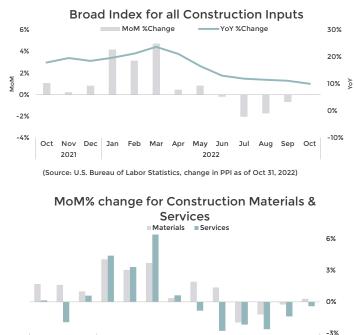
Oct Nov

2021

Jan Feb

Dec

Construction Commodity Report



(Source: U.S. Bureau of Labor Statistics, change in PPI as of Oct 31, 2022)

Apr May

Mar

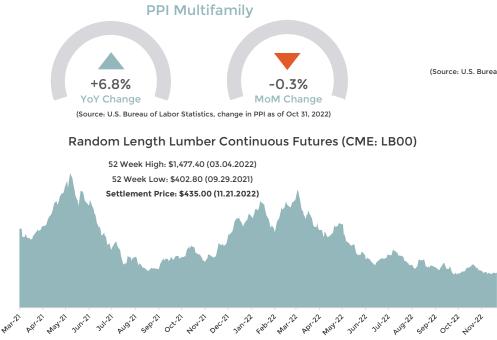
Deeper into the woods | Lumber futures slip in November under the weight of anemic construction activity; homebuilder sentiment sinks to a decade low. The single-family home market is the main driver of lumber prices and as buyer traffic turns viscous, homebuilders struggle with steeper costs and lower demand. On November 17, US Census Bureau reported that new singlefamily construction permits, starts and completions all fell in October compared to the previous month; -3.6%, -6.1%, and -8.3%, respectively. Lumber futures steadily fell towards the end of October and into November, registering a 20% drop as of November 18. Lumber futures sold off into the mid \$400s and traded sideways between \$460 and \$415 per thousand board feet ("mbf").

Jun Jul

2022

Aug Sep

PPI for wood products continued to drop (seasonally unadjusted) in October, month-on-month, with prices falling in softwood lumber (-1.8%), hardwood lumber (-5.4%), plywood (-1.4%) and softwood veneer (-2.0%). The index for softwood lumber remains up compared to a year ago but retraced to single digits (+4.4%).



Source Marketwatch

Out of the furnace | Steel futures dip below \$700 per short ton (st) in November. PPI for metals & metal products continue to fall. Ferrous commodities sold off aggressively since the beginning of the year. As the holidays approach, steel prices are beginning to bottom out towards the end of the year. Will metal markets shine again as China eases on COVID restrictions?

Metals & Metal Products

Interate a fille call fille date to				
■1Y	'r Change	VTD Chan	ge	
-11.1%		r wire and able	-11.3%	
8.8%	Hot rolled	steel, carbon	6.3%	
-35.8%		nd alloy steel crap	-38.5%	
-27.2%	Iron and	steel scrap	-31.9%	
-2.2%		ated metal Idings	-2.9%	
7.3%	Fabricate	d steel plate	3.4%	

Construction Inflation At a Glance



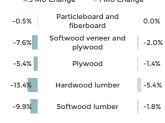
(Source: U.S. Bureau of Labor Statistics, change in PPI as of Oct 31, 2022)

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)



Lumber & Wood Products

■3 Mo Change I Mo Change



(Source: U.S. Bureau of Labor Statistics, change in PPI as of Oct 31, 2022)

Lumber & Wood Products

■1 Yr Change YTD Change Particleboard and fiberboard -5.3% -10.7% Softwood veneer and 6.2% 16.9% plywood 12.4% 5.3% Plywood -11.8% -12.2% Hardwood lumber 4.4% Softwood lumber -20.8%

(Source: U.S. Bureau of Labor Statistics, change in PPI as of Oct 31, 2022)

\$0/mbf



(as of 11.21.2022)

Metals & Metal Products

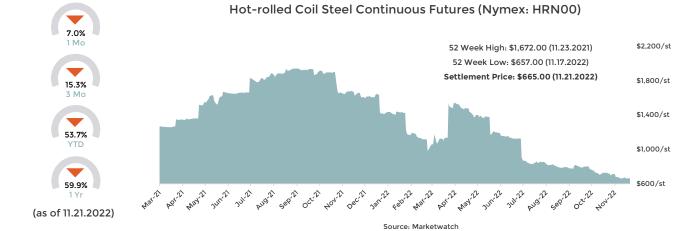
■31	Mo Change	1 Mo Cha	ange
-7.9%	Copper cal		-1.0%
-6.3%	Hot rolled s	teel, carbon	-1.1%
-10.6%	Stainless an sci	d alloy steel rap	-8.4%
-15.2%	Iron and s	teel scrap	-4.6%
-3.4%		ited metal lings	-2.6%
0.3%	Fabricated	steel plate	0.0%

Dampened manufacturing sentiment, weak

U.S. export market and high supplier inventory levels are depressing steel prices. BLS reported that prices in October for steel mill products have fallen nearly 23% year-onyear and -25.3% year to date. Copper products are down 11% compared to a year ago while cold rolled steel sheet and strip is down nearly 50%.

High energy costs and other input factors are chewing into steel mill margins. Domestic producers are adjusting to softening demand and future global uncertainty by decreasing output and idling furnaces.

5.5%	Cold Finished Steel Bars and Bar Shapes	-0.5%	-3.4%	Cold Finished Steel Bars and Bar Shapes	-2.3%
-47.5%	Cold Rolled Steel Sheet and Strip	-48.0%	-29.5%	Cold Rolled Steel Sheet and Strip	-16.5%
13.4%	Sheet metal products	8.8%	0.3%	Sheet metal products	-0.1%
-9.3%	Aluminum mill shapes	-5.7%	-8.3%	Aluminum mill shapes	-3.3%
-11.5%	Copper and brass mill shapes	-9.9%	-3.8%	Copper and brass mill shapes	-4.9%
-21.6%	Aluminum base scrap	-21.4%	-4.2%	Aluminum base scrap	-7.4%
-17.3%	Copper base scrap	-17.0%	1.2%	Copper base scrap	-2.9%
8.6%	Steel pipe and tube	-0.5%	-3.3%	Steel pipe and tube	-1.7%
-22.9%	Steel mill products	-25.3%	-17.0%	Steel mill products	-6.6%
	U.S. Bureau of Labor Statist ge in PPI as of Oct 31, 2022)			e: U.S. Bureau of Labor Stati nge in PPI as of Oct 31, 202	



Equipment & Others

■1 Yr Change ■ YTD Change				
13.3%	Heating		8.8%	
8.0%	Lighti	ing	6.7%	
10.1%	Constru machine equipn	ry and	8.8%	
21.3%	Air condit and refrig equi	eration	17.5%	
15.2%	Elevat escalator other	rs, and	5.9%	

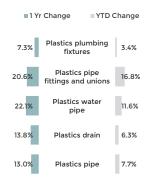
(Source: U.S. Bureau of Labor Statistics, change in PPI as of Oct 31, 2022)

Fuels & Related Products



(Source: U.S. Bureau of Labor Statistics, change in PPI as of Oct 31, 2022)

Rubber & Plastic Products



(Source: U.S. Bureau of Labor Statistics, change in PPI as of Oct 31, 2022)

Equipment & Others

■3 Mo	o Change ∎1 Mo	Change
0.8%	Heating equipment	0.3%
1.2%	Lighting fixtures	0.0%
3.0%	Construction machinery and equipment	0.2%

Air conditioning 0.2% and refrigeration 0.0% equip

Elevators, 1.5% escalators, and 0.6% other lifts

(Source: U.S. Bureau of Labor Statistics, change in PPI as of Oct 31, 2022)

Fuels & Related Products



6.2% No.2 diesel 9.8%

(Source: U.S. Bureau of Labor Statistics, change in PPI as of Oct 31, 2022)

Rubber & Plastic Products

■3 Mo	Change	
0.5%	Plastics plumbing fixtures	0.0%
0.1%	Plastics pipe fittings and unions	0.0%
-0.1%	Plastics water pipe	0.3%
-6.1%	Plastics drain	-5.2%
-3.1%	Plastics pipe	-2.1%

(Source: U.S. Bureau of Labor Statistics, change in PPI as of Oct 31, 2022)

Nonmetallic Mineral Products

■3 M	hange		
0.7%	Constru sand/gravel ston	/crushed	0.1%
0.7%	Insulation n	naterials	-0.2%
2.7%	Gypsum pi	roducts	-0.3%
3.1%	Flat gl	ass	1.4%
7.3%	Brick and st clay t		6.2%
3.0%	Prestressed produ		-0.1%
1.3%	Precast co produ		0.3%
2.3%	Ready- concre		0.0%
1.5%	Concrete	e pipe	0.0%
2.8%	Concre block a bricl	and	0.4%
4.3%	Ceme	ent	2.5%

(Source: U.S. Bureau of Labor Statistics, change in PPI as of Oct 31, 2022)

Nonmetallic Mineral Products

∎1 Yr (Change YTD Change	е
11.9%	Construction sand/gravel/crushed stone	11.8%
13.5%	Insulation materials	12.9%
16.2%	Gypsum products	15.9%
10.0%	Flat glass	8.3%
14.4%	Brick and structural clay tile	14.2%
32.1%	Prestressed concrete products	30.4%
13.2%	Precast concrete products	11.8%
11.8%	Ready-mix concrete	10.4%
16.4%	Concrete pipe	11.1%
15.0%	Concrete block and brick	14.1%
13.4%	Cement	13.8%

(Source: U.S. Bureau of Labor Statistics, change in PPI as of Oct 31, 2022)