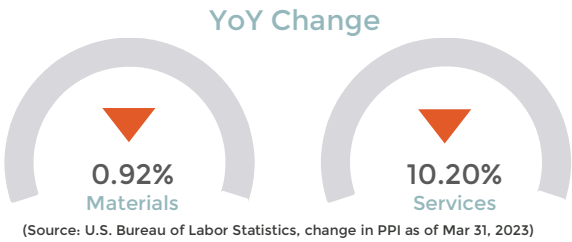
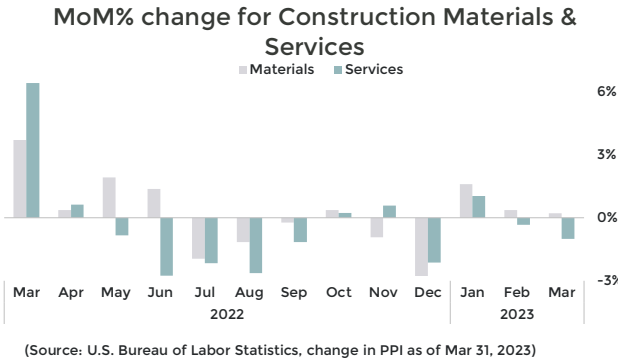


Construction Inflation At a Glance

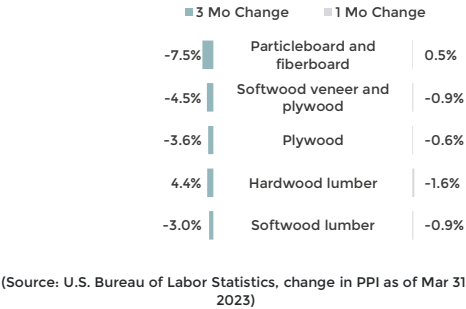


The producer price index (PPI) for net inputs to construction industries - not seasonally adjusted (a broad index that measures producer inflation in materials and services to construction excluding capital investments, labor, and imports)

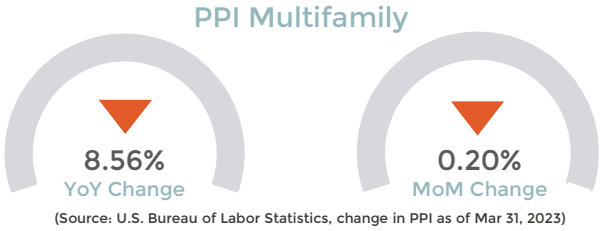


Deeper into the woods | Demand for lumber remains muted; price volatility subsides. Throughout April, lumber futures traded laterally and settled in the low \$400s per thousand board feet (mbf). Overall, new residential construction activity contracted in March however the data shows a modest month-on-month growth in new single-family construction which registered a 4.1% increase in permits and 2.7% increase in starts (month-on-month). Confidence among home builders ticked up for a 4th consecutive month since December but the recovery is sluggish and sentiment remains lower than last year due to dampened demand for homeownership. Despite easing borrowing costs, the average 30-year fixed mortgage rate is still above 6%. Interest rate sensitive buyers remain priced out of the market.

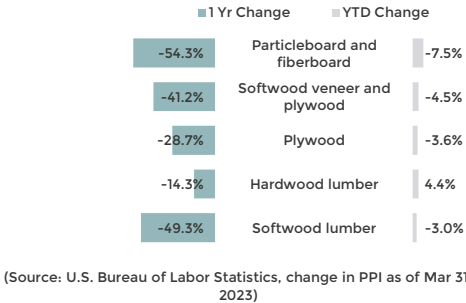
Lumber & Wood Products



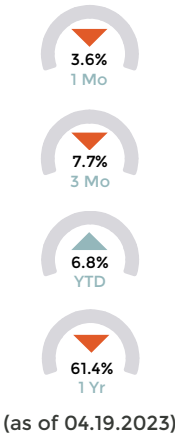
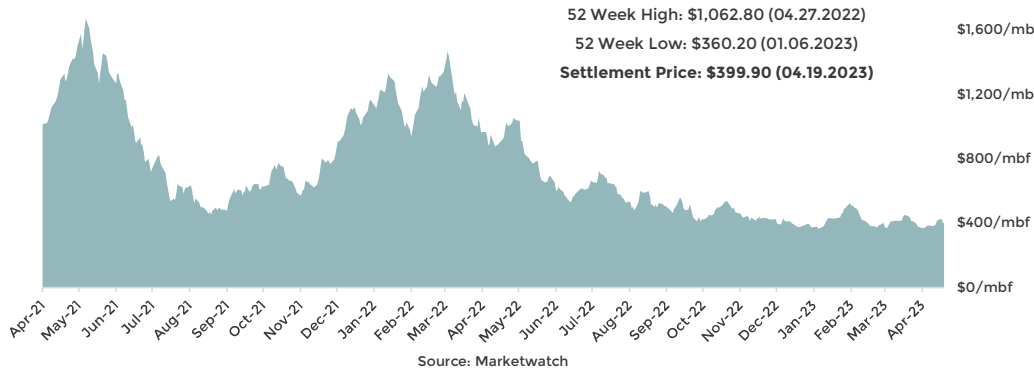
PPI for wood products dropped again in March. The index for softwood lumber is down nearly 50% compared to last year. The future of lumber prices remains reactive to the dynamics of a housing market that is captive to monetary policy.



Lumber & Wood Products



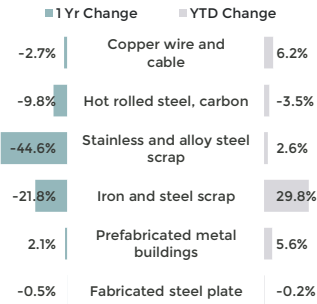
Random Length Lumber Continuous Futures (CME: LB00)



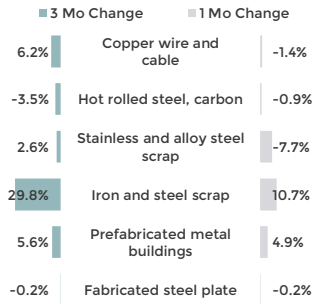
Out of the furnace | Steel prices remain hot. Hot-rolled coil (HRC) futures are up nearly 48% year-to-date and trading above \$1,000 per short ton (st).

Steel mills sap purchasing power out of the market while firmly holding on to higher prices. In the past few months, U.S. steelmakers raised their minimum prices through a series of price hikes. Suppliers

Metals & Metal Products

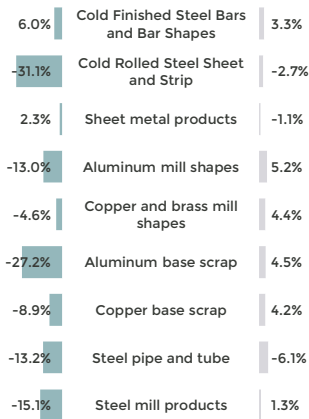


Metals & Metal Products

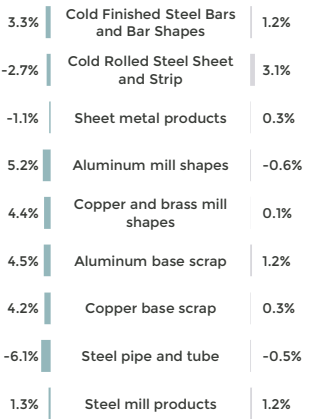


regained pricing power due to robust demand coupled with reduced import volumes. Data from the US Department of Commerce shows that HRC imports were down 19% in 2022 compared to 2021.

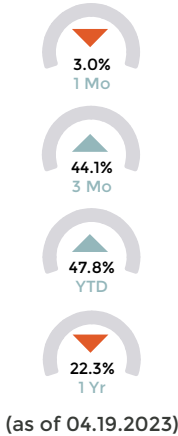
Domestic cold rolled coil (CRC) prices are up nearly 30% since the beginning of the year. According to Argus, a global data provider of global energy and commodity markets, domestic CRC prices increased by \$15/st to \$1,375/st while U.S. rebar prices softened by \$20/st to \$920/st.



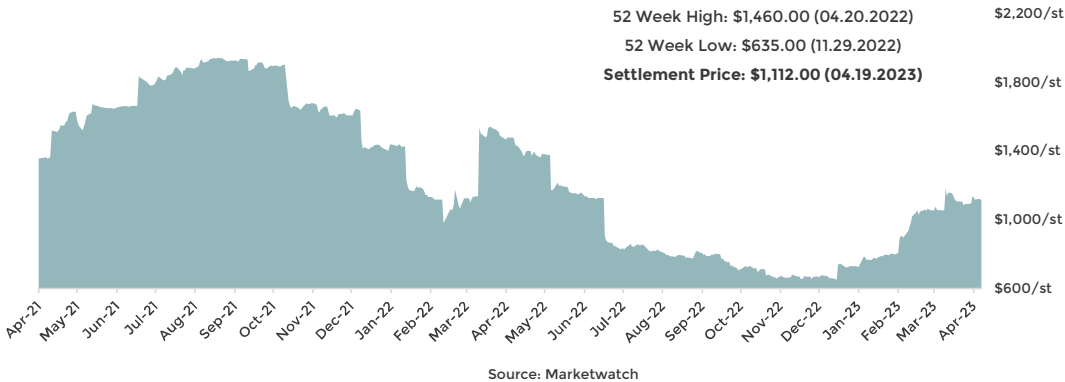
(Source: U.S. Bureau of Labor Statistics, change in PPI as of Mar 31, 2023)



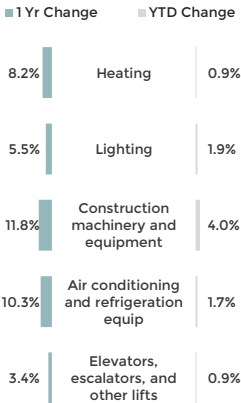
(Source: U.S. Bureau of Labor Statistics, change in PPI as of Mar 31, 2023)



Hot-rolled Coil Steel Continuous Futures (Nymex: HRN00)

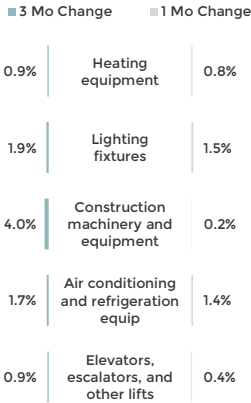


Equipment & Others



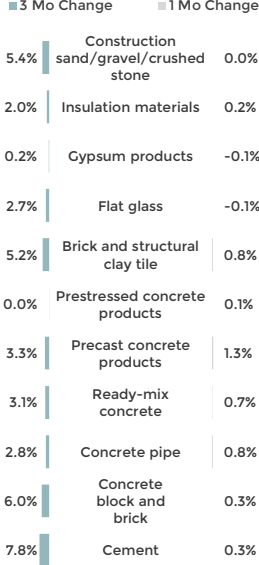
(Source: U.S. Bureau of Labor Statistics, change in PPI as of Mar 31, 2023)

Equipment & Others



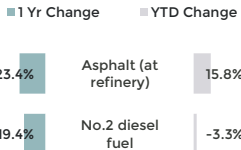
(Source: U.S. Bureau of Labor Statistics, change in PPI as of Mar 31, 2023)

Nonmetallic Mineral Products



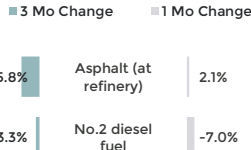
(Source: U.S. Bureau of Labor Statistics, change in PPI as of Mar 31, 2023)

Fuels & Related Products



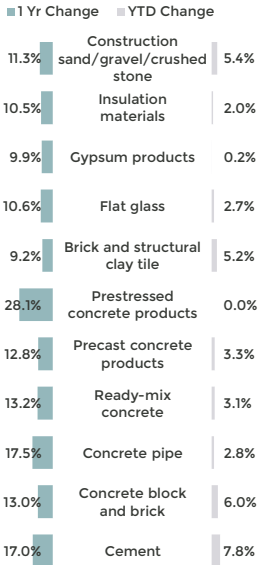
(Source: U.S. Bureau of Labor Statistics, change in PPI as of Mar 31, 2023)

Fuels & Related Products



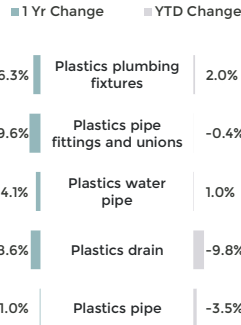
(Source: U.S. Bureau of Labor Statistics, change in PPI as of Mar 31, 2023)

Nonmetallic Mineral Products



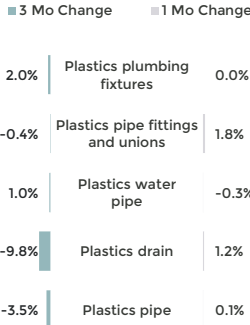
(Source: U.S. Bureau of Labor Statistics, change in PPI as of Mar 31, 2023)

Rubber & Plastic Products



(Source: U.S. Bureau of Labor Statistics, change in PPI as of Mar 31, 2023)

Rubber & Plastic Products



(Source: U.S. Bureau of Labor Statistics, change in PPI as of Mar 31, 2023)