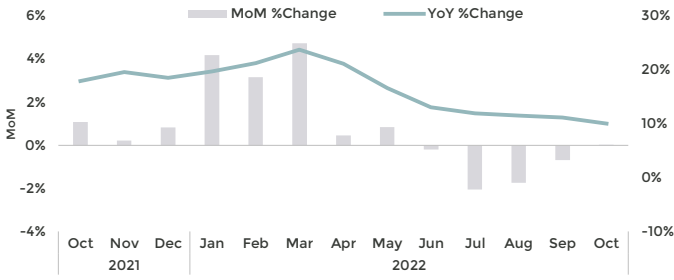
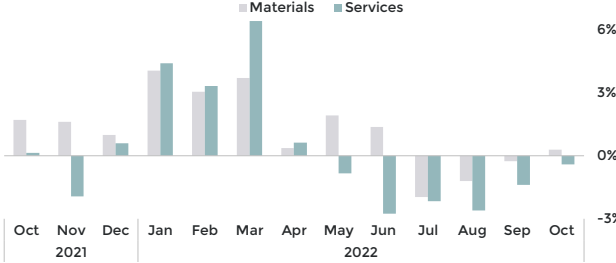


Broad Index for all Construction Inputs



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

MoM% change for Construction Materials & Services



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

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)

YoY Change

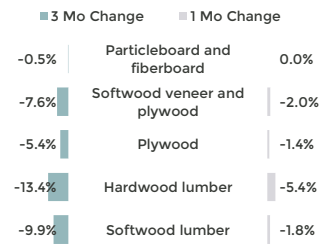


(Source: U.S. Bureau of Labor Statistics, change in PPI as of Oct 31, 2022)

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 single-family 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").

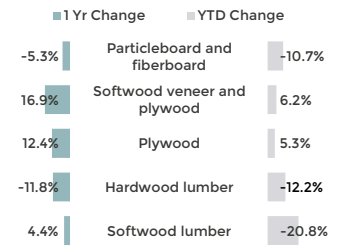
PPI for wood products continued to drop (seasonally unadjusted) in October, month-on-month, with prices falling in softwood lumber (-1.8%), hardwood lumber (-5.4%), plywood (-1.4%) and softwood veneer (-2.0%). The index for softwood lumber remains up compared to a year ago but retraced to single digits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

Lumber & Wood Products



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

Lumber & Wood Products



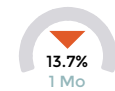
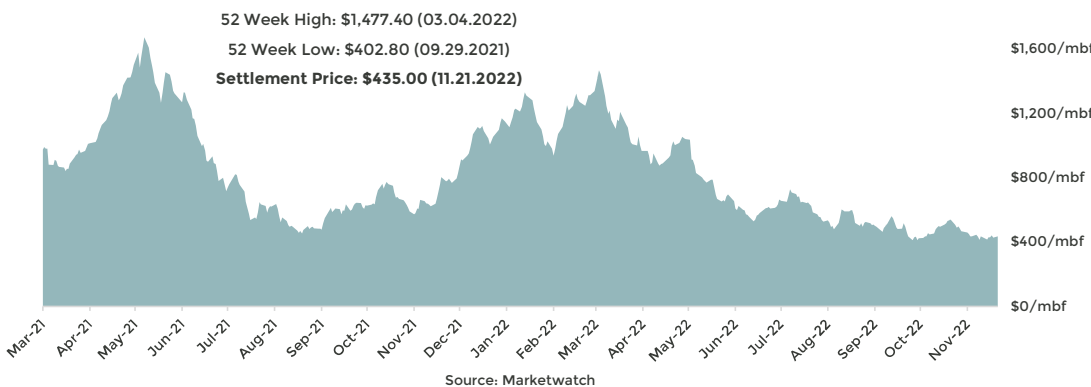
(Source: U.S. Bureau of Labor Statistics, change in PPI as of Oct 31, 2022)

PPI Multifamily



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

Random Length Lumber Continuous Futures (CME: LB00)



\$1,600/mbf



\$1,200/mbf



\$800/mbf



\$400/mbf

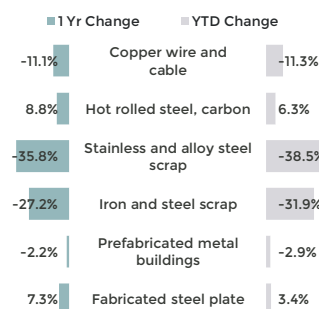
\$0/mbf

(as of 11.21.2022)

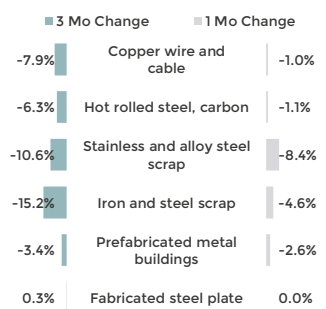
Out of the furnace | Steel futures dip below \$700 per short ton (st) in November. PPI for metals & metal products continue to fall. Ferrous commodities sold off aggressively since the beginning of the year. As the holidays approach, steel prices are beginning to bottom out towards the end of the year.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

Dampened manufacturing sentiment, weak

Metals & Metal Products

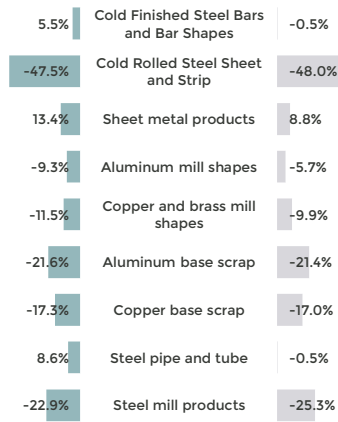


Metals & Metal Products

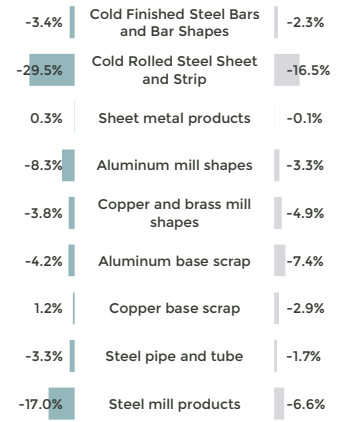


U.S. export market and high supplier inventory levels are depressing steel prices. BLS reported that prices in October for steel mill products have fallen nearly 23% year-on-year and -25.3% year to date. Copper products are down 11% compared to a year ago while cold rolled steel sheet and strip is down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



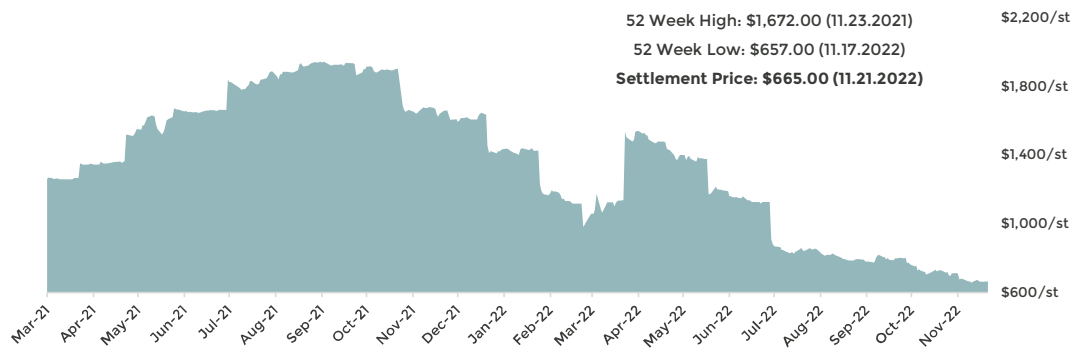
(Source: U.S. Bureau of Labor Statistics, change in PPI as of Oct 31, 2022)



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

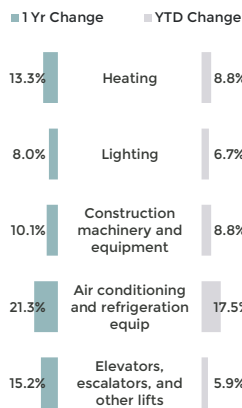


Hot-rolled Coil Steel Continuous Futures (Nymex: HRN00)



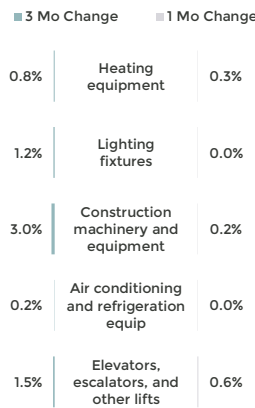
Source: Marketwatch

Equipment & Others



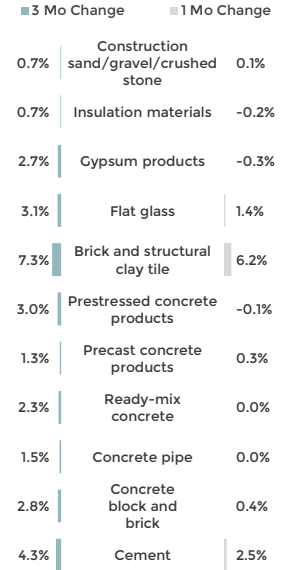
(Source: U.S. Bureau of Labor Statistics, change in PPI as of Oct 31, 2022)

Equipment & Others



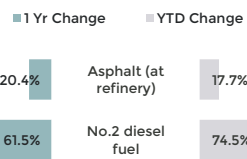
(Source: U.S. Bureau of Labor Statistics, change in PPI as of Oct 31, 2022)

Nonmetallic Mineral Products



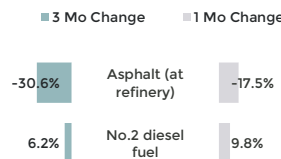
(Source: U.S. Bureau of Labor Statistics, change in PPI as of Oct 31, 2022)

Fuels & Related Products



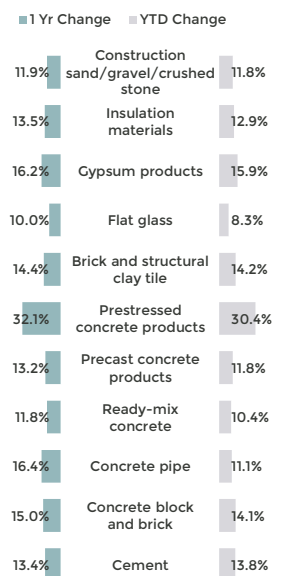
(Source: U.S. Bureau of Labor Statistics, change in PPI as of Oct 31, 2022)

Fuels & Related Products



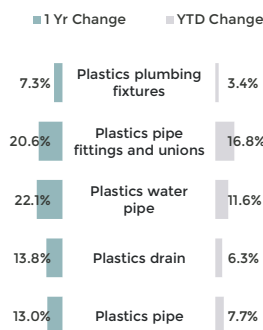
(Source: U.S. Bureau of Labor Statistics, change in PPI as of Oct 31, 2022)

Nonmetallic Mineral Products



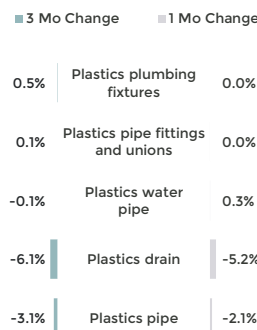
(Source: U.S. Bureau of Labor Statistics, change in PPI as of Oct 31, 2022)

Rubber & Plastic Products



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

Rubber & Plastic Products



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