetallic Mineral Products

∎1 Yr C	hange TTD Change	
12.2%	Construction sand/gravel/crushed stone	5.4%
7.7%	Insulation materials	-0.4%
11.7%	Gypsum products	0.3%
11.7%	Flat glass	4.6%
8.6%	Brick and structural clay tile	4.4%
28.2%	Prestressed concrete products	-0.4%
11.7%	Precast concrete products	1.8%
12.3%	Ready-mix concrete	2.4%
21.1%	Concrete pipe	2.1%
12.9%	Concrete block and brick	4.8%
15.0%	Cement	5.9%

(Source: U.S. Bureau of Labor Statistics, change in PPI as of Feb 28, 2023)