



**Steel Market** Update   
Community Chat

*Featuring:*

**Ken Simonson**

Chief Economist

Associated General Contractors of America (AGC)

*April 15, 2026 // Michael Cowden, Editor-in-Chief*

## Newsletter and editorial



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Editor-in-Chief



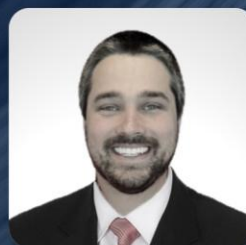
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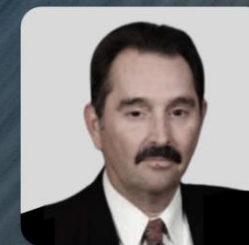
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Sales and Mktg. Admin.



**Luis Corona**  
Chicago  
Sr. Account Exec.



**Natalie Klaas**  
Pittsburgh  
Sales Dec. Exec.

# UPCOMING events



## Steel 101 Workshop

*Corpus Christi, Texas // May 19-20, 2026*

An introduction to steelmaking and market fundamentals // *Tour of SDI Sinton*



## Steel Summit 2026

*Atlanta // Aug. 24-26, 2026*

North America's largest gathering of the flat-rolled steel industry at the *Georgia International Convention Center*



## Steel 101 Workshop

*Columbus, Miss. // Oct. 19-20, 2026*

An introduction to steelmaking and market fundamentals // *Tour of SDI Columbus*

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Contact [david.schollaert@crugroup.com](mailto:david.schollaert@crugroup.com) for participation information.





Trump administration introduces shift to full-value tariffs on derivative imports

## **Brazilian pig iron market gaining strength**

SMU Price Ranges: Availability trumps price as spot market squeeze tightens

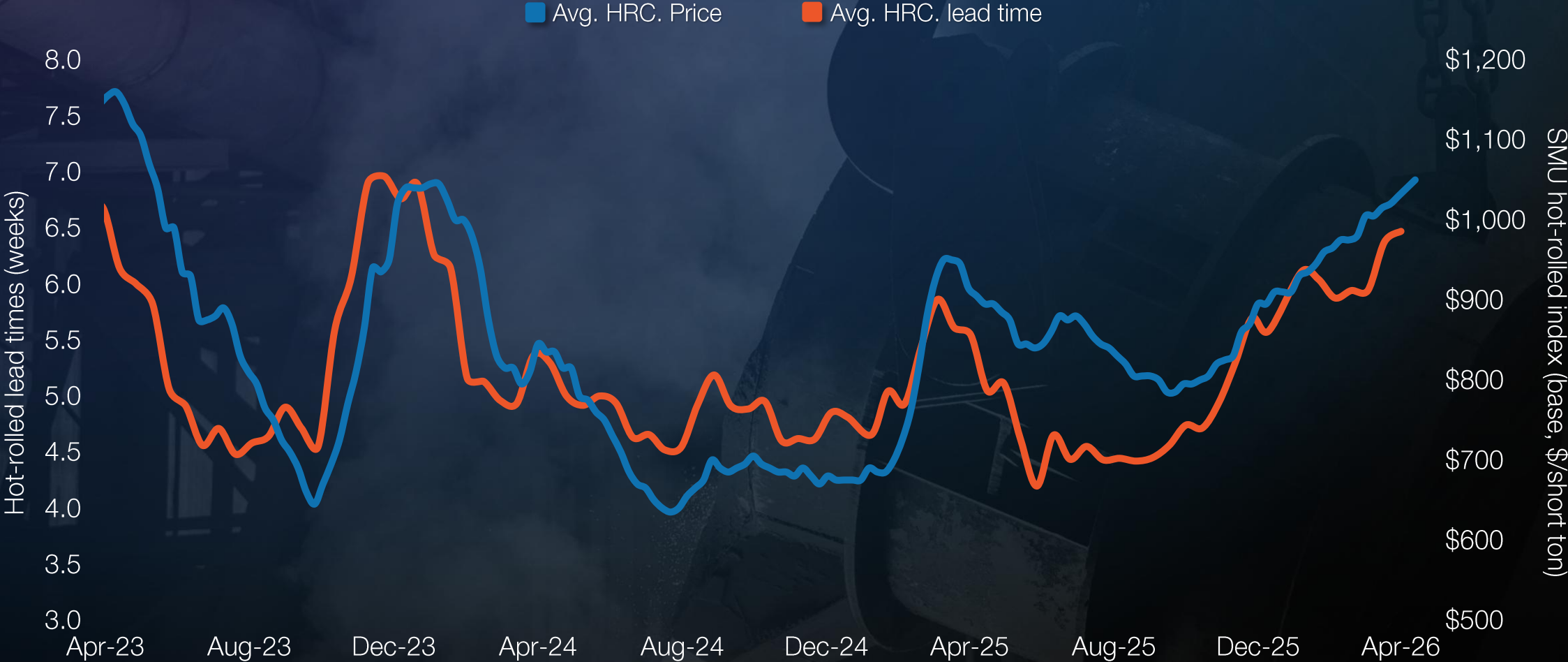
## **Final Thoughts: Got Steel?**

No injuries, production impact from incident at Gary Works: USS

AMU: Military strikes on Gulf smelters shine light on critical aluminum production

# Hot-rolled steel prices vs. lead times

SMU's hot-rolled steel prices and lead times, with data through April 14, 2026.



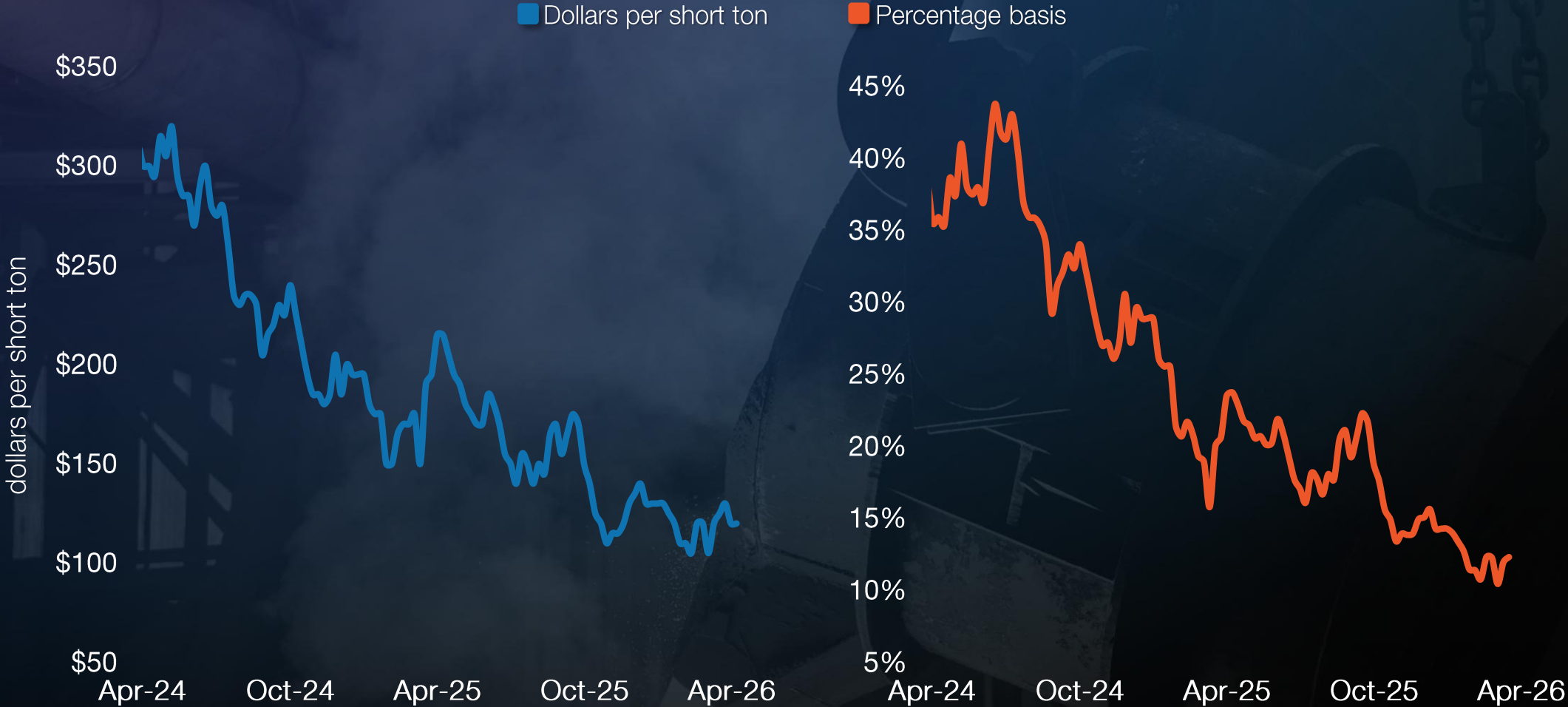
# Galvanized steel prices vs. lead times

SMU's galvanized steel prices and lead times, with data through April 14, 2026.



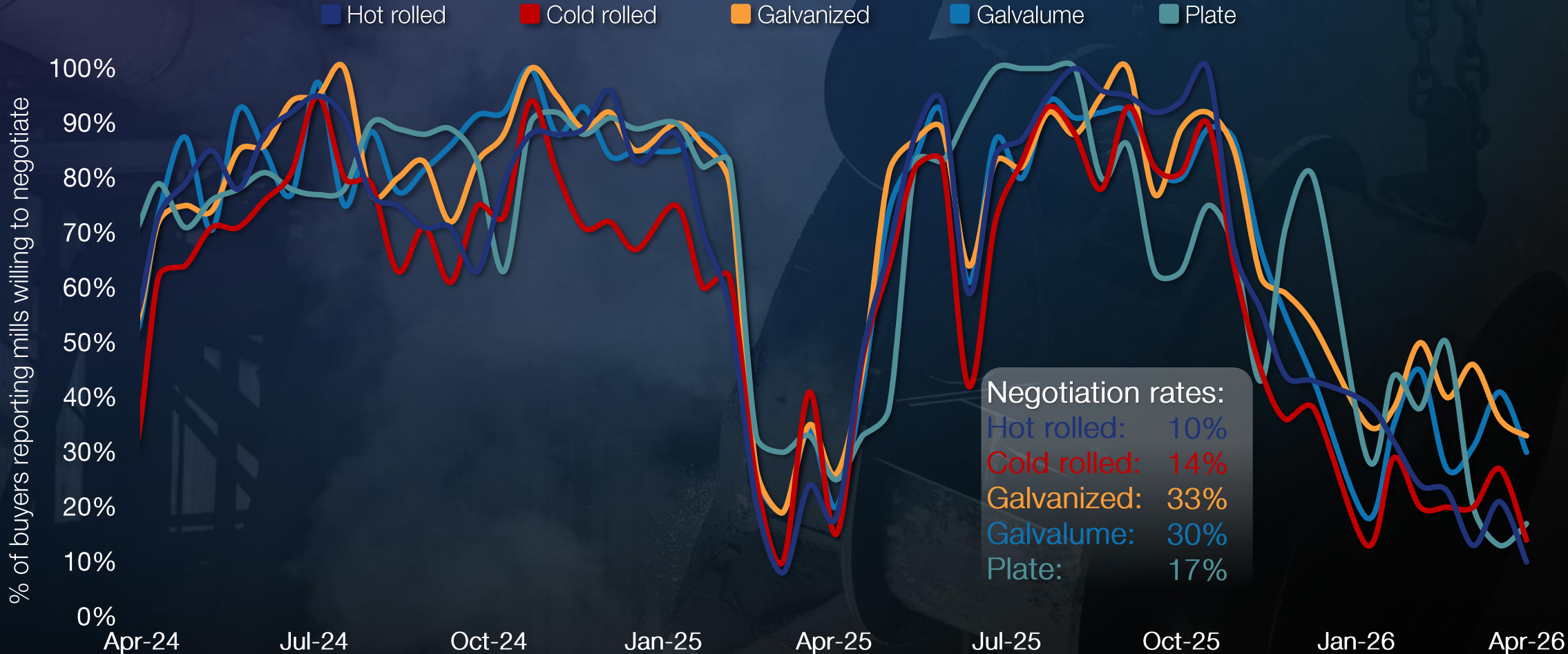
# Galvanized premium over hot-rolled

SMU's galvanized (base) price premium over hot-rolled, with data through April 7, 2026.



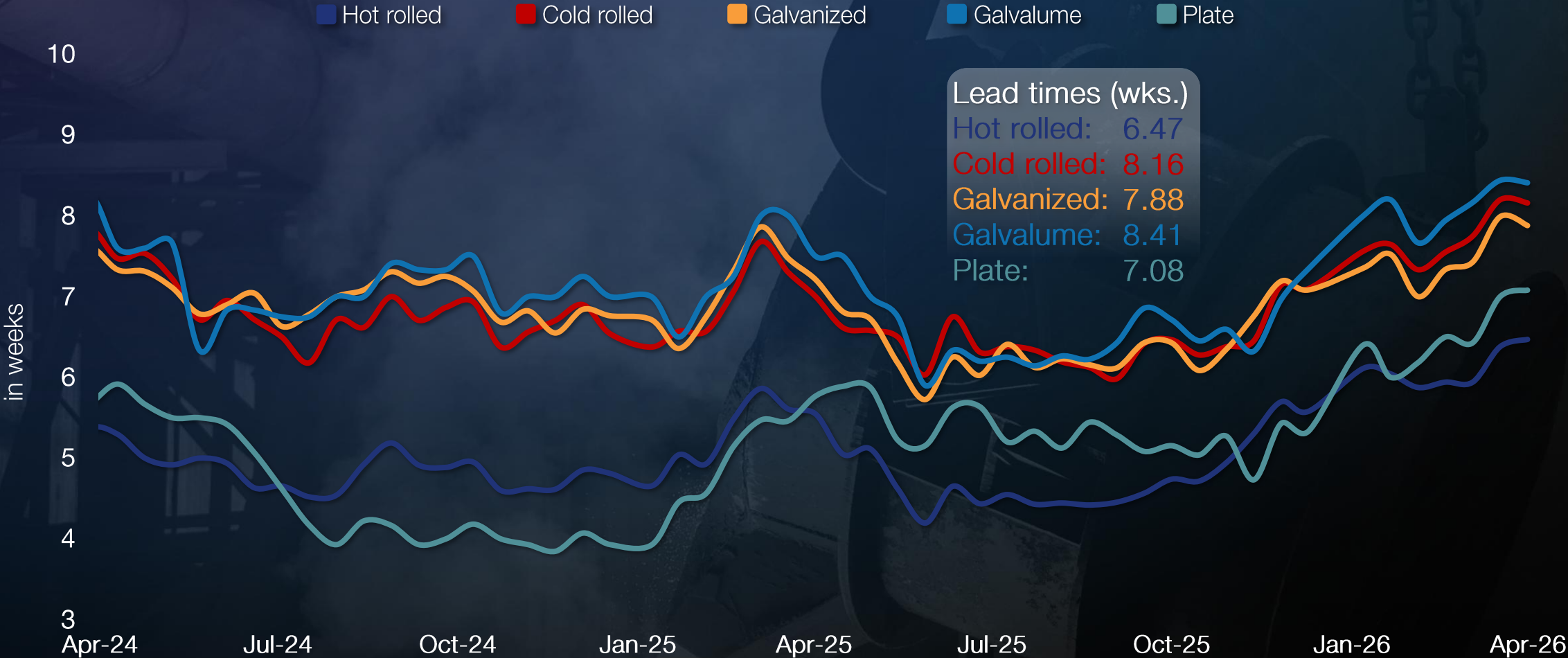
# Steel mill negotiations

SMU's price negotiations on new steel orders by product through April 2, 2026.



# Steel mill lead times by product

SMU lead times on new steel orders by product through April 2, 2026.

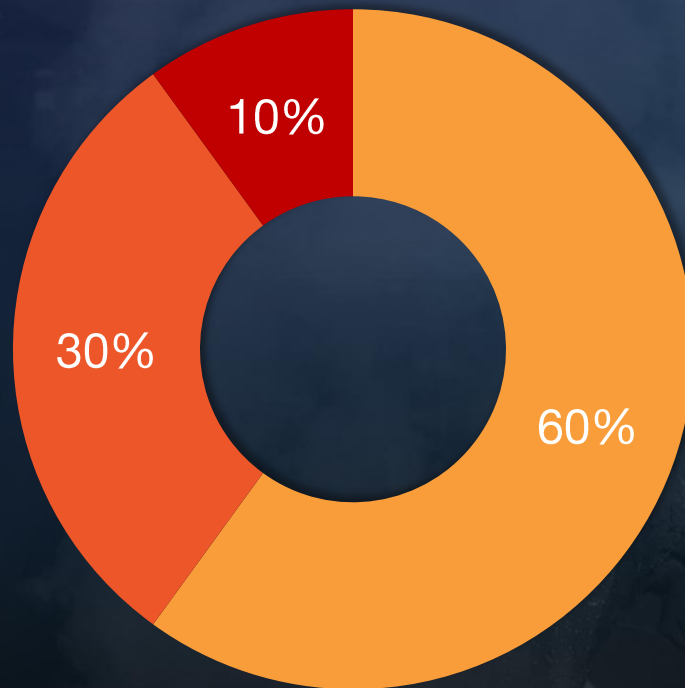


# Buyers' view of mill lead times

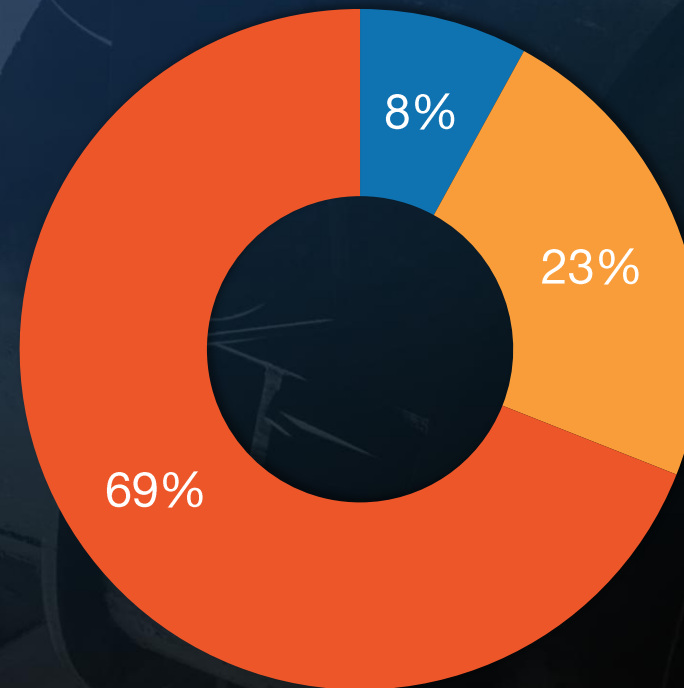
How would you describe domestic mill lead times for new orders placed right now?

Extremely short   Shorter than normal   Normal   Slightly longer than normal   Highly extended

Manufacturers



Service centers

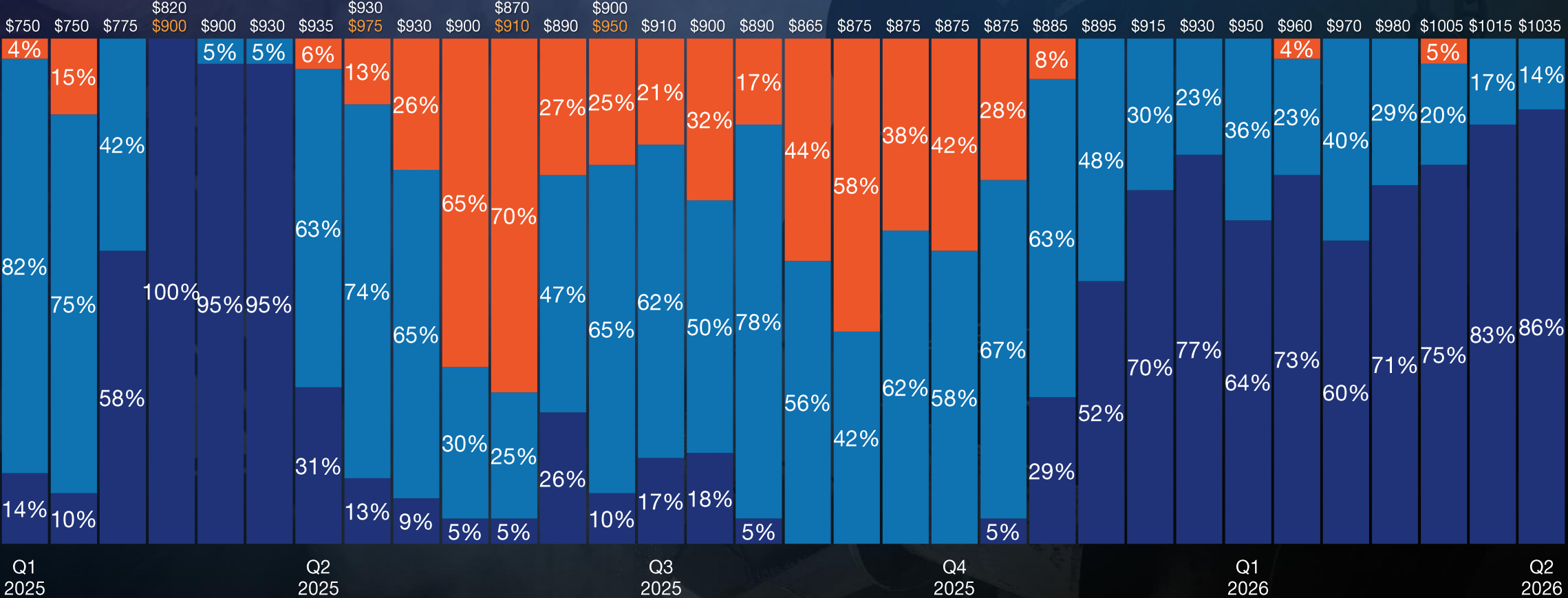


# Service center view of selling prices history

## Service centers

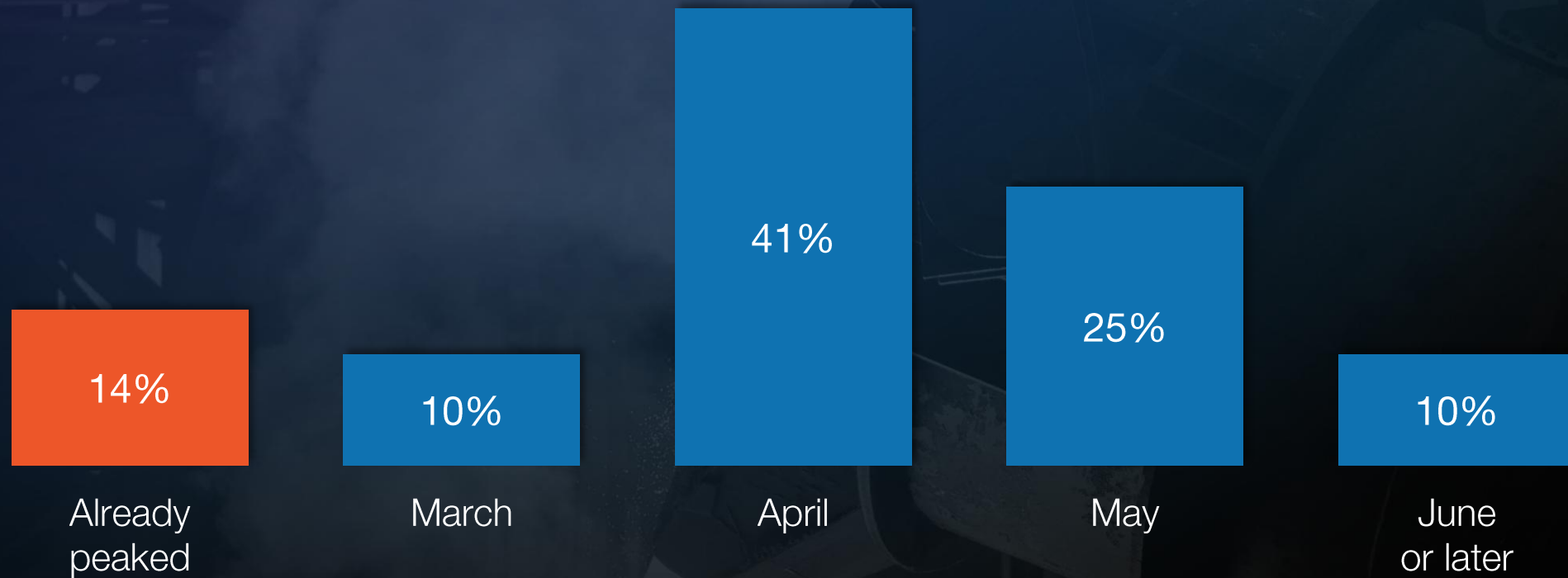
Compared to two weeks ago, how is your company handling spot pricing to your customers?

■ We are raising prices    
 ■ We are keeping prices the same    
 ■ We are lowering prices



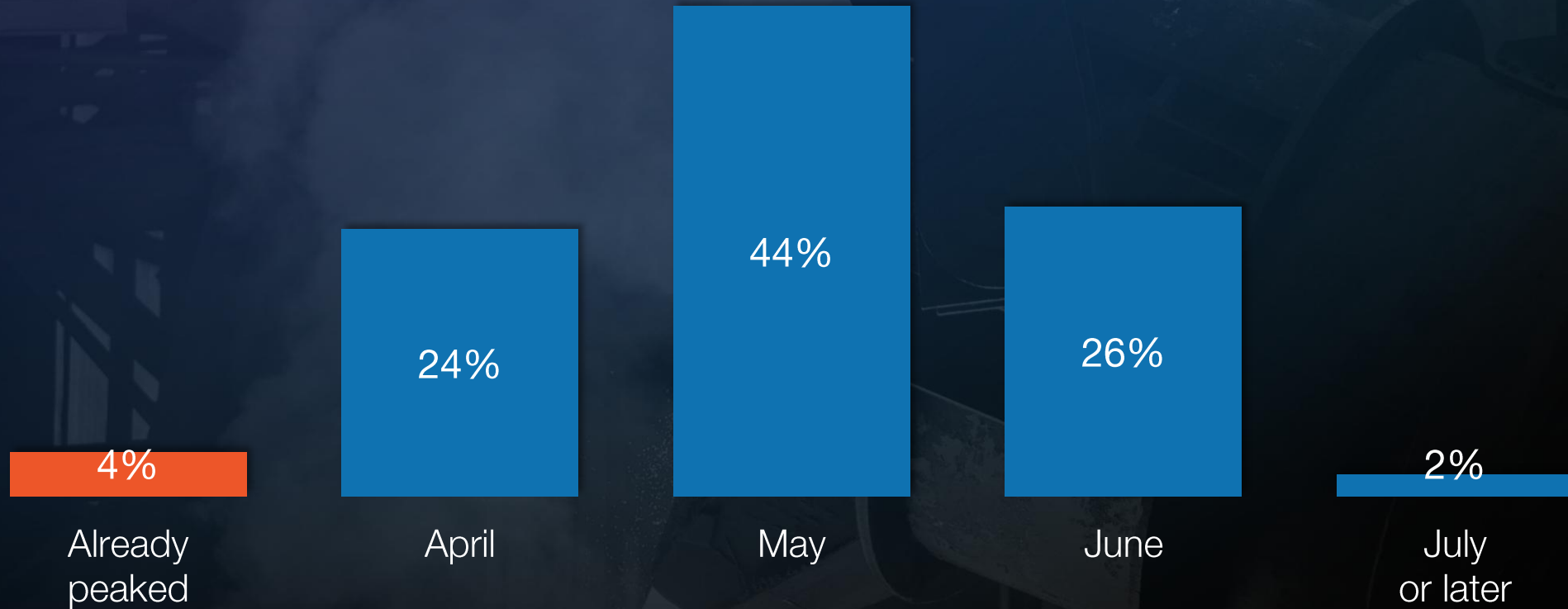
# Inflection point

When do you think sheet prices will peak?



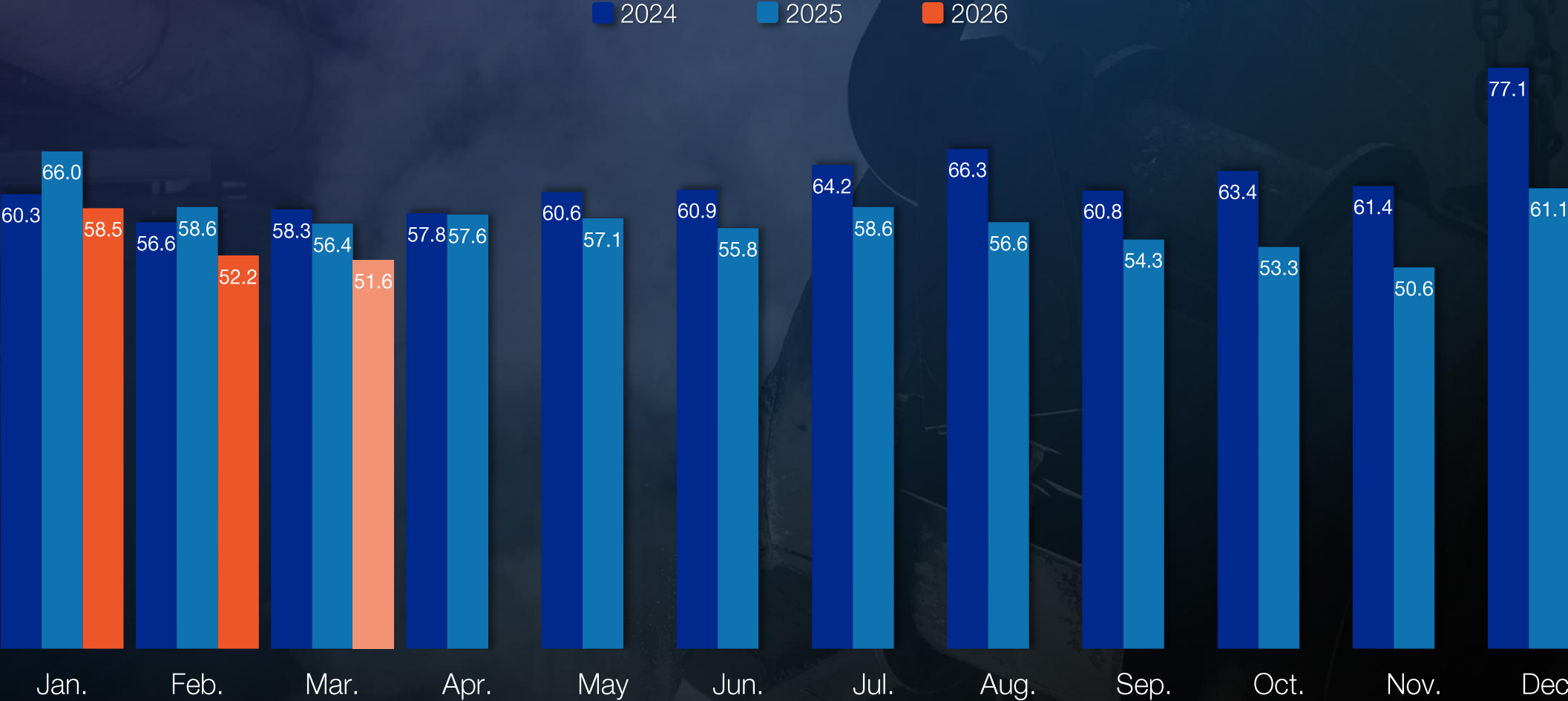
# Hot rolled inflection point

When do you think sheet prices will peak?



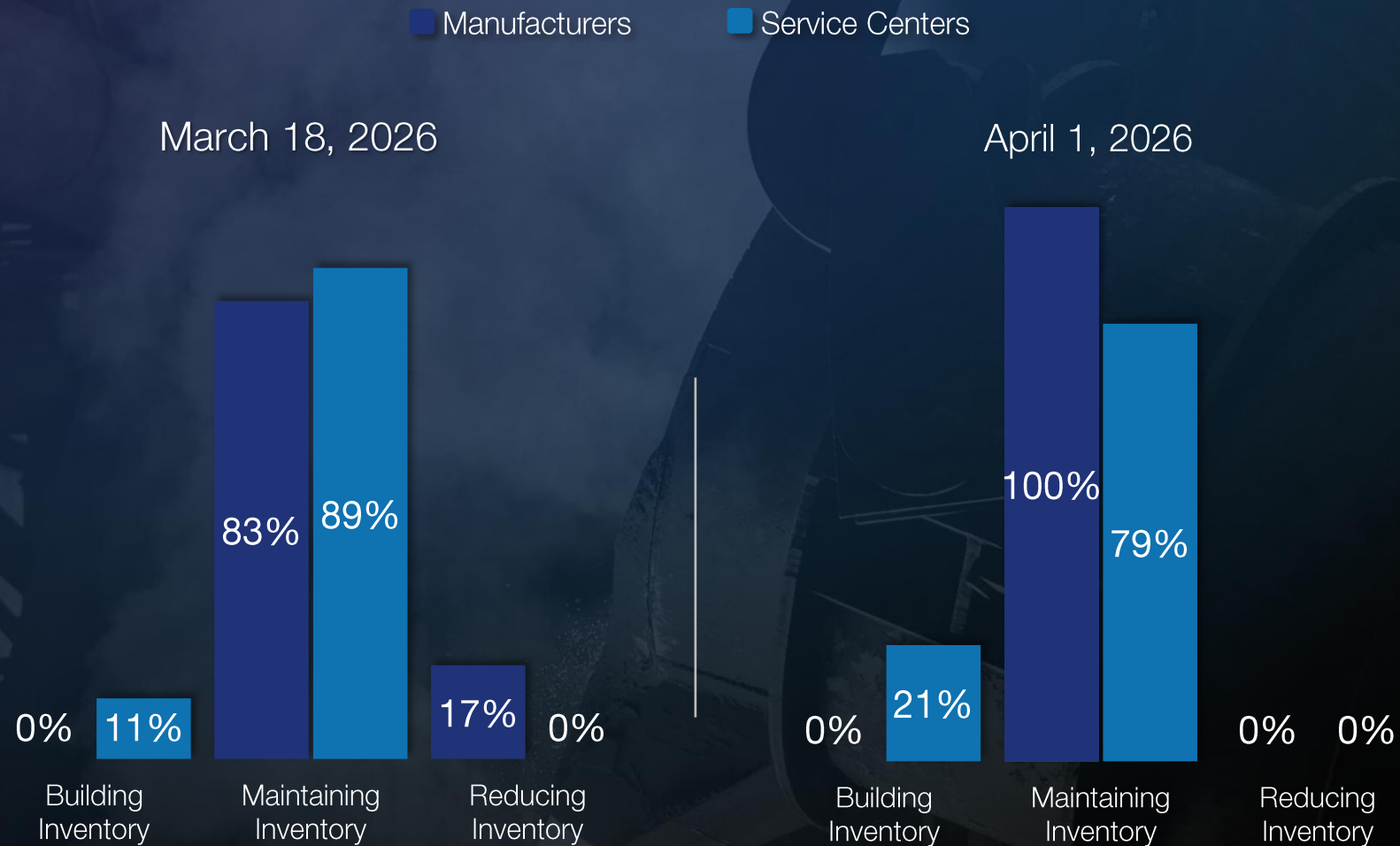
# Service center inventories history

SMU's flat rolled product shipping days of supply, with *preliminary data* through March 2026.

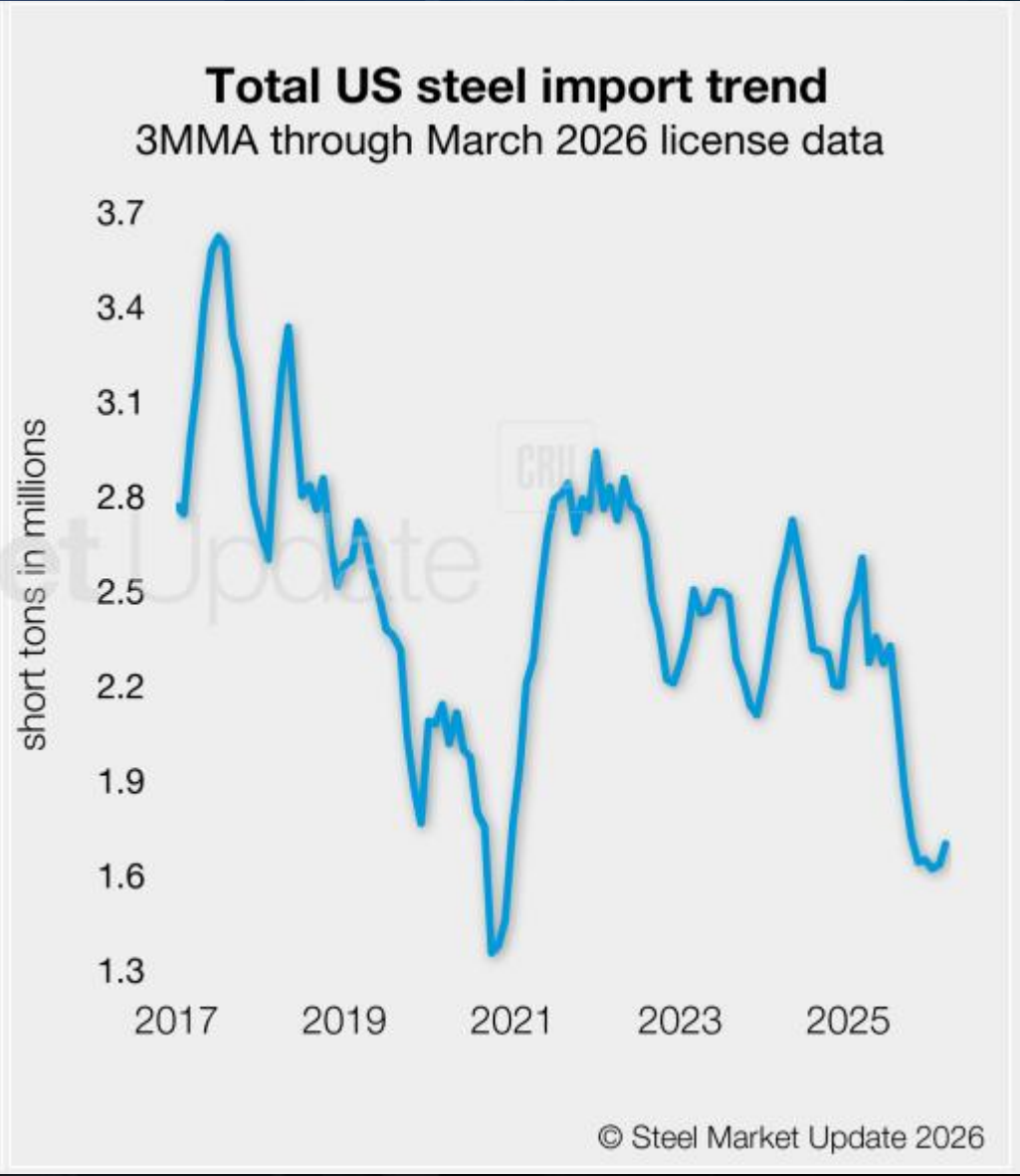
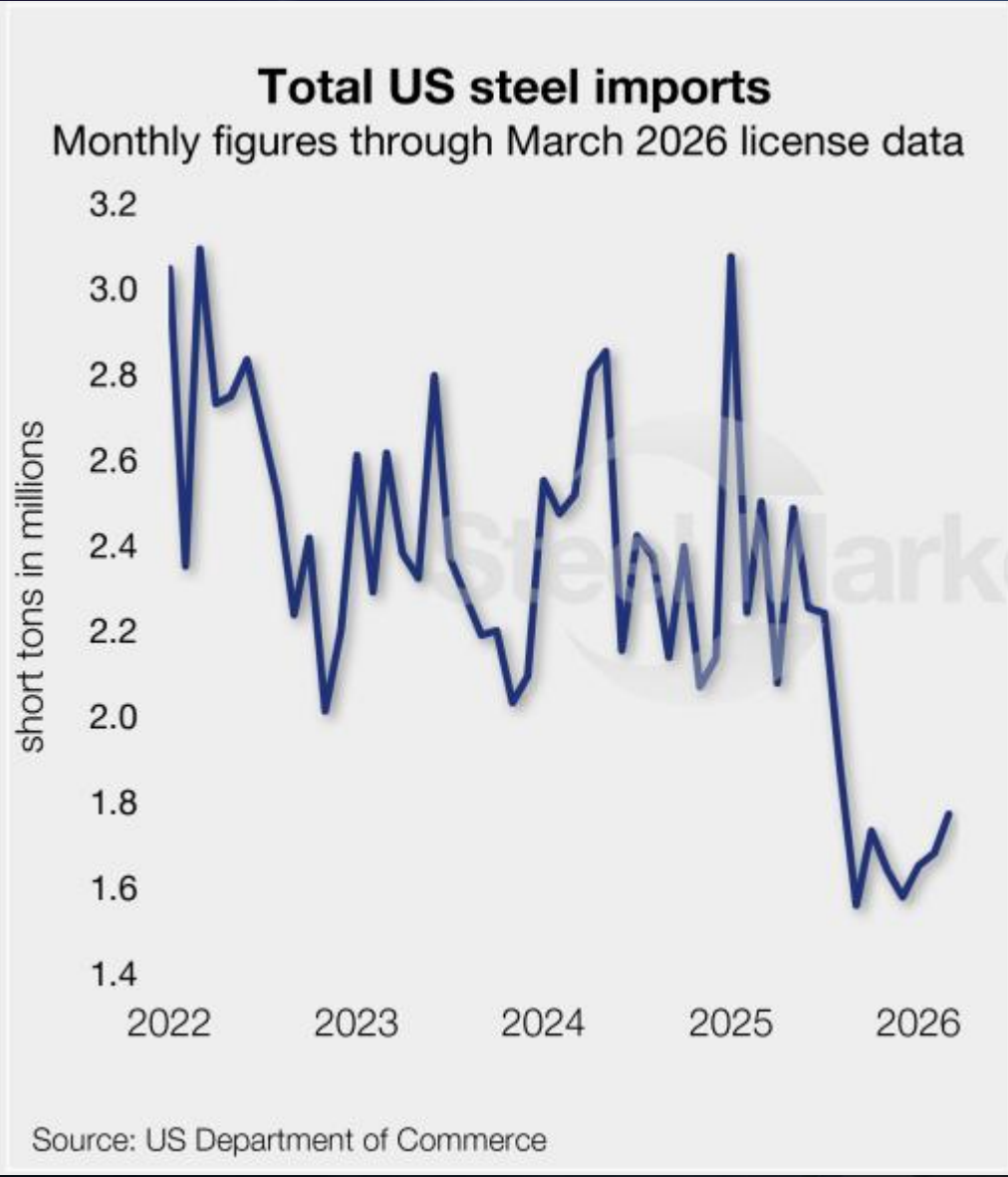


# Manufacturer and service center inventory buying patterns

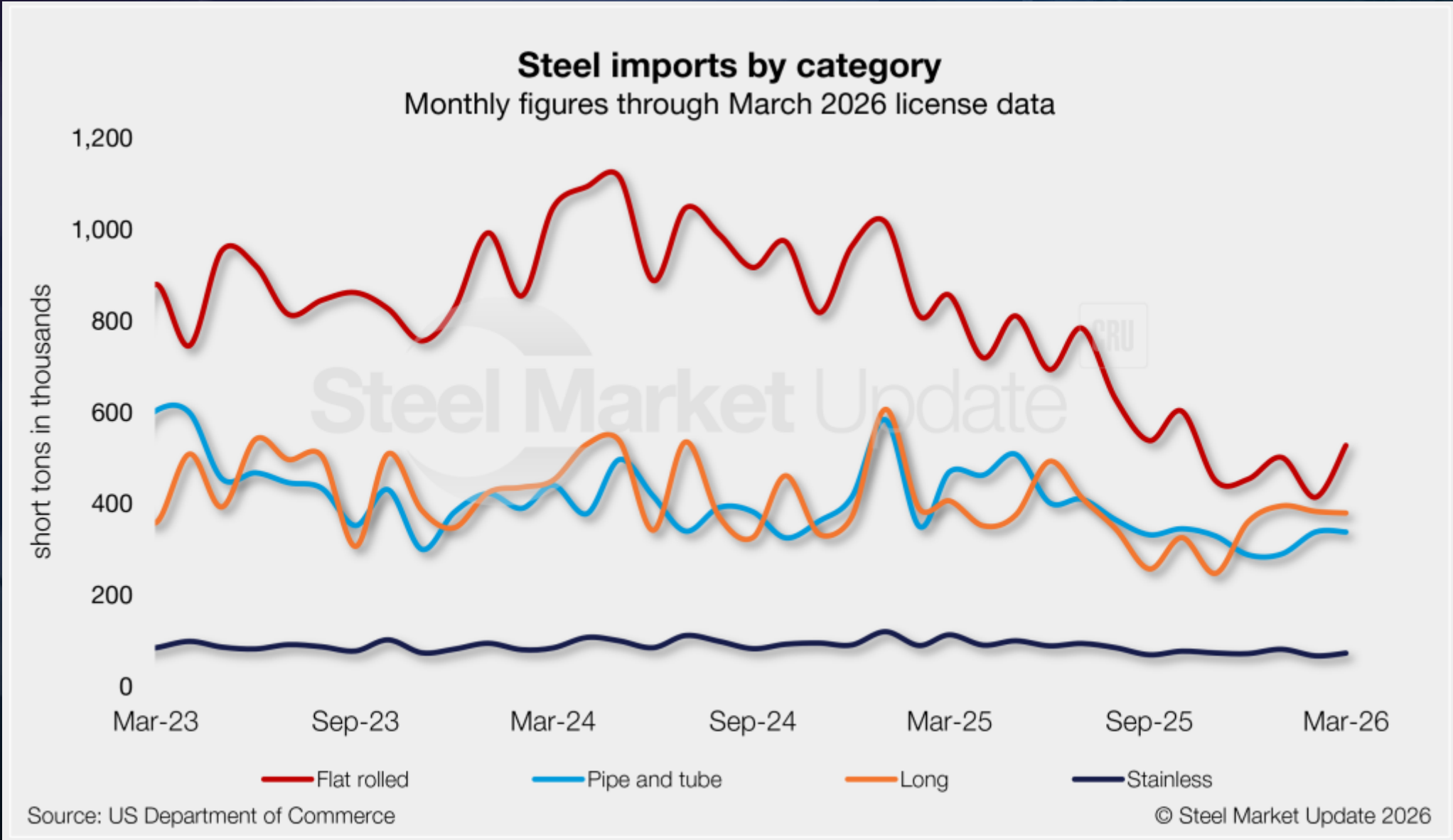
Is your company building, reducing, or maintaining its flat-rolled steel inventory?



# Imports up (just a little) from historic lows



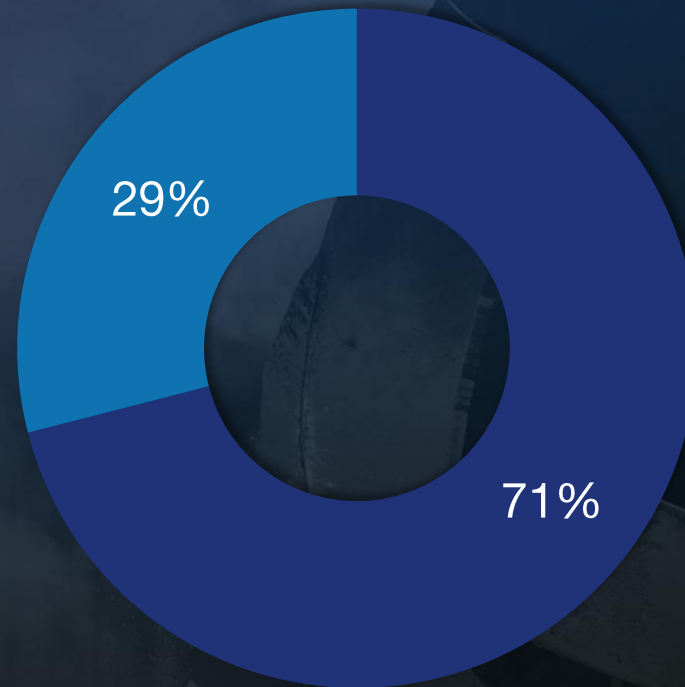
# But FR imports see more significant gains



# Trading companies

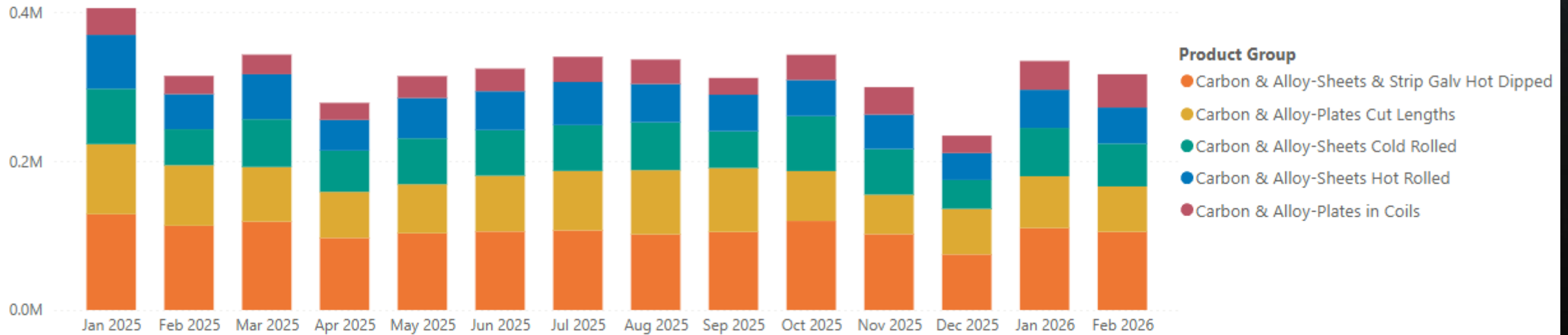
Are foreign products attractive to US buyers?\*

■ Yes    ■ No



# Could exports to Mexico offset import gains?

**U.S. Exports of Top 5 Steel Mill Products to the World between January 2025 - February 2026 (Quantity in Metric Tons)**

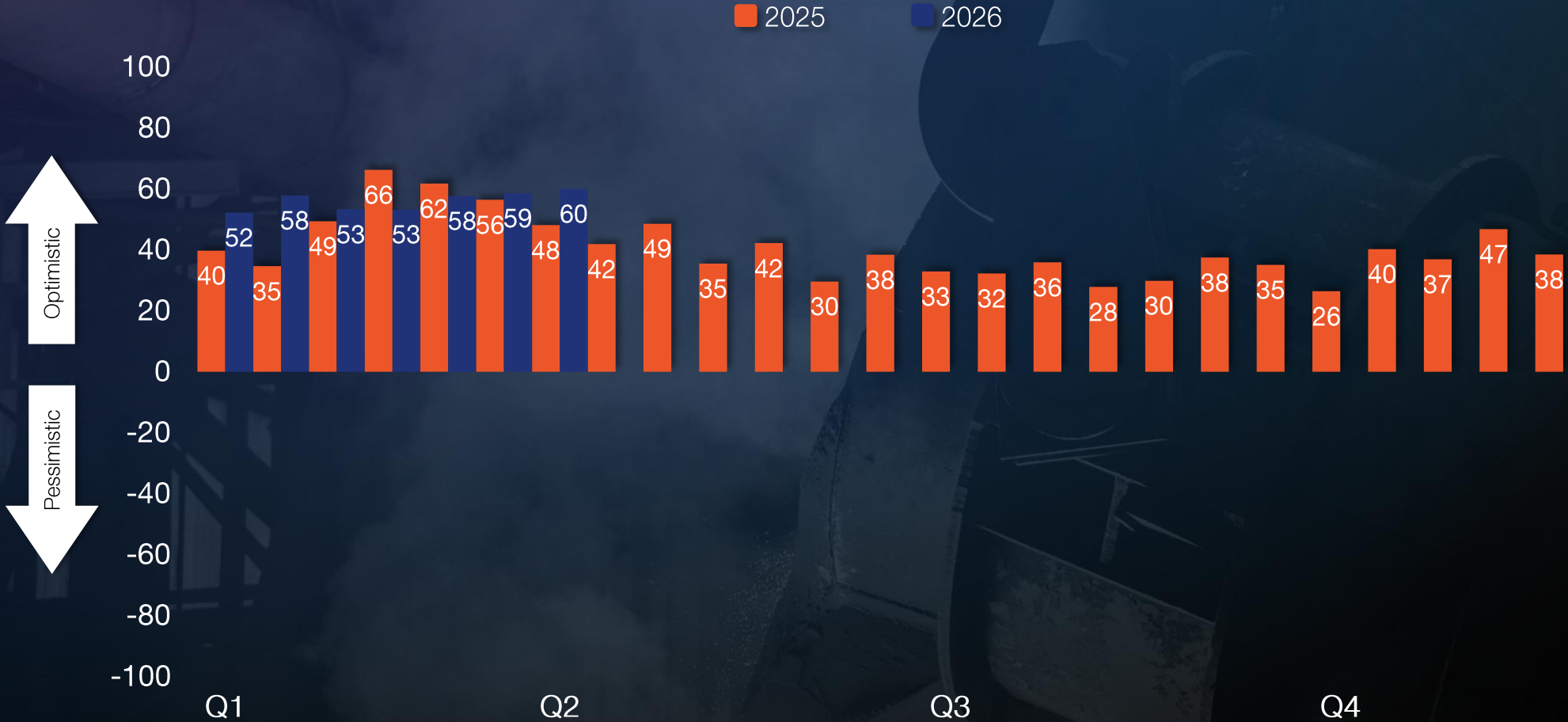


Source: U.S. Department of Commerce, Enforcement and Compliance. Census export data as published by Trade Data Monitor, LLC.

# Steel buyers' sentiment

*Up one point to +60*

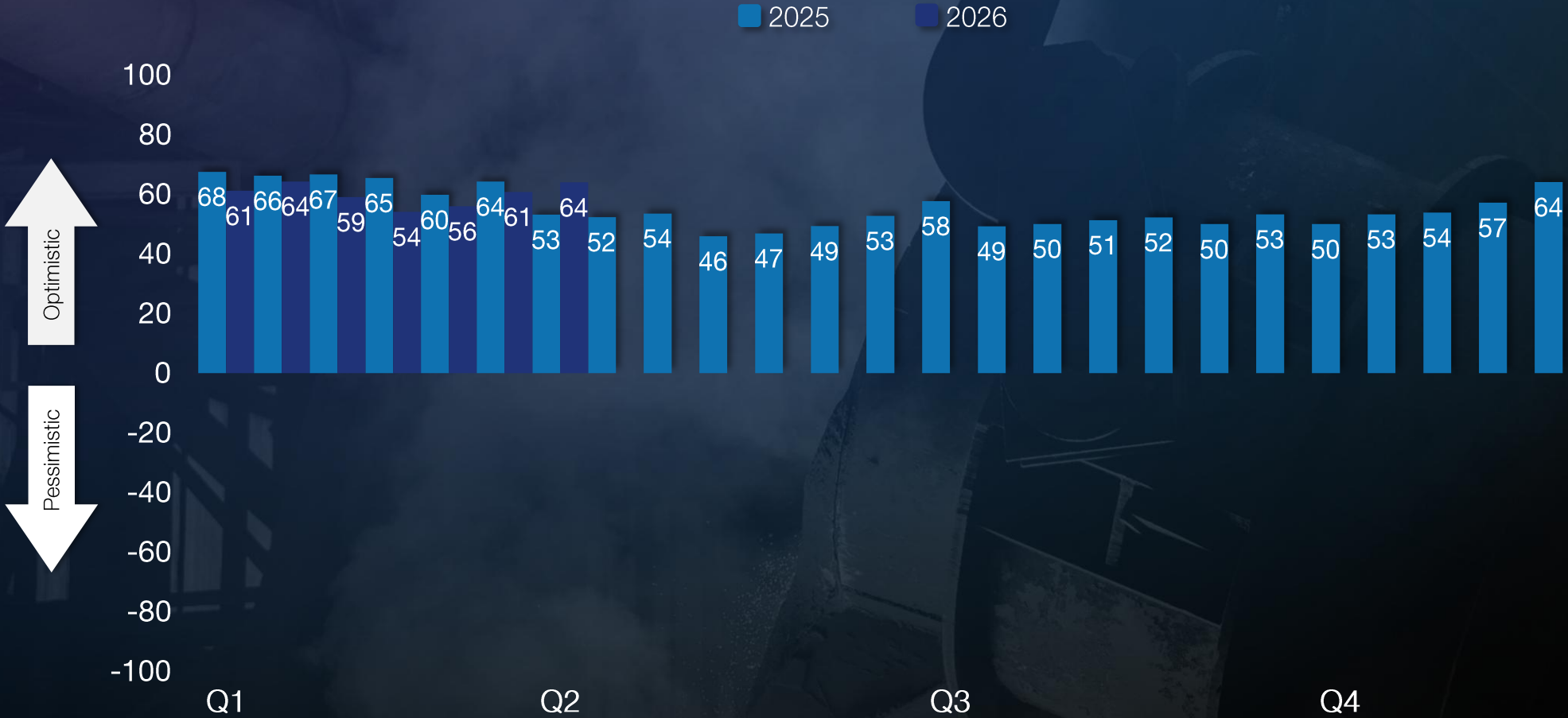
SMU's current steel buyers' sentiment index, with data through April 1, 2026.



# Steel buyers' future sentiment

*Up three points to +64*

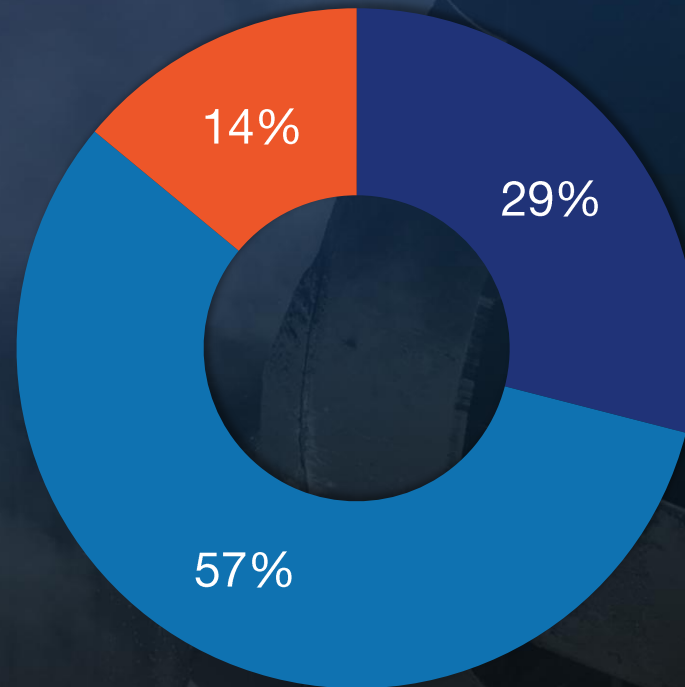
SMU's future steel buyers' sentiment index, with data through April 1, 2026.



# Business forecasts

How will your company perform this month compared to your forecast?

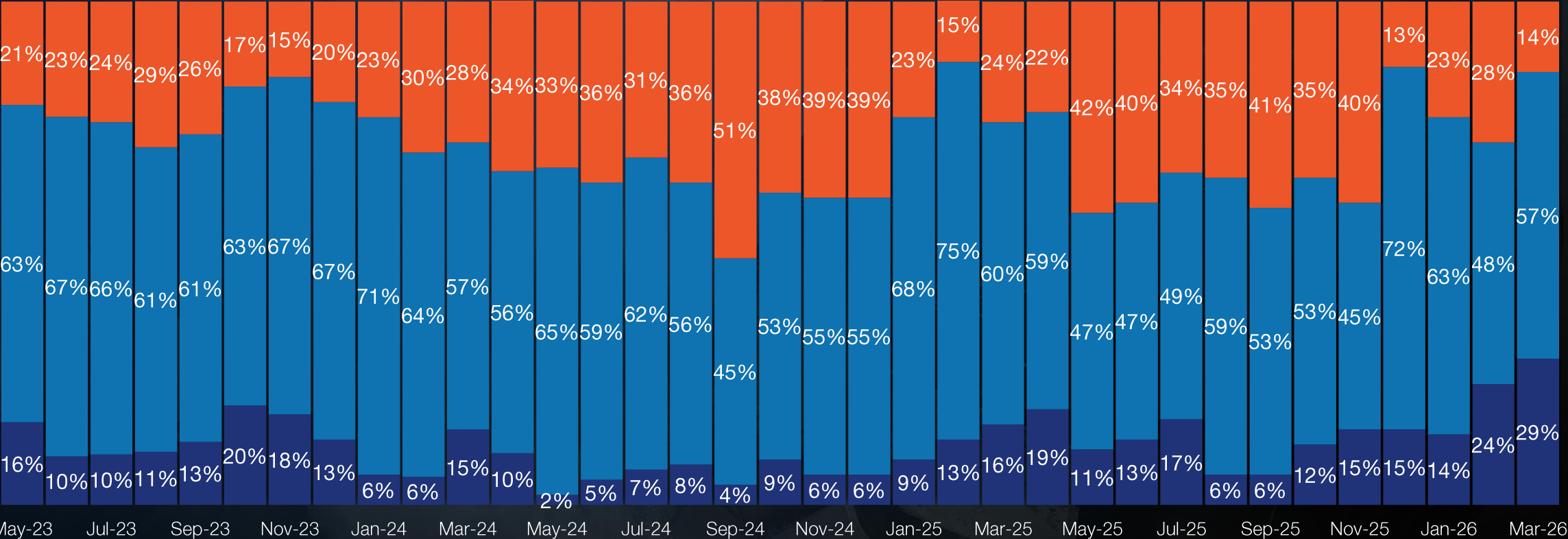
■ We will exceed forecast    ■ We will meet forecast    ■ We will not meet forecast



# Business forecast monthly history

How did your company perform last month compared to your forecast?

■ We exceeded forecast    
 ■ We met forecast    
 ■ We did not meet forecast





**Ken Simonson**  
AGC of America

Ken Simonson has been Chief Economist for the Associated General Contractors of America, the leading construction trade association, since 2001. He provides insight into the economy and what it implies for construction and related industries through frequent media interviews, presentations, and the Data DIGest, his weekly one-page e-newsletter that goes to more than 20,000 subscribers.

Ken has over 40 years of experience analyzing, advocating, and communicating about economic and tax issues. He currently serves as an advisor to the Census Bureau's construction data re-engineering initiative. He is a Fellow and past president of the National Association for Business Economics, and he is co-director of the Tax Economists Forum, a professional meeting group he co-founded in 1982.

Ken has a BA in economics from the University of Chicago and an MA in economics from Northwestern University.



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**April 2026**

# Construction Outlook: What's in the Mix for '26?

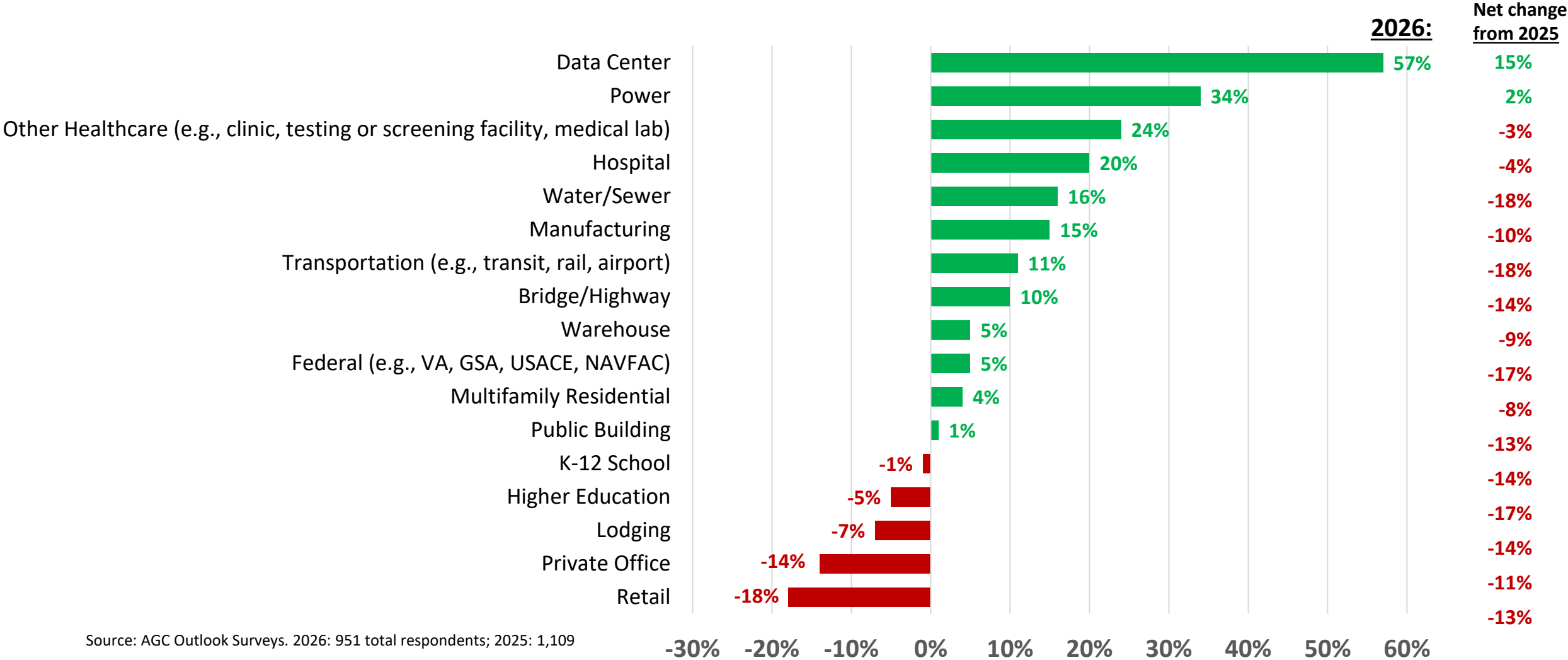
Ken Simonson

Chief Economist, AGC of America

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# Contractors have generally lower expectations for 2026 than in 2025

Net % expecting **higher** value - % expecting **lower** value of available projects than in previous year



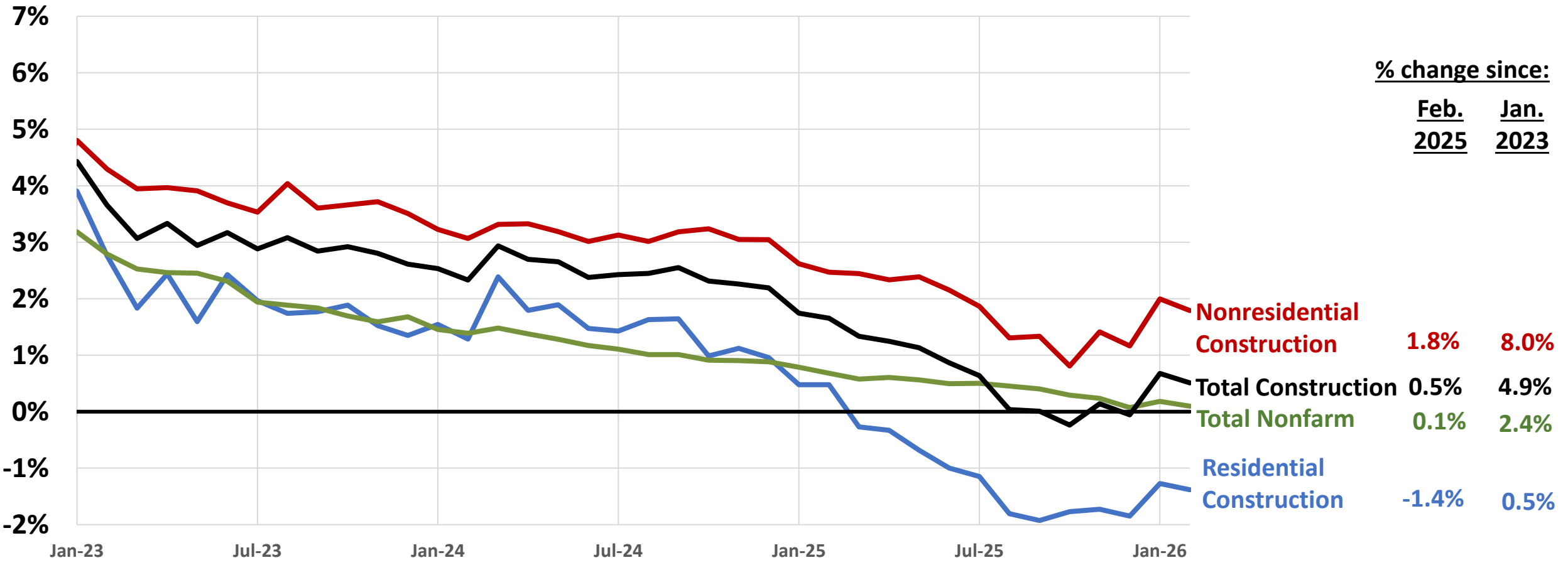
Source: AGC Outlook Surveys. 2026: 951 total respondents; 2025: 1,109

-30% -20% -10% 0% 10% 20% 30% 40% 50% 60%



# Nonresidential jobs are increasing; residential employment is falling

Year-over-year % change in employment, Jan. 2023-Feb. 2026, seasonally adjusted





# Construction job growth is uneven across states

38 states & DC **up** & 11 states **down** & 1 state unchanged Jan. 2025-Jan. 2026 (U.S.: **up 0.6%**)

205 metros (57%) **up**, 110 (31%) **down**, 45 unchanged

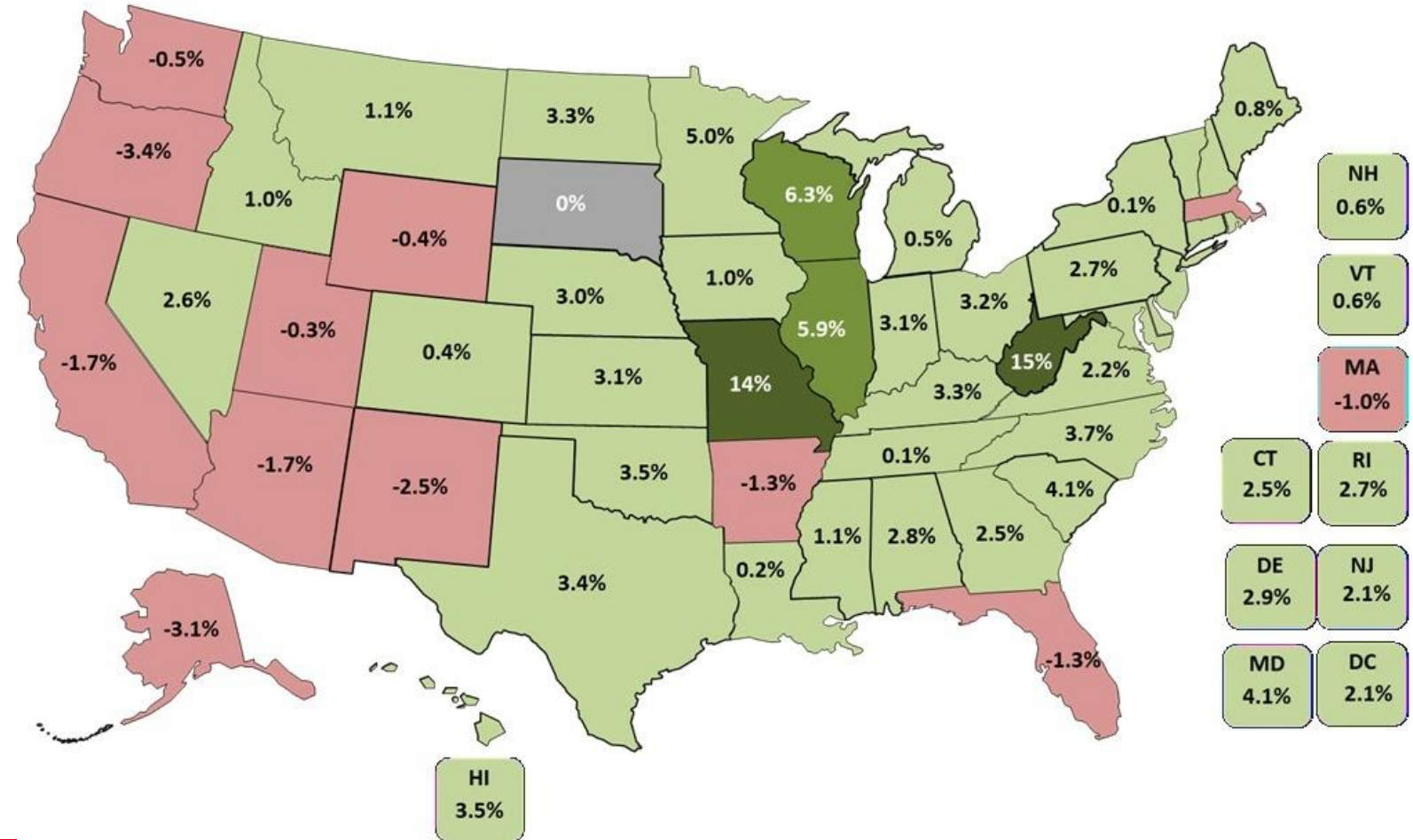


## Top 5

|    |      |
|----|------|
| WV | 15%  |
| MO | 14%  |
| WI | 6.3% |
| IL | 5.9% |
| MN | 5.0% |

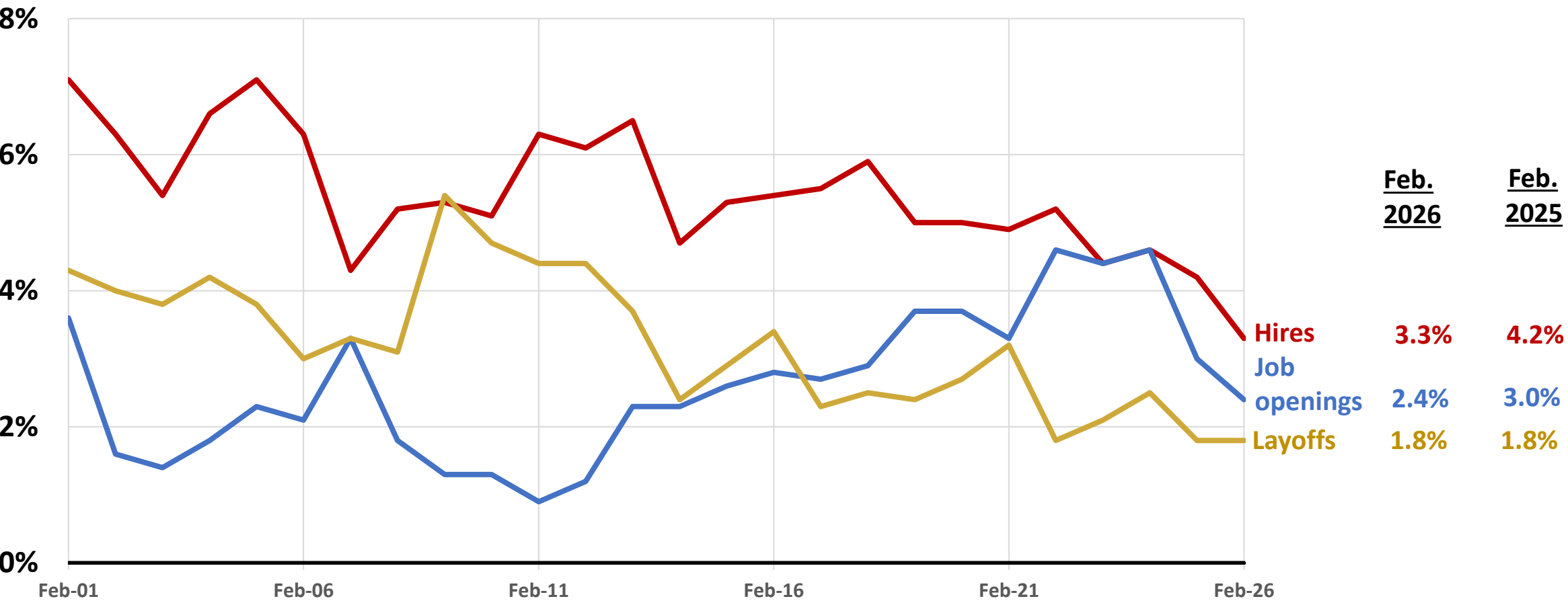
## Bottom 5

|    |       |
|----|-------|
| OR | -3.4% |
| AK | -3.1% |
| NM | -2.5% |
| CA | -1.7% |
| AZ | -1.7% |



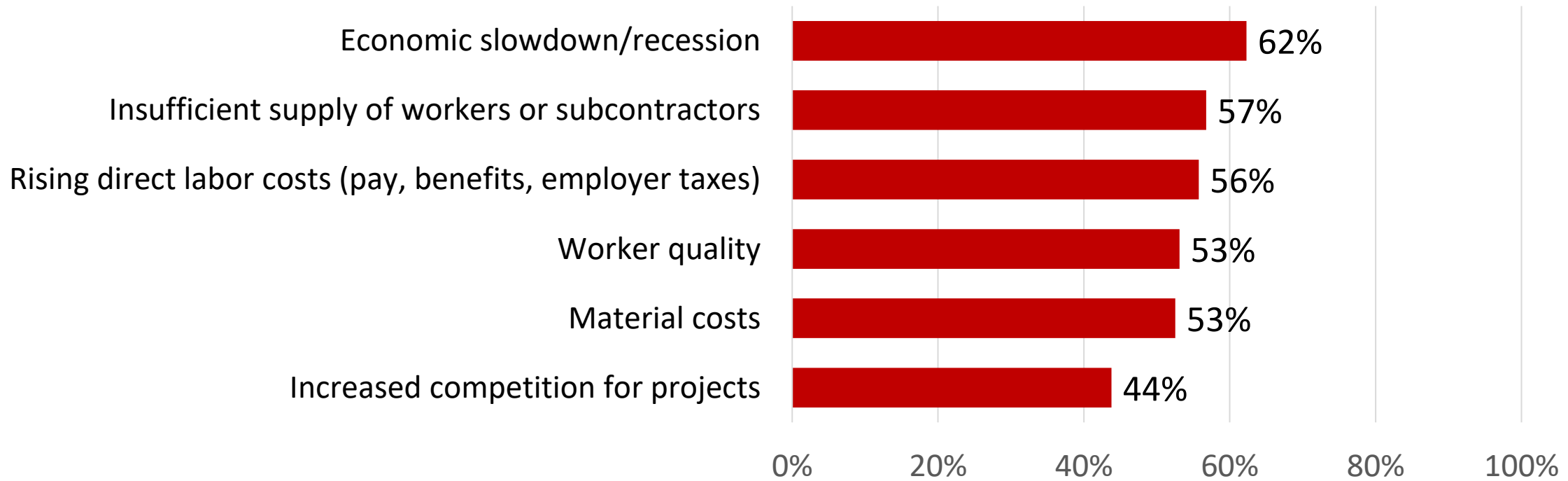
# Low rates for hires and job openings but also layoffs (“low hire, low fire”)

Construction hires, job openings, and layoffs as % of Feb. employment, 2001-26



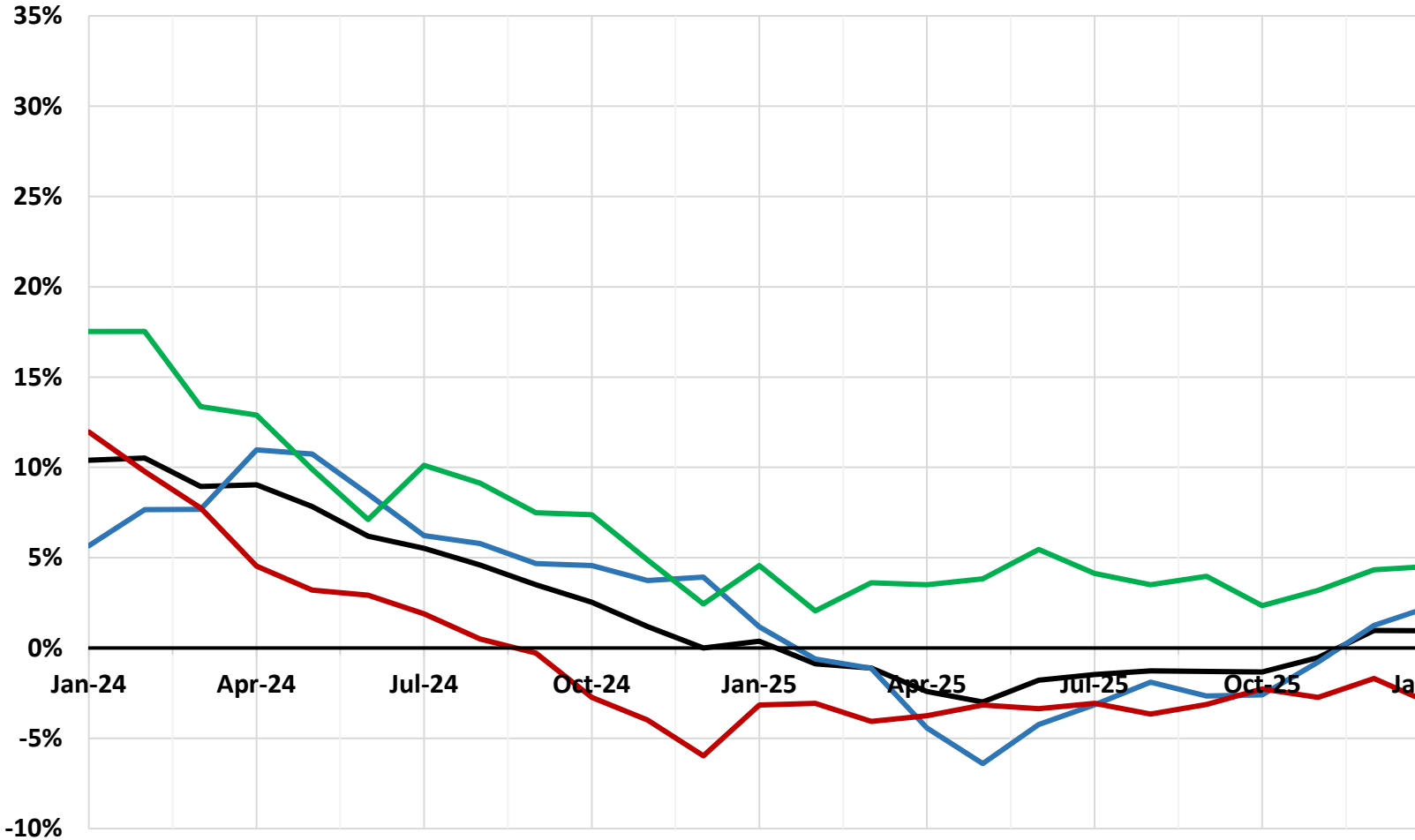
# Firms' major concerns for 2026

% of respondents who listed as a major concern:



# Private construction is close to flat; public is positive but subdued

Year-over-year % change in current dollars, seasonally adjusted, Jan. 2024-Jan. 2026



|                        | <u>Jan. 2026</u><br><u>(billion \$)</u> | <u>year-over-year % change</u><br><u>Jan. 2024-</u><br><u>Jan. 2025</u> | <u>Jan. 2025-</u><br><u>Jan. 2026</u> |
|------------------------|---|---|---------------------------------------|
| Public                 | \$529                                   | 5%  | 5%                                    |
| Total construction     | \$2,190                                 | 0.4%  | 1%                                    |
| Private residential    | \$933                                   | 1%  | 2%                                    |
| Private nonresidential | \$728                                   | -3%   | -2%                                   |

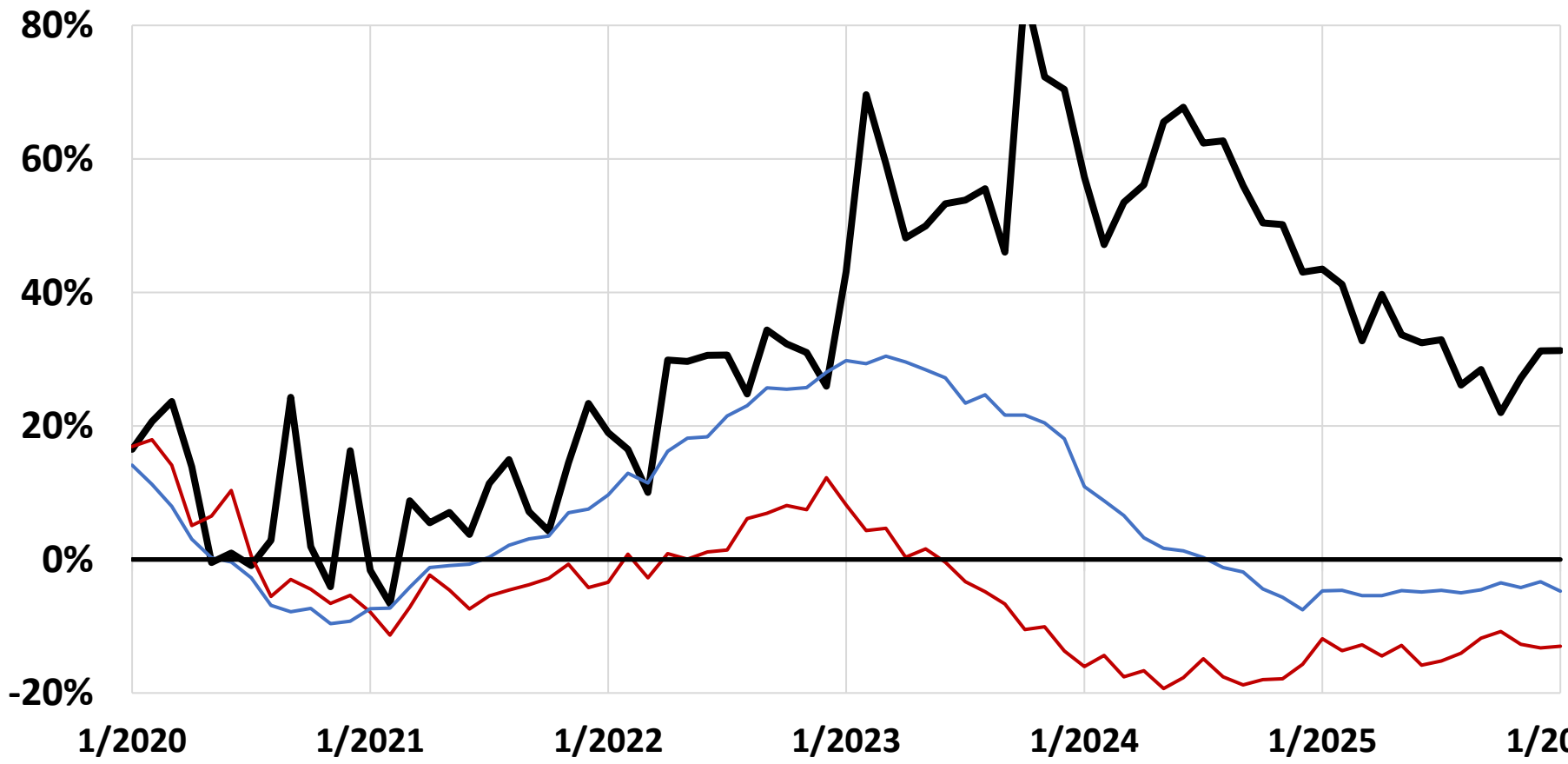


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% change  
Jan. 2020- Jan. 2025-  
Jan. 2026: Jan. 2026:

# Data center, other private nonresidential, & other private office construction

Year-over-year change, seasonally adjusted annual rate , Jan. 2020-Jan. 2026



|  |             |             |
|--|-------------|-------------|
| <b>Datacenters</b>                                       | <b>397%</b> | <b>31%</b>  |
| <b>Total private nonresidential (excl. data centers)</b> | <b>33%</b>  | <b>-5%</b>  |
| <b>Private office (excl. data centers)</b>               | <b>-38%</b> | <b>-13%</b> |



# Spending trends: mix of increases and **decreases**

Billions of dollars, seasonally adjusted annual rate, Jan. 2025-Jan. 2026

\$2,190B Total 1.0%: \$945B Residential 2% (**Private single-family -6%**; multi 0.4%; improvements 13%); public 7%

\$1,245B Nonresidential **-0.06%** (private **-3%**, public 5%)

Nonresidential segments (in descending order of January 2026 spending; combined new & renovation spending)

\$196B **Mfg. -15%** (**computer/electronic -36%**; chemical 12%; food/beverage/tobacco 7%; **transportation equipment -14%**)

\$162B Power 3% (electric 3%; oil/gas fields & pipelines 3%)

\$150B Highway and street 4% (pavement 1%; bridge 14%)

\$140B Educational 1% (**primary/secondary -4%**; **higher ed -0.3%**; pre-primary, libraries, museums, misc. 5%)

\$122B **Commercial -0.4%** (**warehouse -5%**; retail 5%; **farm -3%**)

\$109B Office including data centers 3% (data centers 31%; **other private office -13%**; **public office -4%**)

\$70B Transportation 5% (air 2%; private rail/truck 4%; **transit -13%**)

\$69B **Health care -0.4%** (hospital 2%; **medical building -5%**; special care 6%)

\$227B Other 7%:

Sewage/waste 10%; Amuse/recreation 10%; Water supply 8%; Communication 1%; Lodging 4%; **Public safety -0.04%**; Conserv/dev 13%; Relig 8%

# Tariffs, war are pushing up costs of construction inputs, equipment



producer price indexes (PPIs), changes through Feb. 2026 (not seasonally adjusted)

**March 2026 change from:**

**Feb. 202   March 2025   Feb. 2020  
**(1 month)   (12 months)   (72 months)****

**Overall input costs are rising again and have outpaced the CPI since 2020**

|   |      |      |     |
|---|------|------|-----|
| PPI for inputs to new nonresidential construction | 1.7% | 4.4% | 44% |
| Consumer price index (CPI)                        | 1.0% | 3.3% | 26% |

**...and domestic input prices for items competing with tariff-burdened imports soared**

|                                      |      |      |      |
|--------------------------------------|------|------|------|
| Diesel fuel                          | 38%  | 51%  | 65%  |
| Steel mill products                  | 2.1% | 15%  | 73%  |
| Aluminum mill shapes                 | 1.2% | 34%  | 85%  |
| Copper and brass mill shapes         | 0.5% | 21%  | 100% |
| Construction machinery and equipment | 0.0% | 4.7% | 37%  |

# Tariff announcements & dates affecting construction (as of April 14)

(more at AGC [Tariff Resource Center](http://www.agc.org/tariff-resources-contractors): [www.agc.org/tariff-resources-contractors](http://www.agc.org/tariff-resources-contractors))



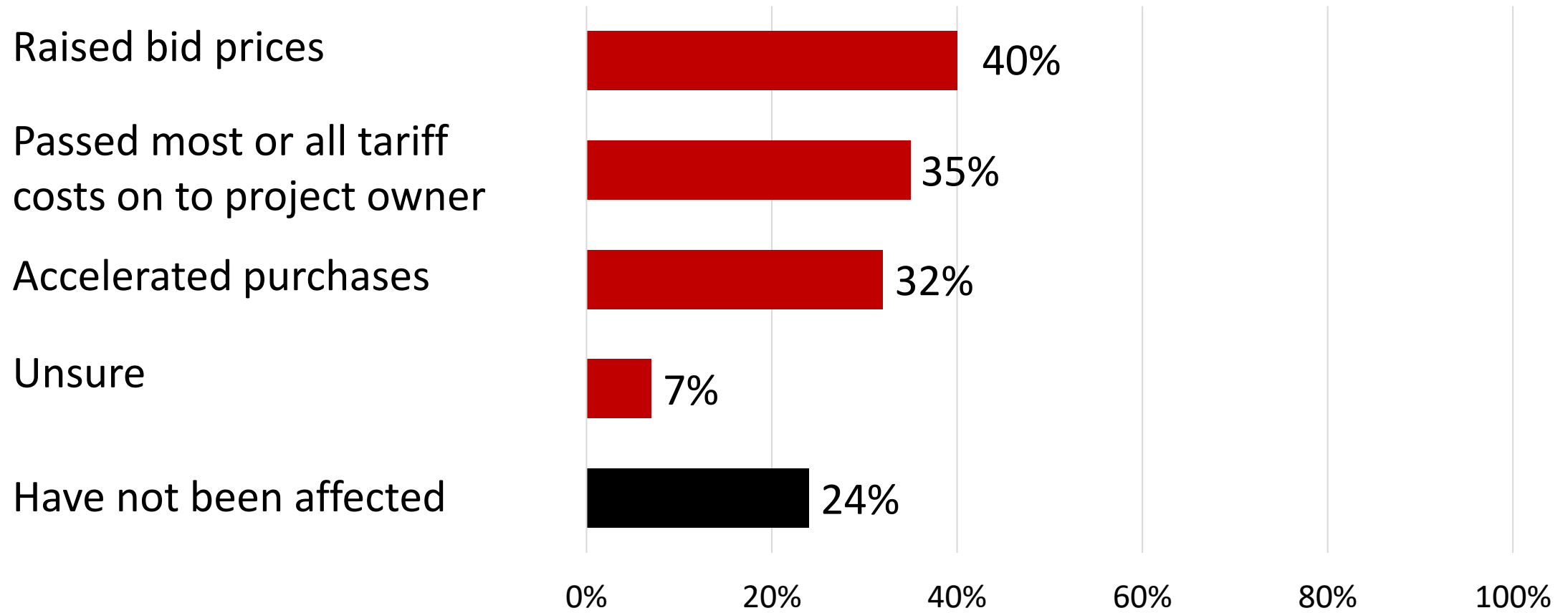
- **Supreme Court ruling invalidates many country-specific tariffs but not materials tariffs**
- **Refunds will not go to contractors unless they were direct importers-of-record**
- **President Trump imposed new 10% country-specific tariffs until July 24 but facing court challenge**

## Still in effect:

- **Steel & aluminum:** 25% on March 12, 2025; 50% on June 4; new rates for “derivative products”
- **Copper:** 50% on Aug. 7 for copper products, not unprocessed copper
- **Lumber:** 10% on Oct. 1; duties on Canadian lumber raised from 14.5% to 35% in early August
- **Cars & light trucks:** 25%; **medium and heavy trucks:** 25% on Nov. 1; lower rate for parts, USMCA
- **Fee on Chinese ships calling on U.S. ports:** began on Oct. 14; suspended as of Nov. 10

## Actions taken in 2025 in response to actual or proposed tariffs

(% of firms - some respondents reported multiple actions):



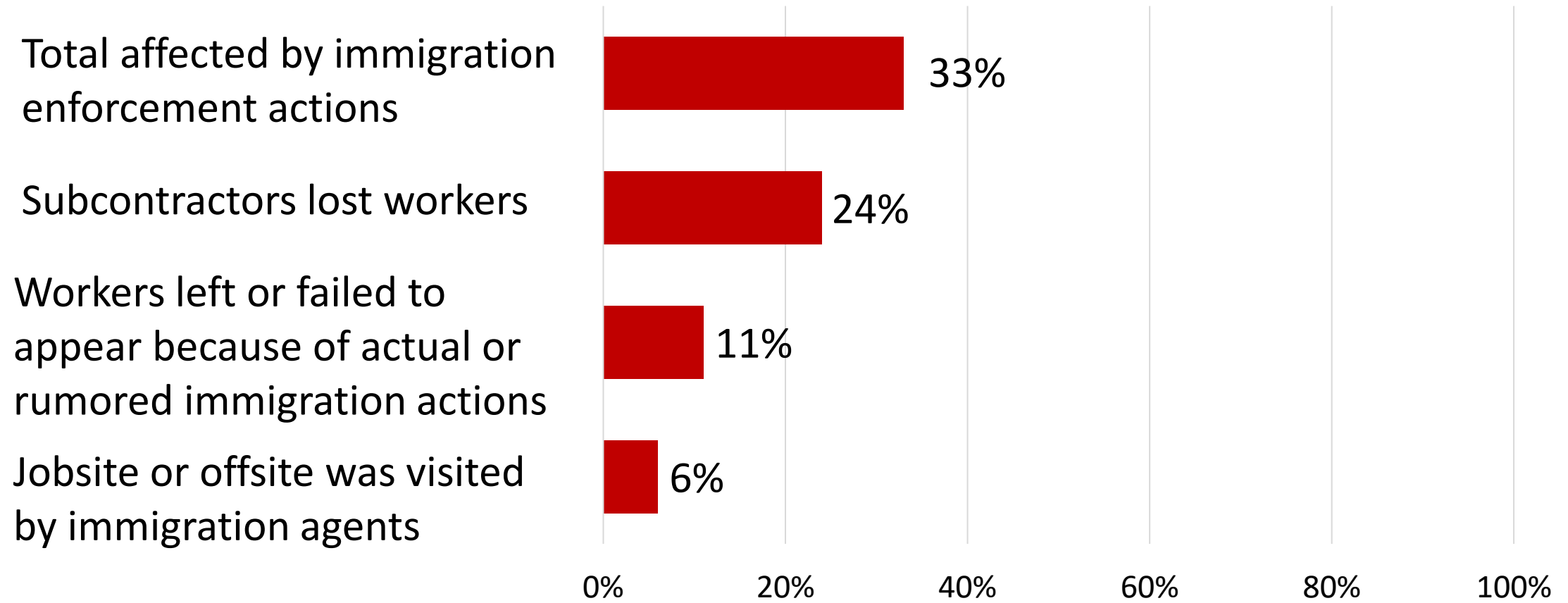
# Construction pay increases continue to outpace the private sector



- [BLS](#): Average hourly earnings for production and nonsupervisory employees (Mar. 2025-Mar. 2026):  
Construction 5.0%                  Private sector 3.4%
- [BLS](#): Wages and salaries (employment cost index, Q4 2024-Q4 2025):  
Construction 4.3%                  Private sector 3.3%
- [CLRC](#): First-year settlements for construction union contracts: 4.7% (2025)
- [PAS](#): Construction firm executive increases: 4.5% in 2025; 4.-4.5% anticipated in 2026 (Mar. 2026)

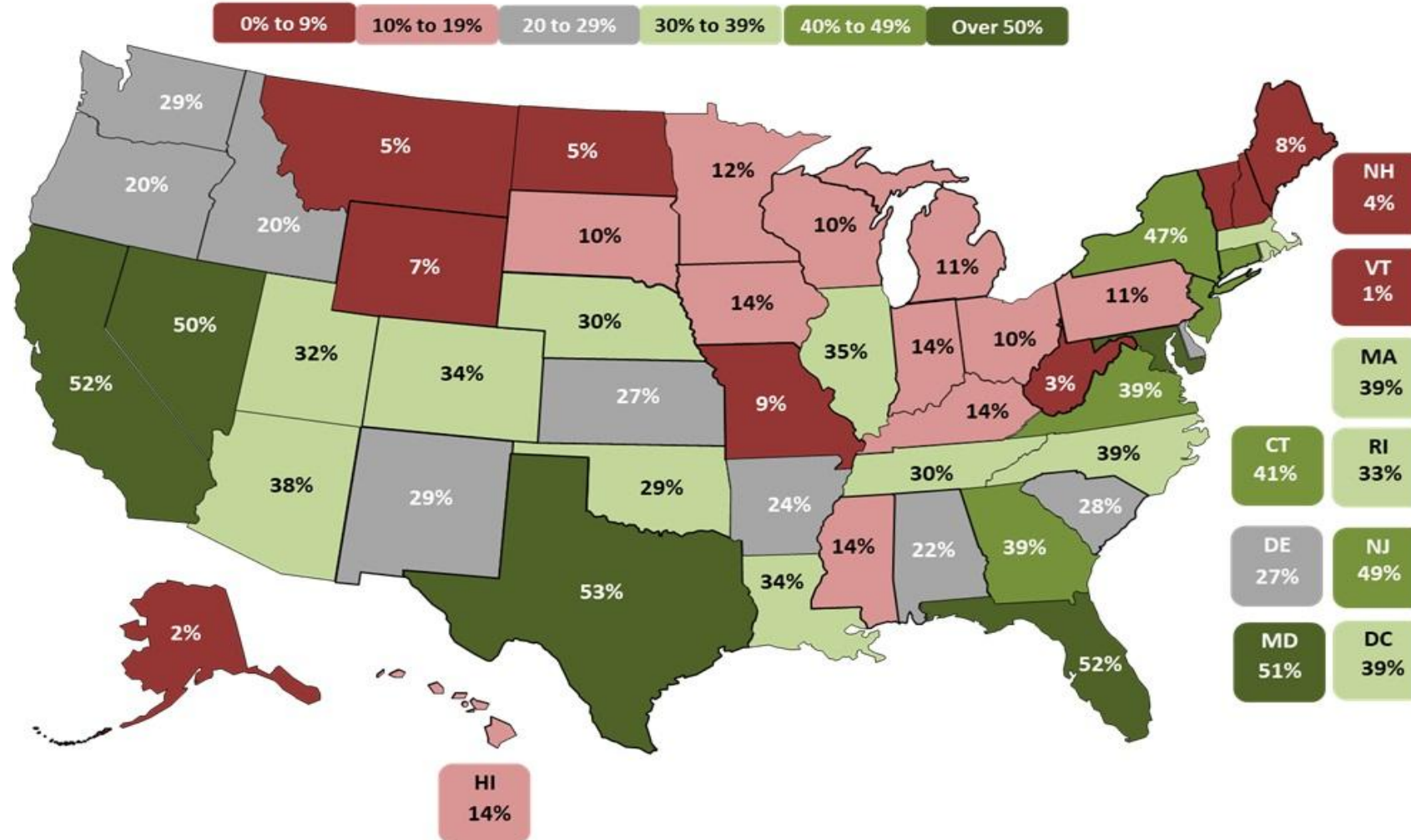
## Immigration enforcement affected rising share of firms in second half of 2025

(% of firms - some respondents reported multiple types of effects):



# Construction trades rely heavily on immigrants (35% vs. 18% for all workers); impact varies greatly by state (1-53%)

*Share of construction trade workers who are foreign born by state, 2024*





# Foreign-born share of construction trade workers varies greatly by trade

| <u>Occupation</u>                                     | <u>Foreign born</u> | <u>Occupation</u>                     | <u>Foreign born</u> |
|---|---------------------|---------------------------------------|---------------------|
| Plasterers & Stucco Masons                            | 57%                 | Carpenters                            | 35%                 |
| Drywall Installers, Ceiling Tile Installers, & Tapers | 57%                 | Pipelayers                            | 28%                 |
| Roofers   | 53%                 | Plumbers, Pipefitters, & Steamfitters | 18%                 |
| Painters & Paperhangers                               | 53%                 | Solar Photovoltaic Installers         | 17%                 |
| Carpet, Floor, & Tile Installers and Finishers        | 51%                 | Sheet Metal Workers                   | 17%                 |
| Construction Laborers                                 | 44%                 | Structural Iron & Steel Workers       | 16%                 |
| Brick, Block, & Stone Masons                          | 39%                 | Glaziers                              | 16%                 |
| Insulation Workers                                    | 38%                 | Electricians                          | 16%                 |
| Cement Masons, Concrete Finishers, Terrazzo Workers   | 36%                 | Construction Equipment Operators      | 14%                 |

## Middle East war adds to uncertainty



- Fuel prices hit construction directly and via surcharges
- Natural gas price affects cost of construction plastics
- Energy cost affects cost of all materials & equipment
- Alumina shutdown will drive aluminum prices, supply chain
- Other imports may face longer delivery times, higher fuel costs
- Owners may delay projects based on input costs, availability
- Reduced travel, other spending may hit airport, hotel, retail construction
- Less investment by Middle East sovereign wealth funds and private investors

## Likely policy impacts on construction



- Higher tariffs will raise costs, invite retaliation, may disrupt supply chains
- Harsh immigration/deportation actions will worsen construction labor shortages
- Expectation of larger deficits push interest rates higher
- However, lessened federal regulatory hurdles may help projects start sooner
- OBBBA adds certainty about corporate taxes; may lead to speedup of some investments

## Medium-term outlook: slow growth, risk of stalling, higher prices



- Economic growth is close to stalling; risks of inflation and recession are high
- Single-family: gradual pickup if mortgage rates don't spike; multifamily close to bottoming out
- Warehouse, office: declines likely throughout 2026 given high costs, weak demand
- Best bets for growth: data centers, power, airports, specialty health care
- Mfg. construction: canceled & deferred projects likely to outweigh new starts
- Materials costs: up 3-5%, much more if Middle East war lasts
- Supply chain: few problems so far except electrical gear; problems will grow if war continues
- Labor costs: up 4-5%; ICE actions make availability a challenge

# Population change by state, July 2024–July 2025

**Increases:** 45 states + DC; **decreases:** 5 states (U.S.: 0.5%)

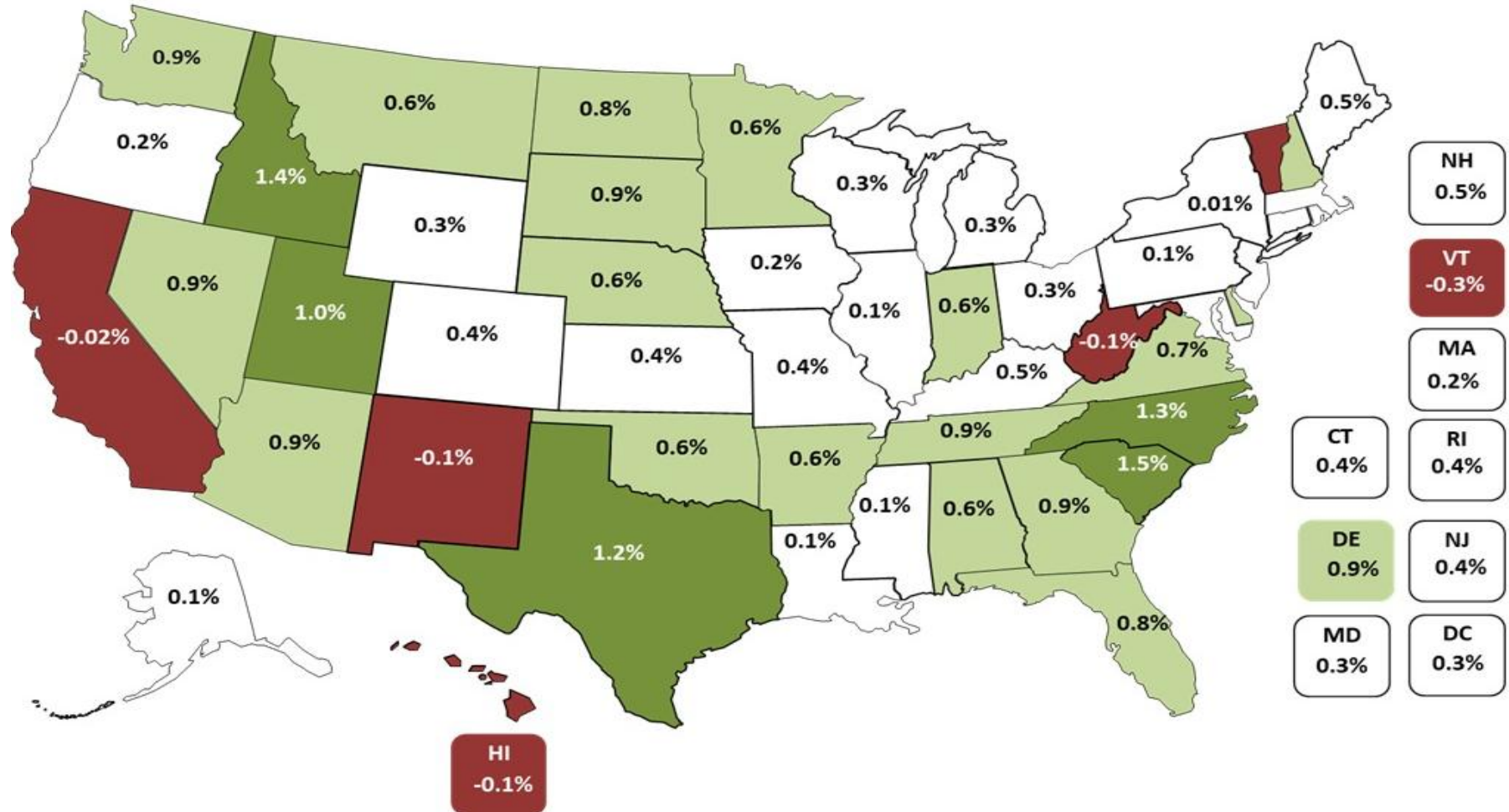


## Top 5

|    |      |
|----|------|
| SC | 1.5% |
| ID | 1.4% |
| NC | 1.3% |
| TX | 1.2% |
| UT | 1.0% |

## Bottom 5

|            |        |
|------------|--------|
| VT         | -0.3%  |
| HI, WV, NM | -0.1%  |
| CA         | -0.02% |



\*Note: Shading is based on unrounded %s.

# AGC economic resources

(email [ken.simonson@agc.org](mailto:ken.simonson@agc.org))

- *Data DIGest*: weekly email summary of construction economic news ([subscribe](#))
- AGC [Tariff Resource Center](#)
- AGC/Sage Construction Hiring and Business Outlook [Survey](#)
- State and metro data, [fact sheets](#)
- Monthly [press releases](#): construction spending; producer price indexes; national, state, metro employment with rankings
- Construction impact model: [www.agc.org/agc-construction-impact-model](http://www.agc.org/agc-construction-impact-model)
- ConsensusDocs [Price Escalation Resource Center](#)



Vol. 23, No. 17 May 9-12, 2023

### PPI for inputs rises in April but dips over 12 months; pay in construction tops U.S. median by 18%

**Prices show mixed trends in April**

The producer price index (PPI) for material and service inputs to new nonresidential construction rose 0.5% from March to April but declined 1.1% year-over-year (y/y), according to Bureau of Labor Statistics (BLS) data posted on Thursday.

[Read more](#)

### Construction pay tops U.S. median by 18%

"Half of payroll workers in construction earn more than \$54,540," 18% more than the U.S. median wage of \$46,310, "and the top 25% make at least \$77,030," 4.9% higher than the U.S. top quartile base of \$73,460, the National Association of Home Builders reported on Tuesday, based on its analysis of May 2022 Occupational Employment and Wage Statistics posted by BLS...

[Read more](#)

### Child counts decline in 35 states

In a trend with implications for school and other construction, "Thirty-five states have fewer children than they did five years ago, a situation caused by declining birth rates nationwide, but also by young families migrating across state borders in search of cheaper housing," Stateline reported on Thursday...

[Read more](#)

### Results from RICS-AACE construction survey

Firms reporting declining profit margins outnumbered firms reporting rising margins by 27 percentage points (a net balance reading of -27%) in the first quarter (Q1) 2023 RICS-AACE USA Construction Monitor, covering 60 responses between March 8 and April 21 and posted by RICS on Monday...

[Read more](#)

### AGC Highway safety survey closes tonight

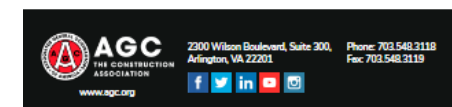
Highway contractors are invited to complete AGC's annual highway work zone safety survey by tonight, May 12. Responses will be kept confidential.

[Read more](#)

### Census of Construction reminder

The Census Bureau reminded firms in all industries, "The due date for responding to the 2022 Economic Census has passed, but it's not too late to respond..."

[Read more](#)



**THANKS**  
*for listening*

We're glad you joined!

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