

Steel Market Update
Community Chat

Featuring:

Ken Simonson

Chief Economist

Associated General Contractors of America

October 28, 2026 // Michael Cowden, Editor-in-Chief

UPCOMING events



Steel 101 Workshop

Charleston, S.C. // Feb. 25-26, 2027

An introduction to steelmaking and market fundamentals // *Tour of Nucor Berkeley*



Tampa Steel Conference 2027

Tampa, Fla. // March 7-9, 2027

Get an early jump on what's driving the North American flat-rolled steel industry at the *JW Marriott Tampa Water Street*



Steel 101 Workshop

Fort Wayne, Ind. // May 18-19, 2027

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

For more information about our workshops and conferences visit:

www.steelmarketupdate.com/events-and-training/ or e-mail our team at conferences@crugroup.com

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experience reflected in it.**

Contact david.schollaert@crugroup.com for participation information.



Scrap market players predict higher prices in November

USW to resume in-person labor talks with USS on Monday

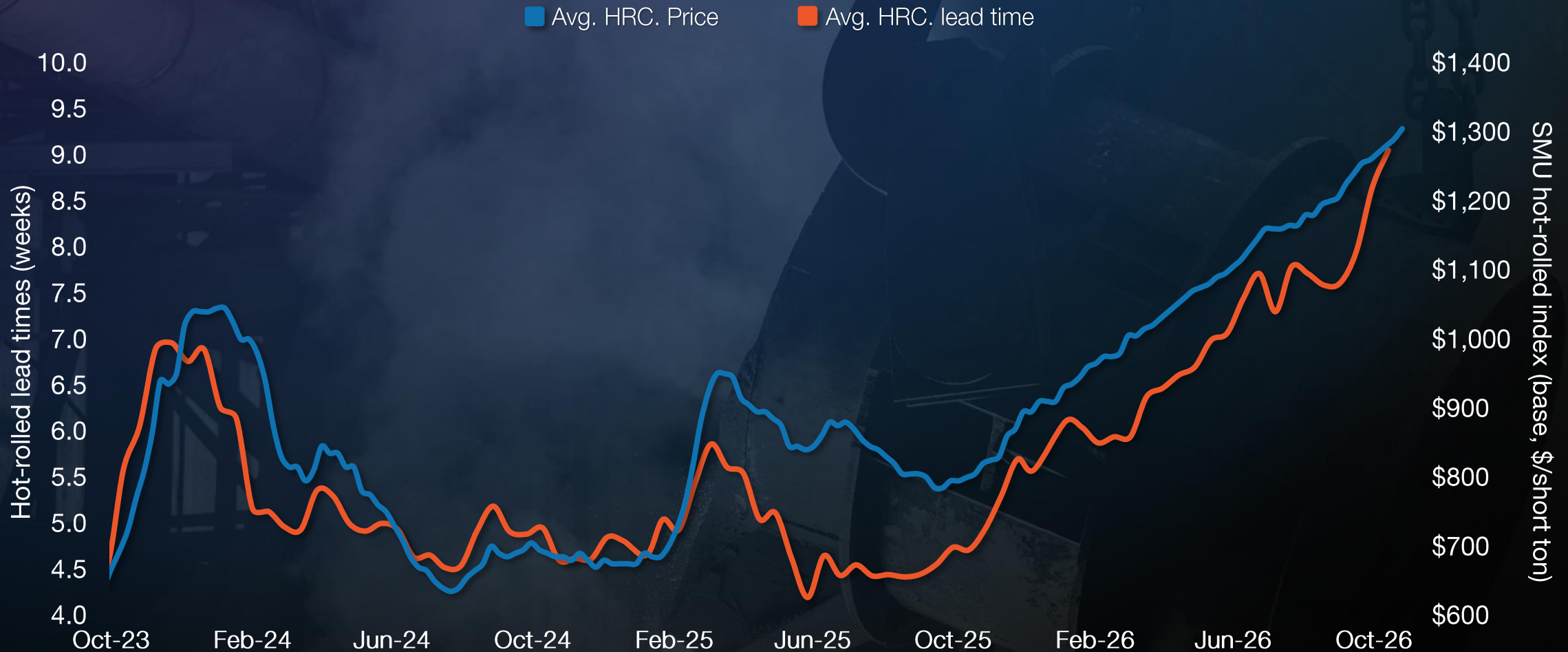
Sheet and plate price gains accelerate as 2026 tons dry up

Nucor Q3'26 profit doubles on higher steel prices, sales volumes

ALA: Architecture business conditions weaken further in September

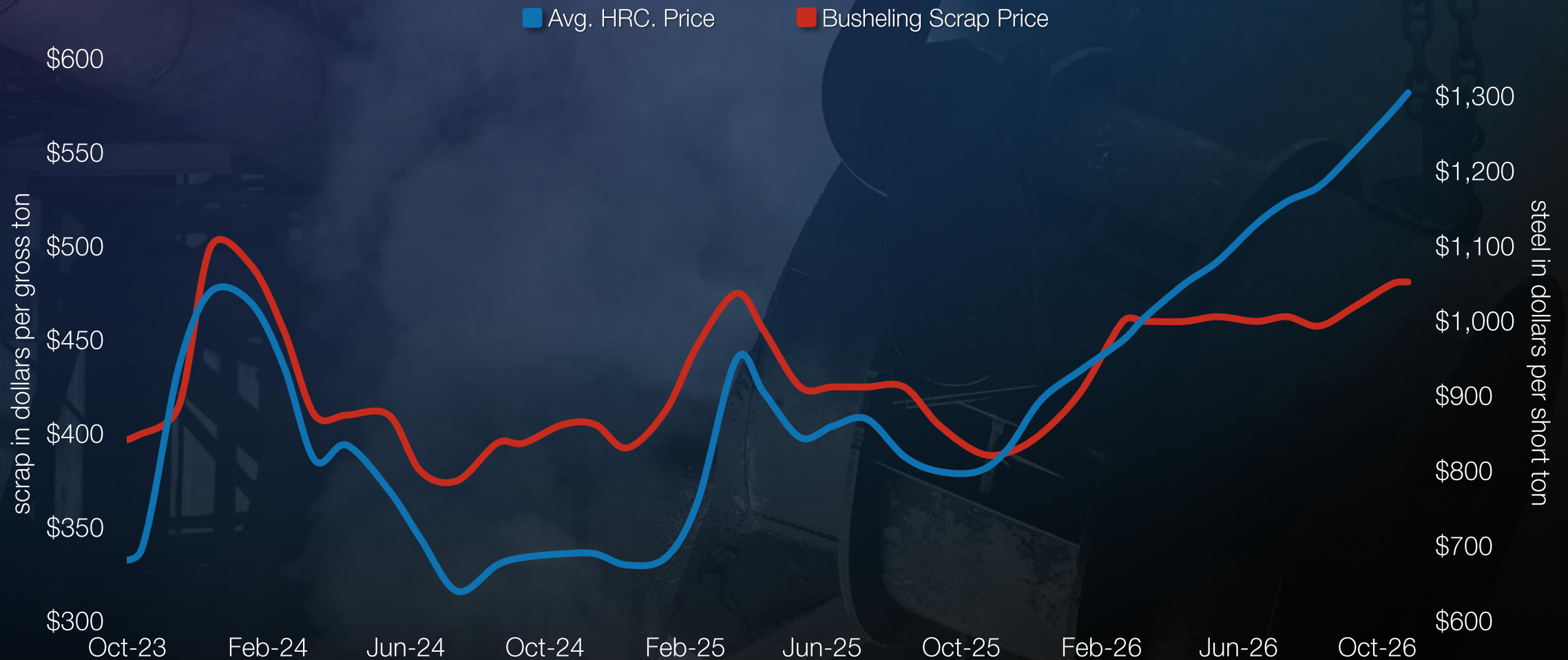
Hot-rolled steel prices vs. lead times

SMU's hot-rolled steel prices and lead times, with data through Oct. 27, 2026.



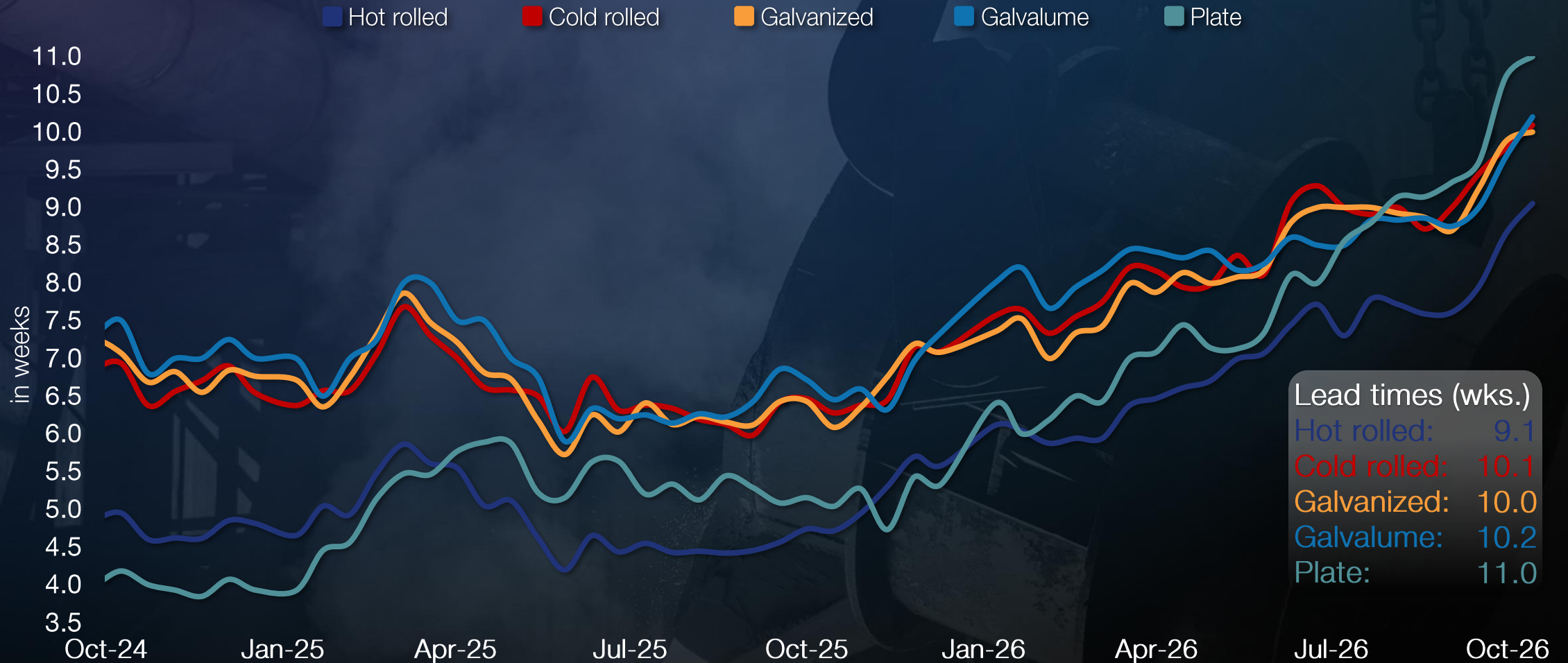
Hot-rolled steel prices vs. prime scrap

SMU's hot-rolled steel prices and busheling scrap prices, with data through Oct. 28, 2026.



Steel mill lead times by product

SMU lead times on new steel orders by product through Oct. 14, 2026.

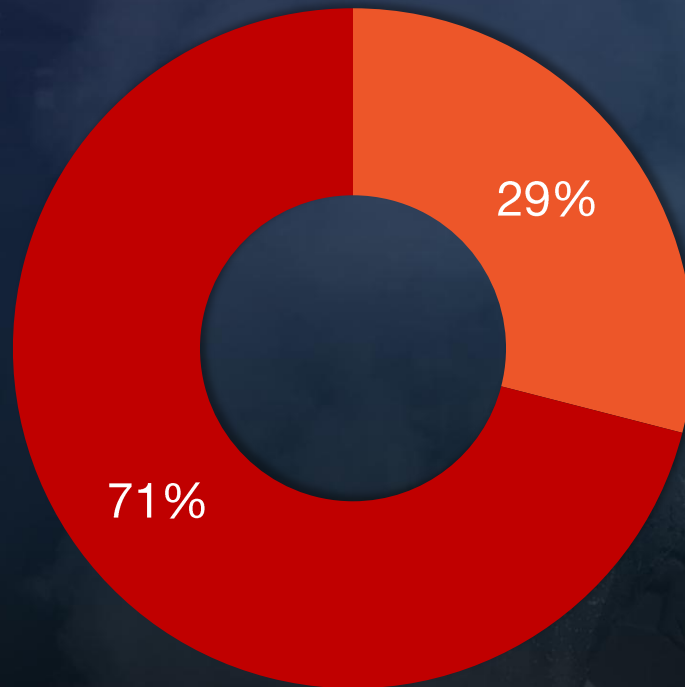


Buyers' view of mill lead times

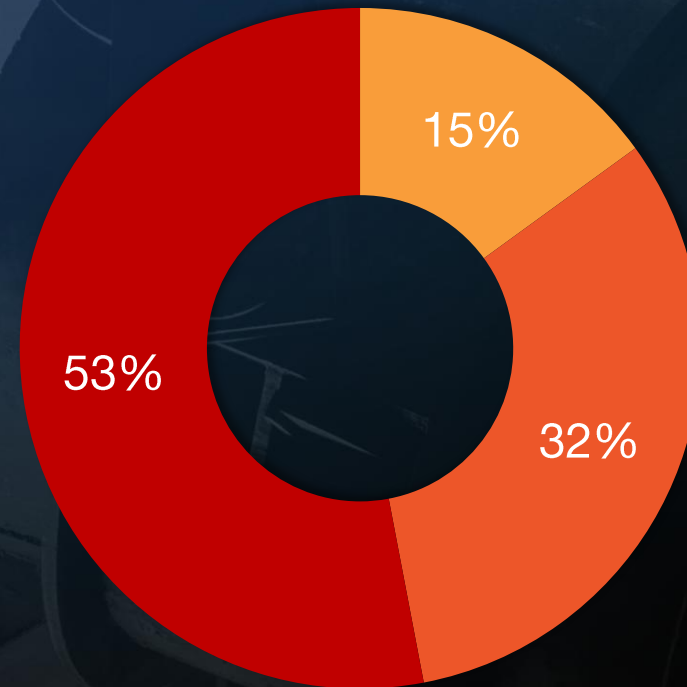
How would you describe domestic mill lead times for new orders placed right now?

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

Manufacturers



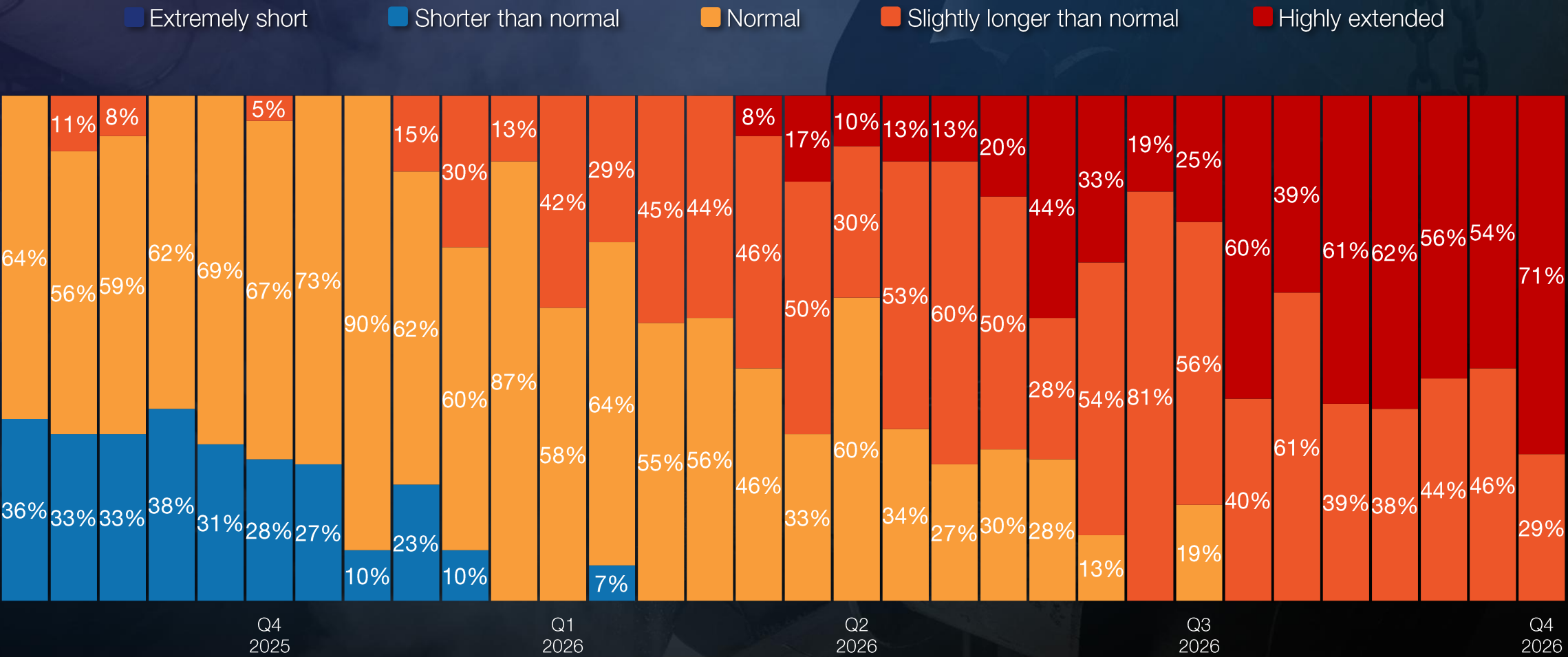
Service centers



Buyers' view of mill lead times history

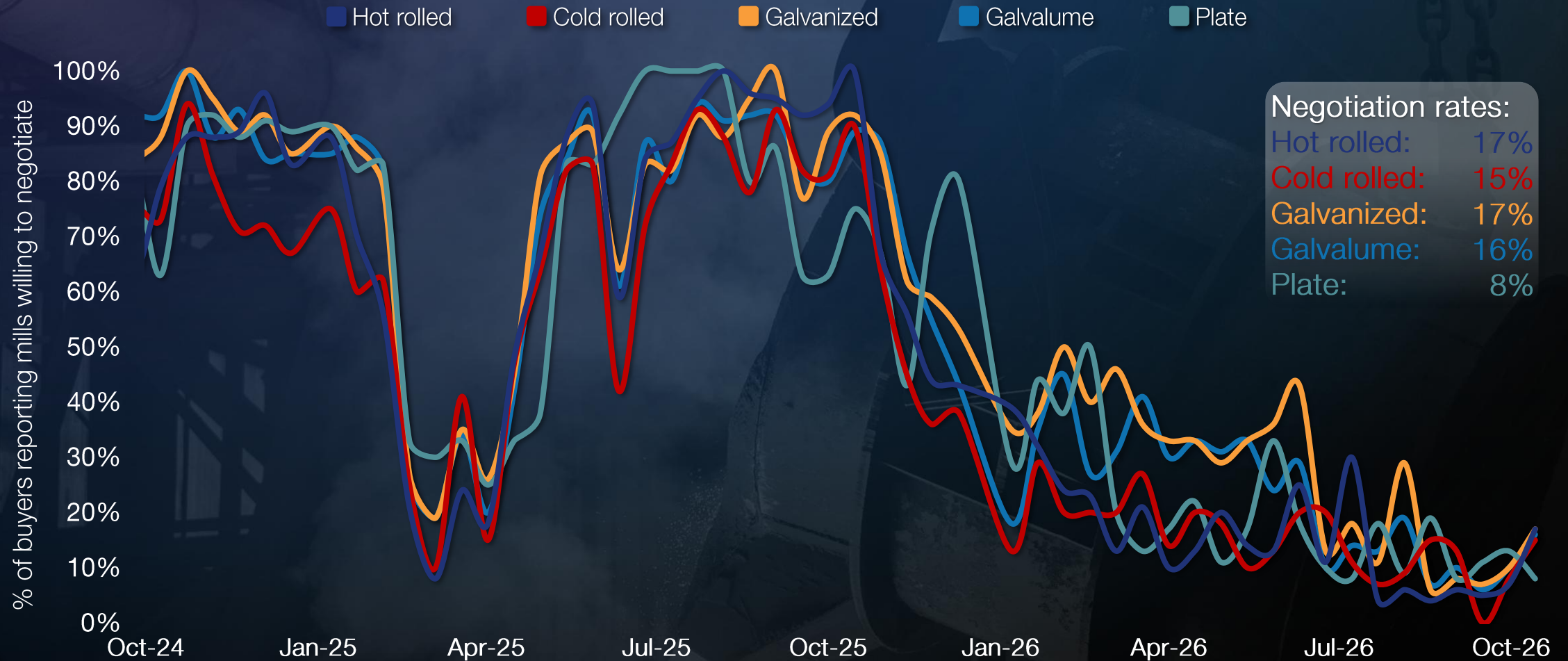
Manufacturers

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



Steel mill negotiations

SMU's price negotiations on new steel orders by product through Oct. 14, 2026.

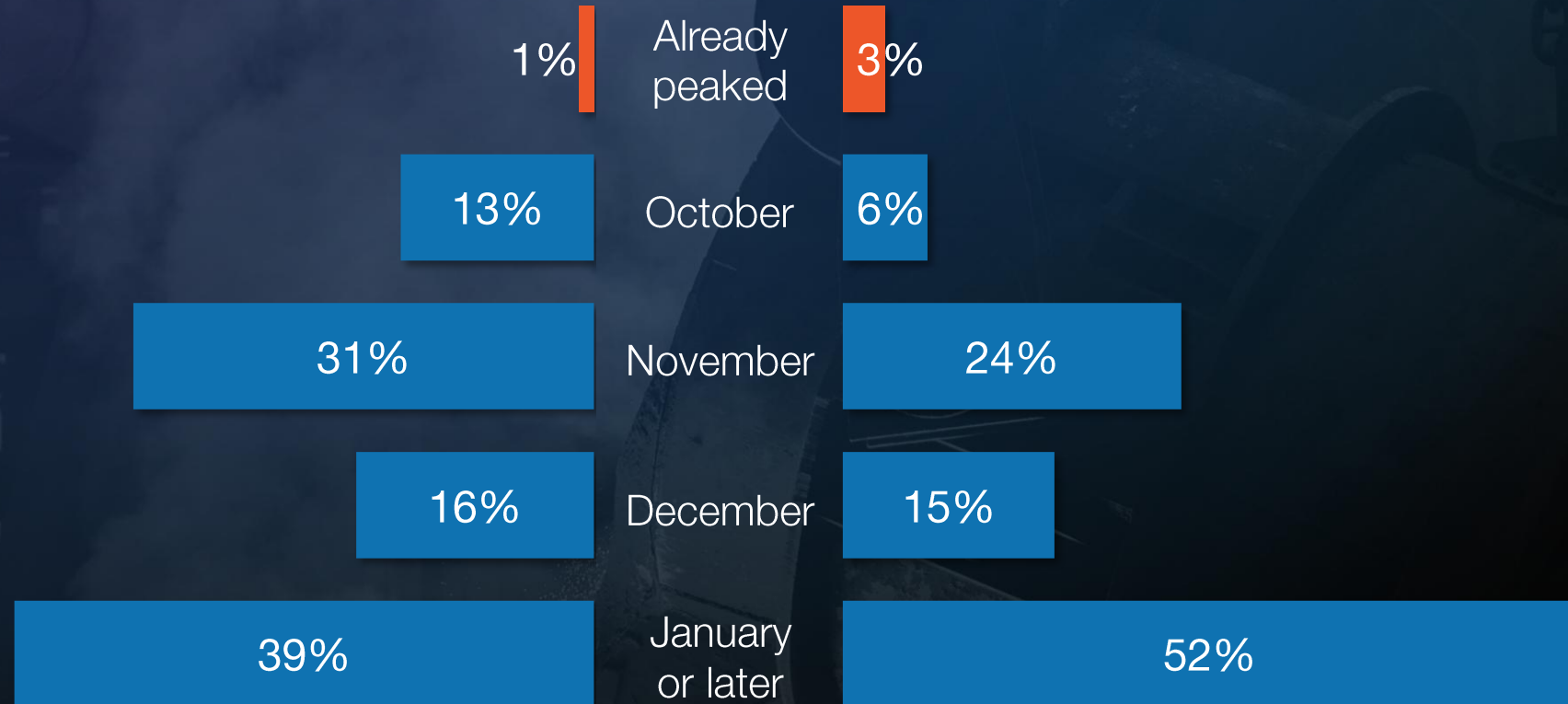


Hot rolled inflection point

When do you think steel prices will peak?

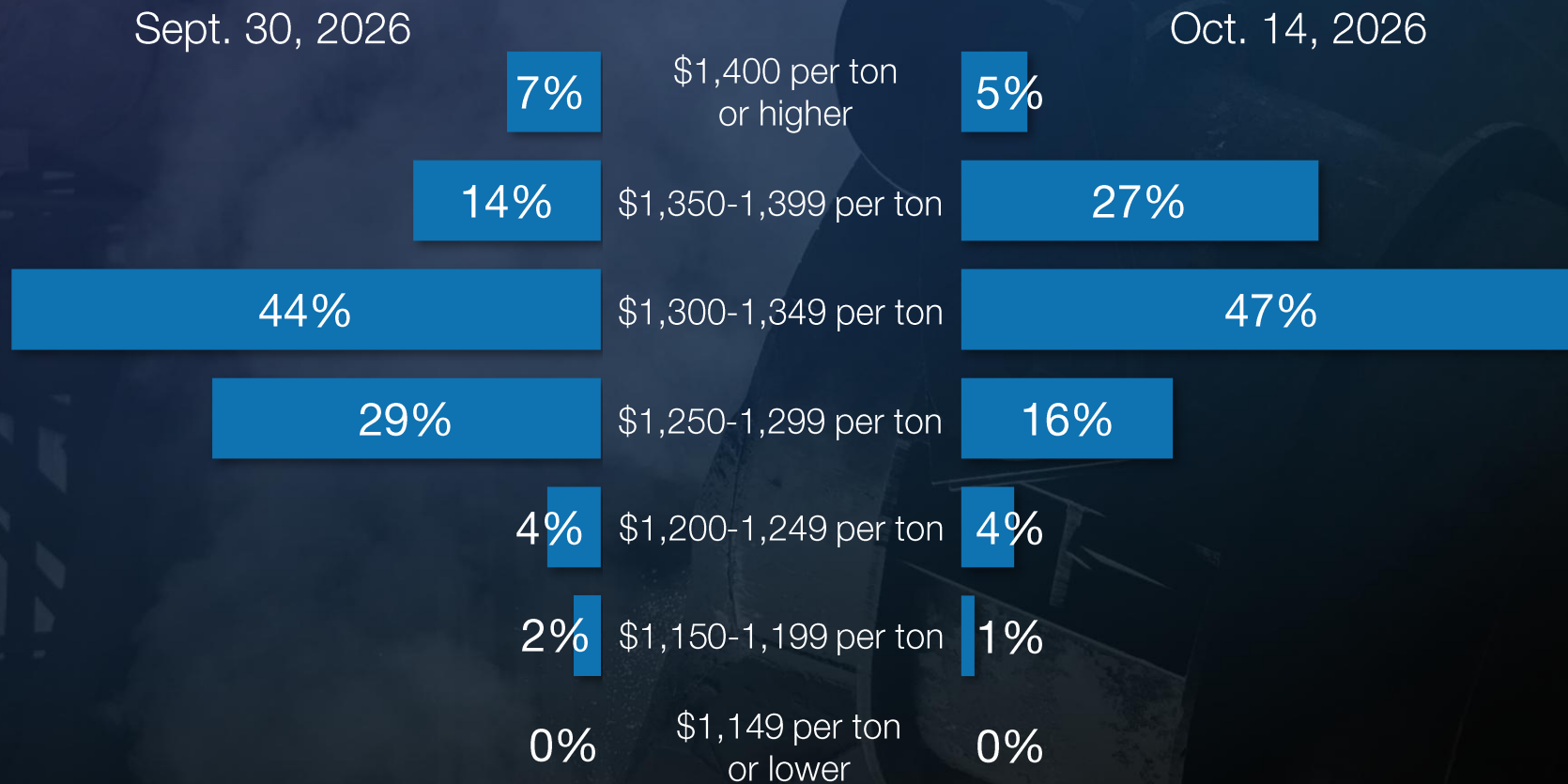
Sept. 30, 2026

Oct. 14, 2026



Future hot rolled prices

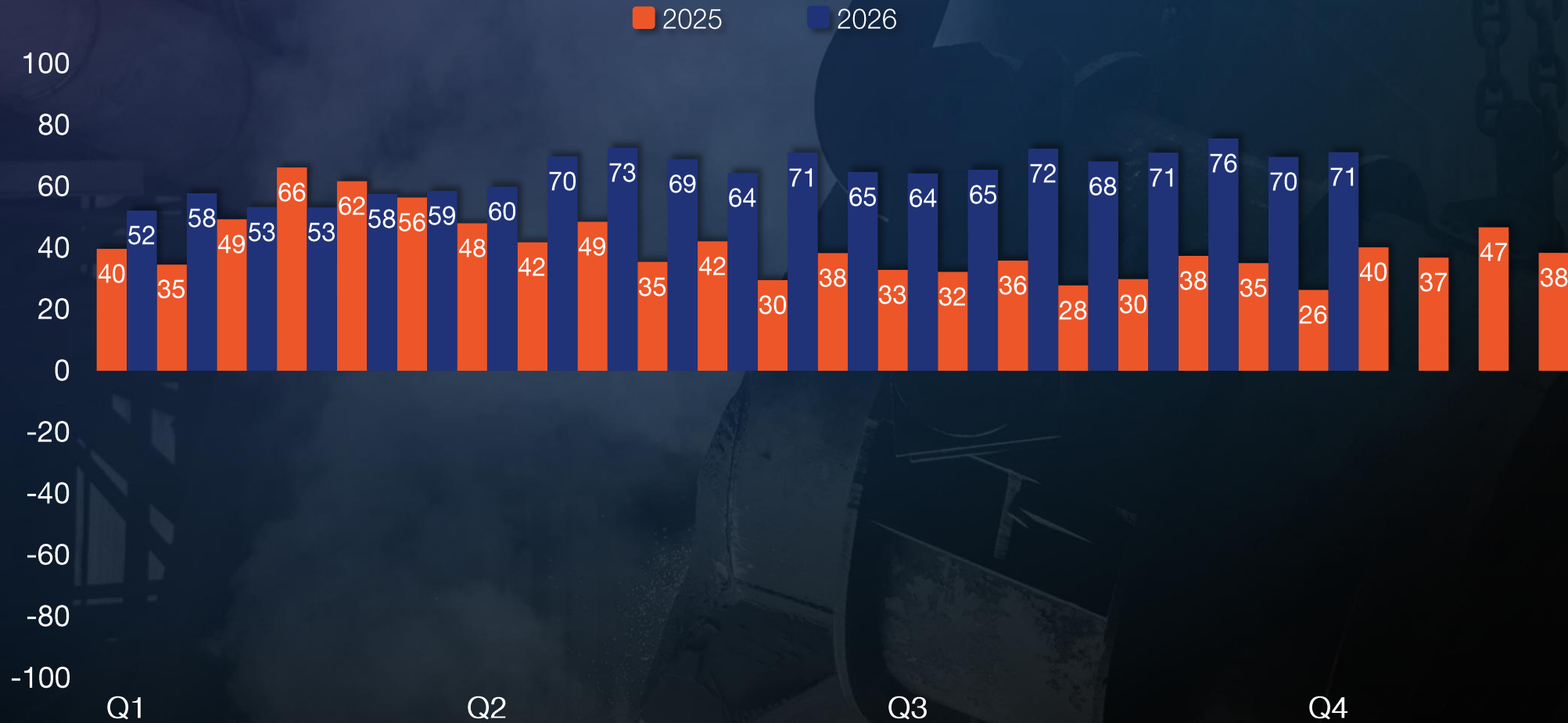
Where do you think HRC prices will be in two months?



Steel buyers' sentiment

Up one point to +71

SMU's current steel buyers' sentiment index, with data through Oct. 14, 2026.



Business forecasts

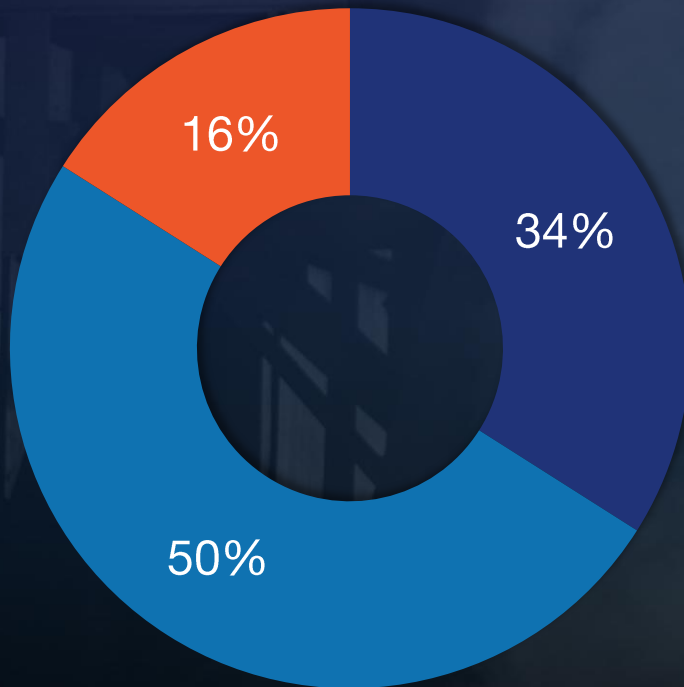
How will your company perform this month compared to your forecast?

■ We will exceed forecast

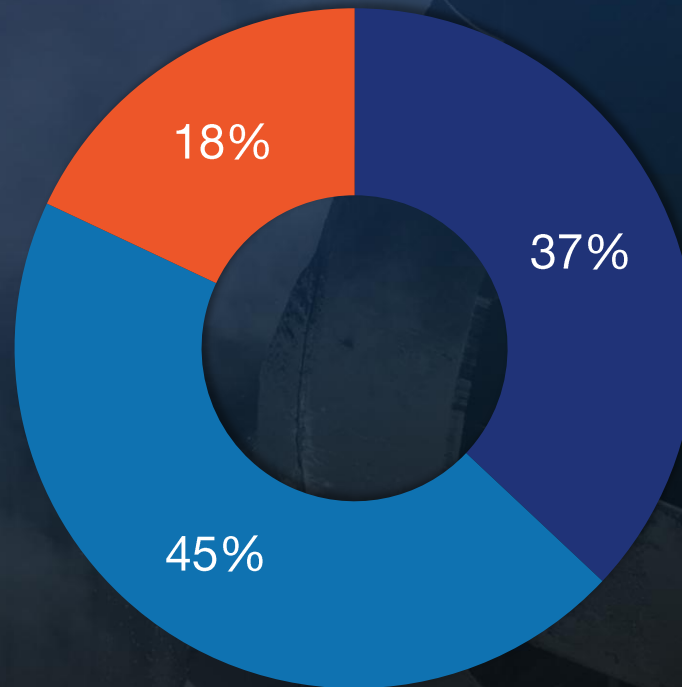
■ We will meet forecast

■ We will not meet forecast

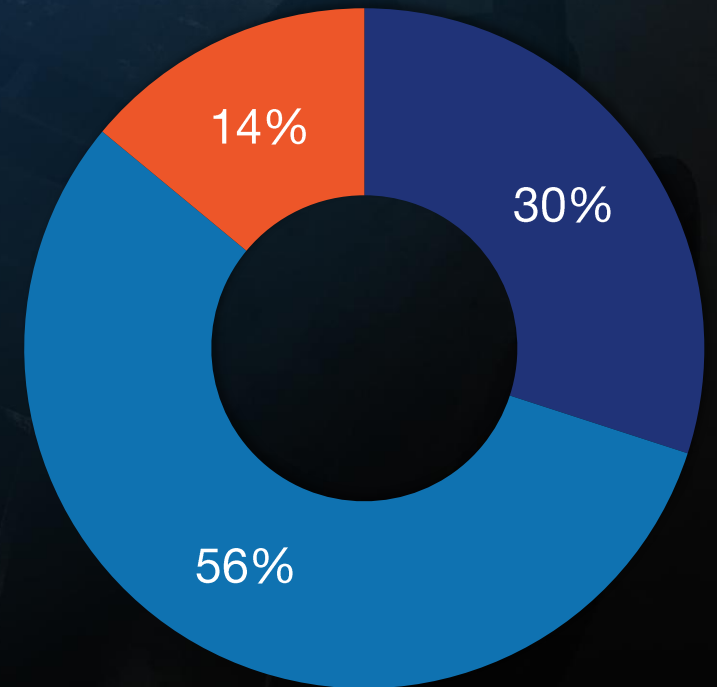
Aug. 19, 2026



Sept. 16, 2026



Oct. 14, 2026



Business forecasts

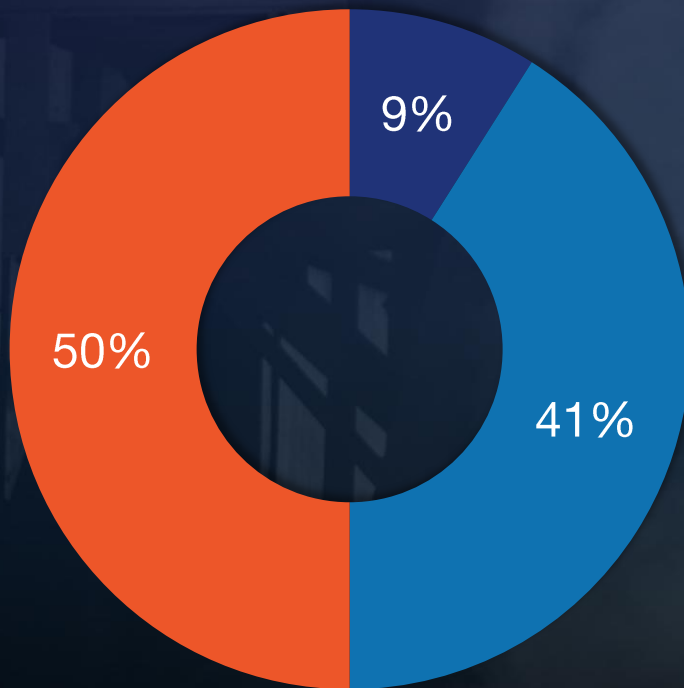
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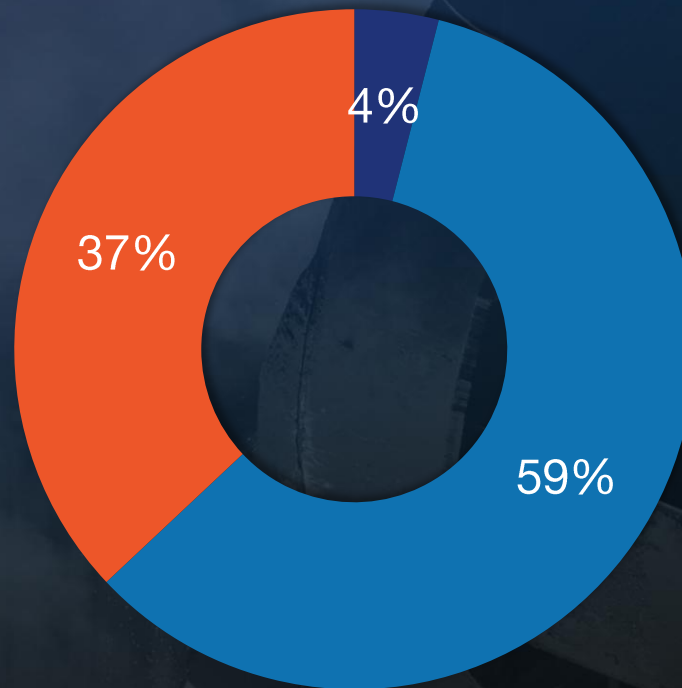
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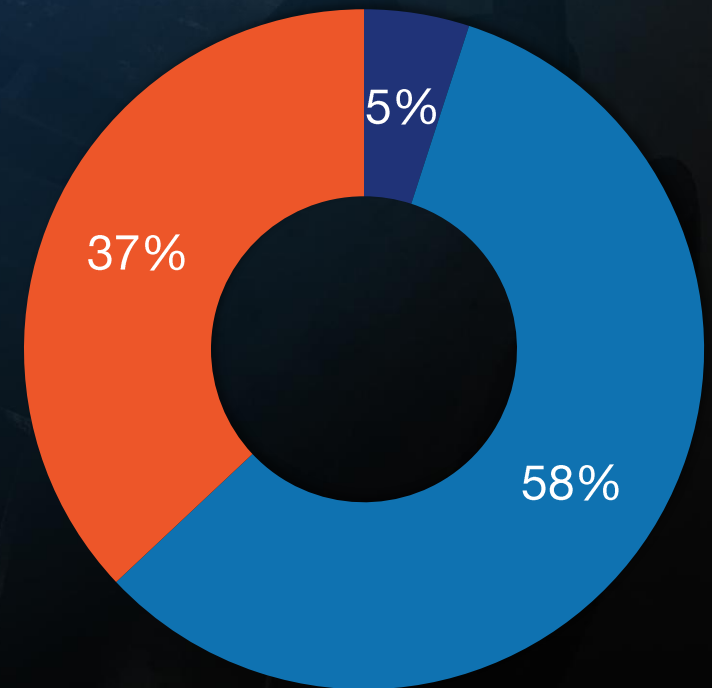
Aug. 20, 2025



Sept. 17, 2025

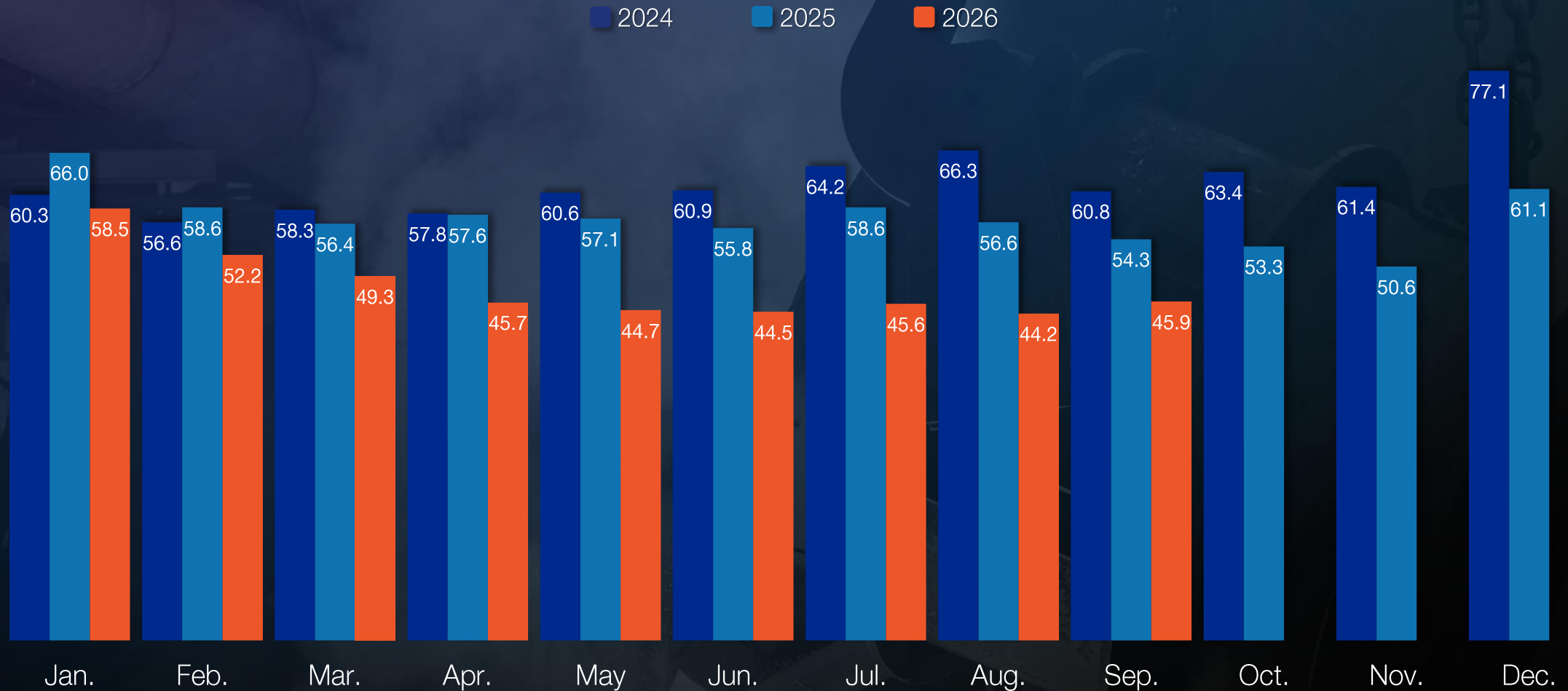


Oct. 15, 2025



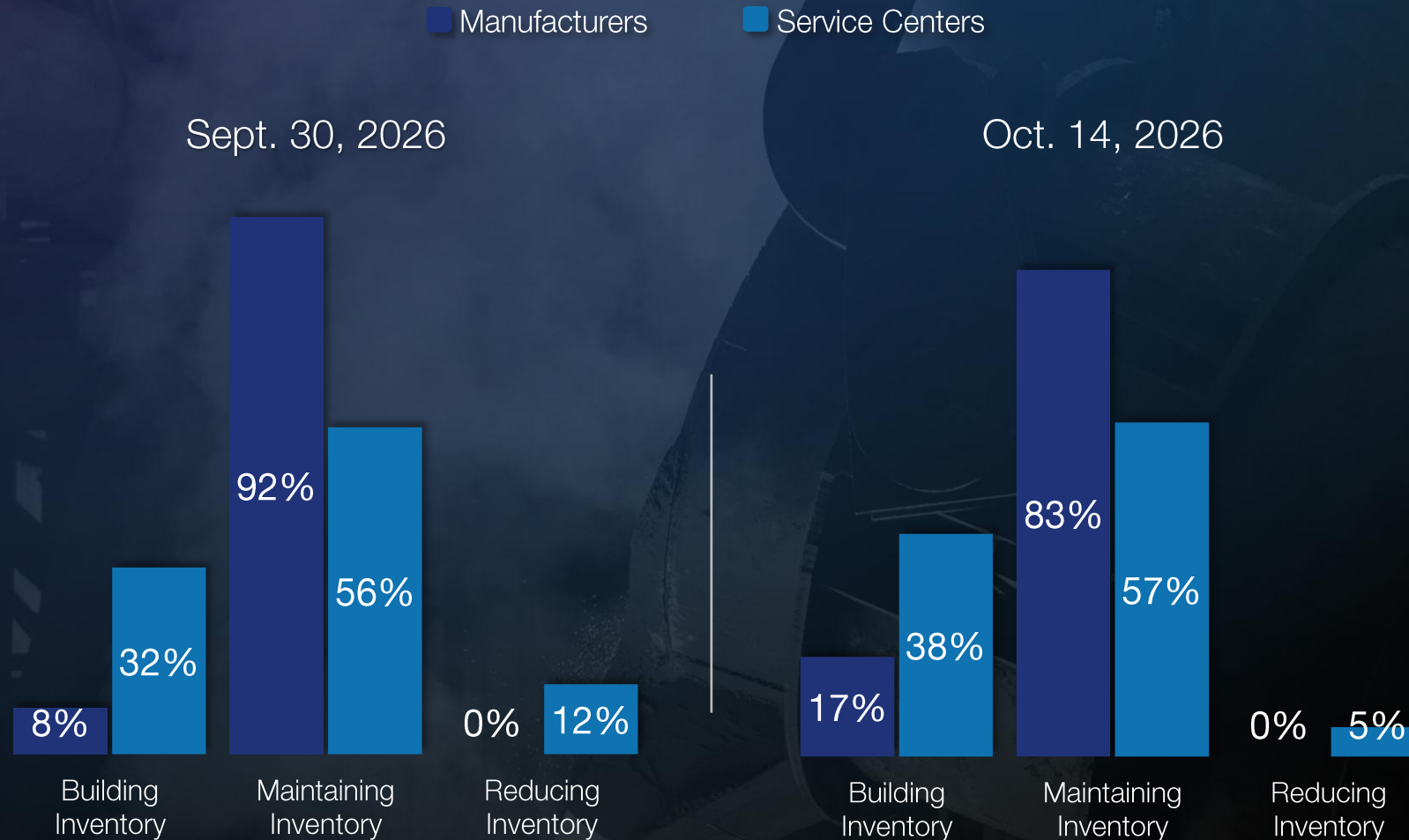
Service center inventories history

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



Manufacturer and service center inventory buying patterns

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

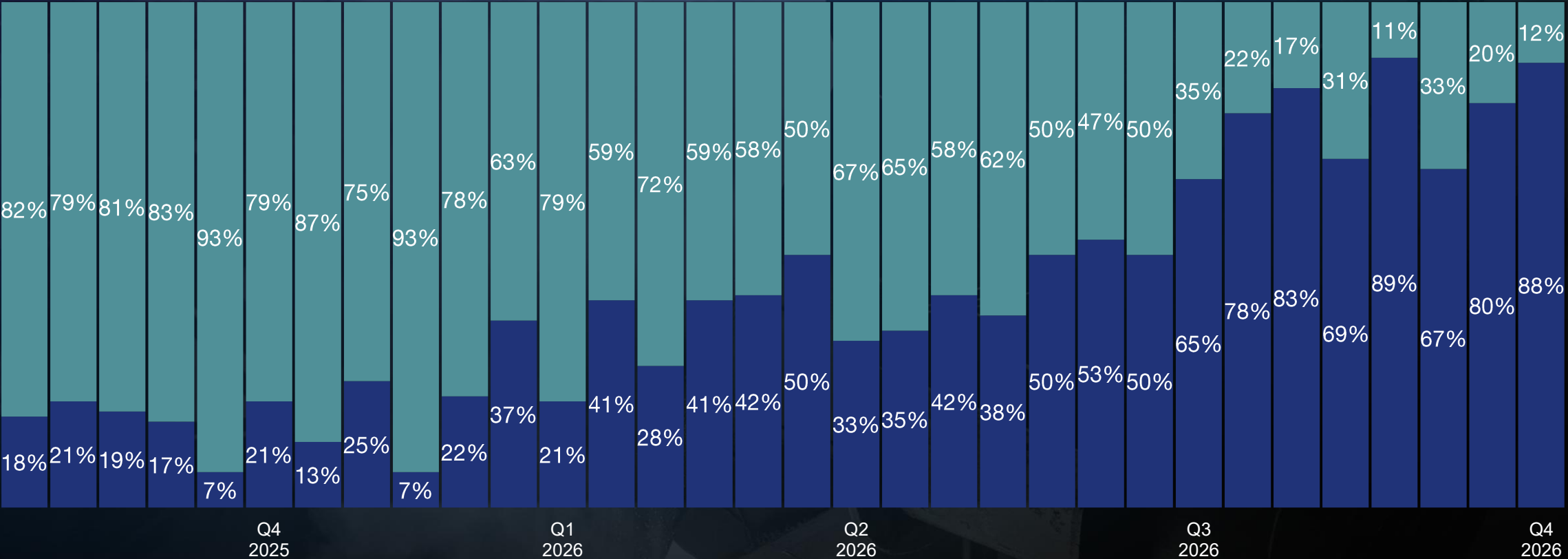


Foreign steel competitiveness

Service centers

Are your foreign steel suppliers quoting you competitive prices for new orders for future delivery?

Yes No



Trading companies

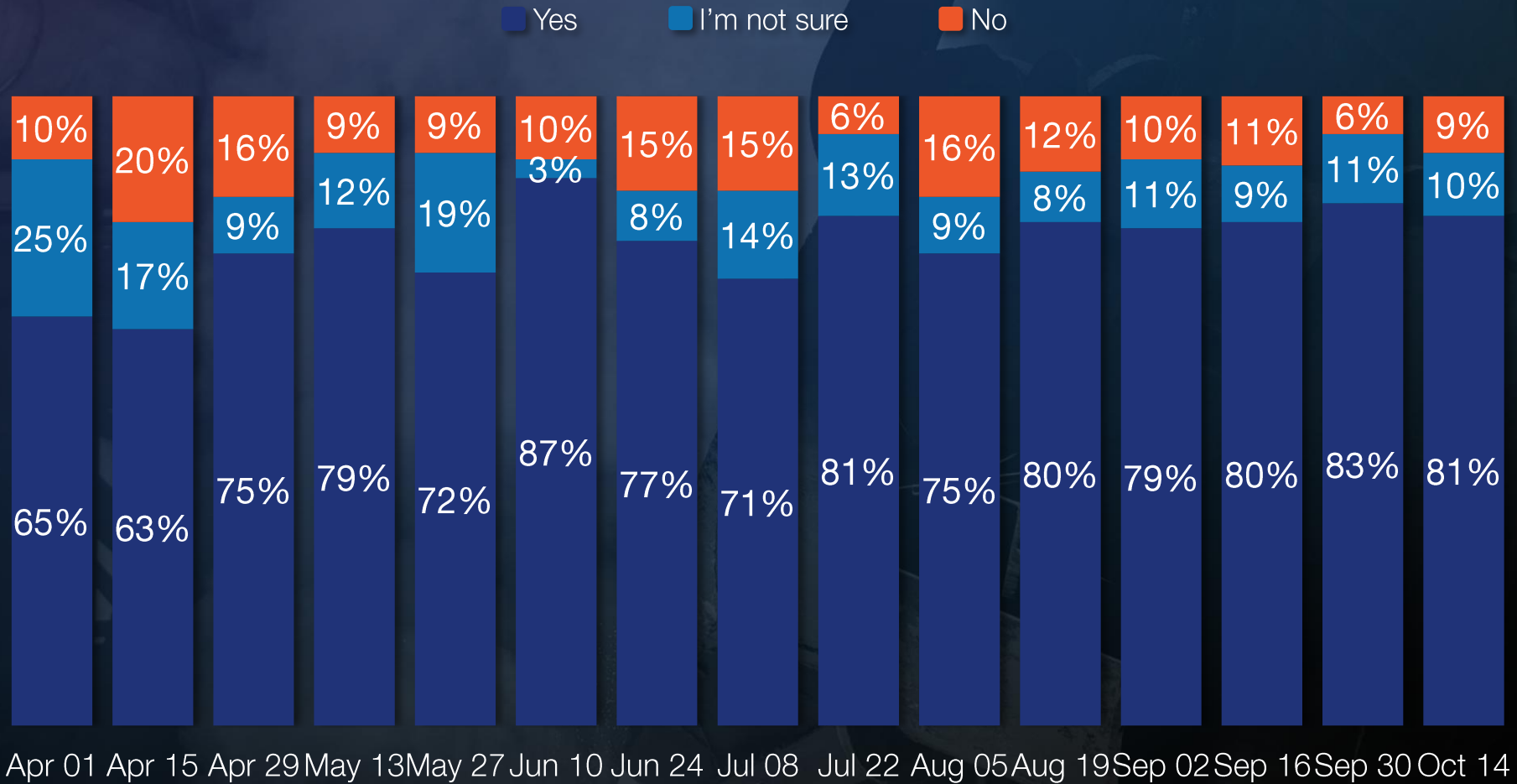
Are you seeing an increase or decrease in orders from your North American buyers?*

■ Increase ■ Decrease



Iran war implications

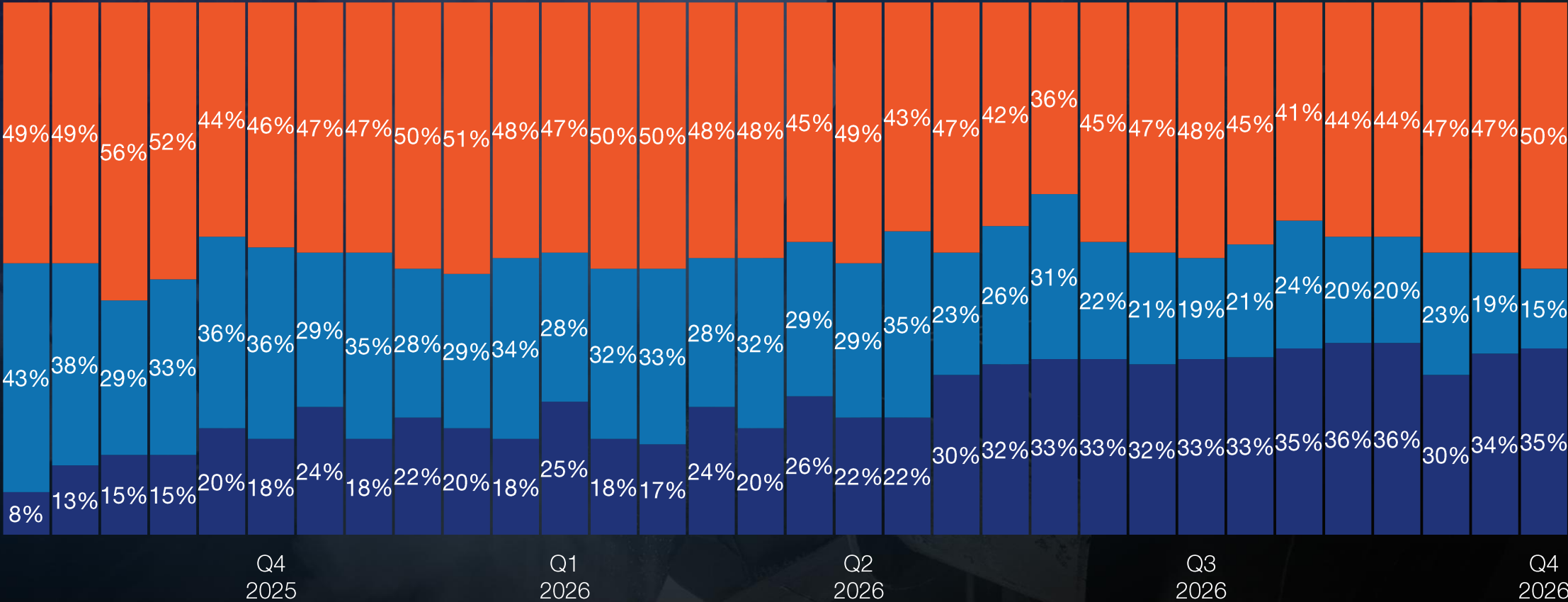
Is the Iran war having an impact on your business?



Popularity of Trump's tariffs

Are President Trump's tariff policies helping your business?

Yes I'm not sure No



FEATURED

guest



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.



AGC
THE CONSTRUCTION
ASSOCIATION

October 2026

U.S. Construction Outlook: What's in the Mix for the Rest of '26 (and Beyond)?

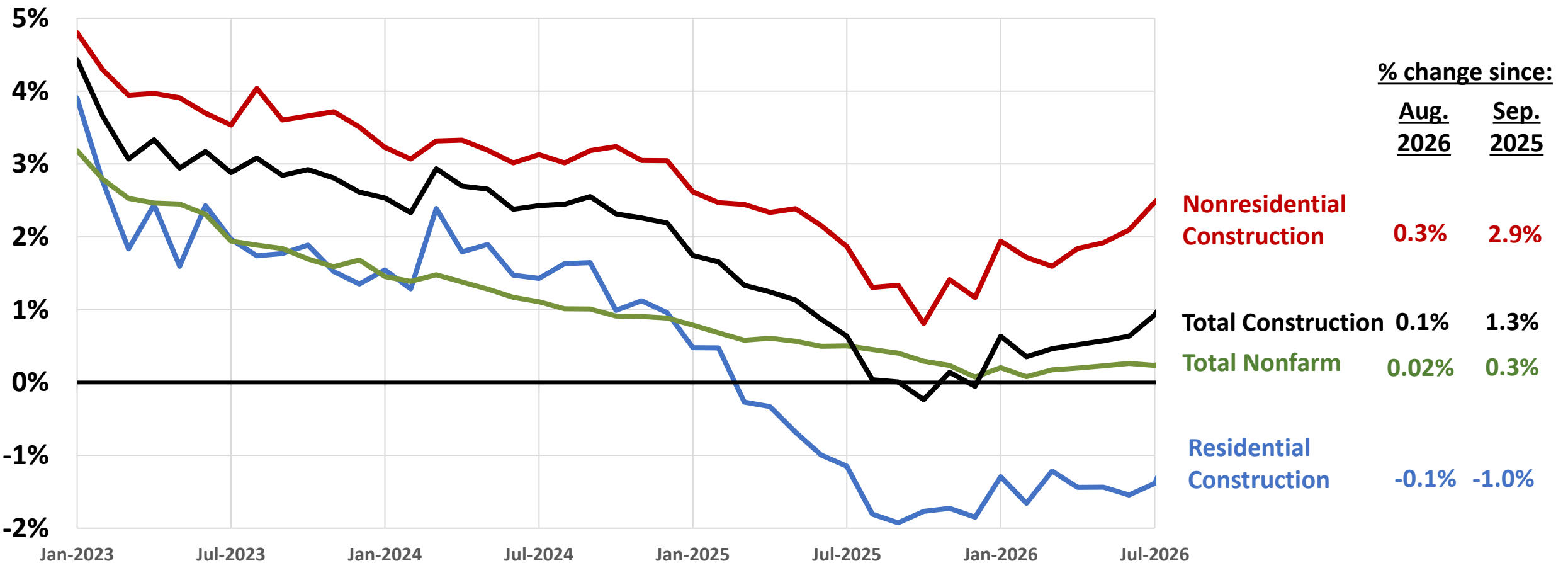
Ken Simonson

Chief Economist, AGC of America

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Nonresidential jobs are increasing; residential employment is falling

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



Construction job growth is uneven across states

34 states & DC **up** & 12 states **down** & 2 unchanged Sep 2025-Sep 2026 (**U.S.: up 1.3%**)

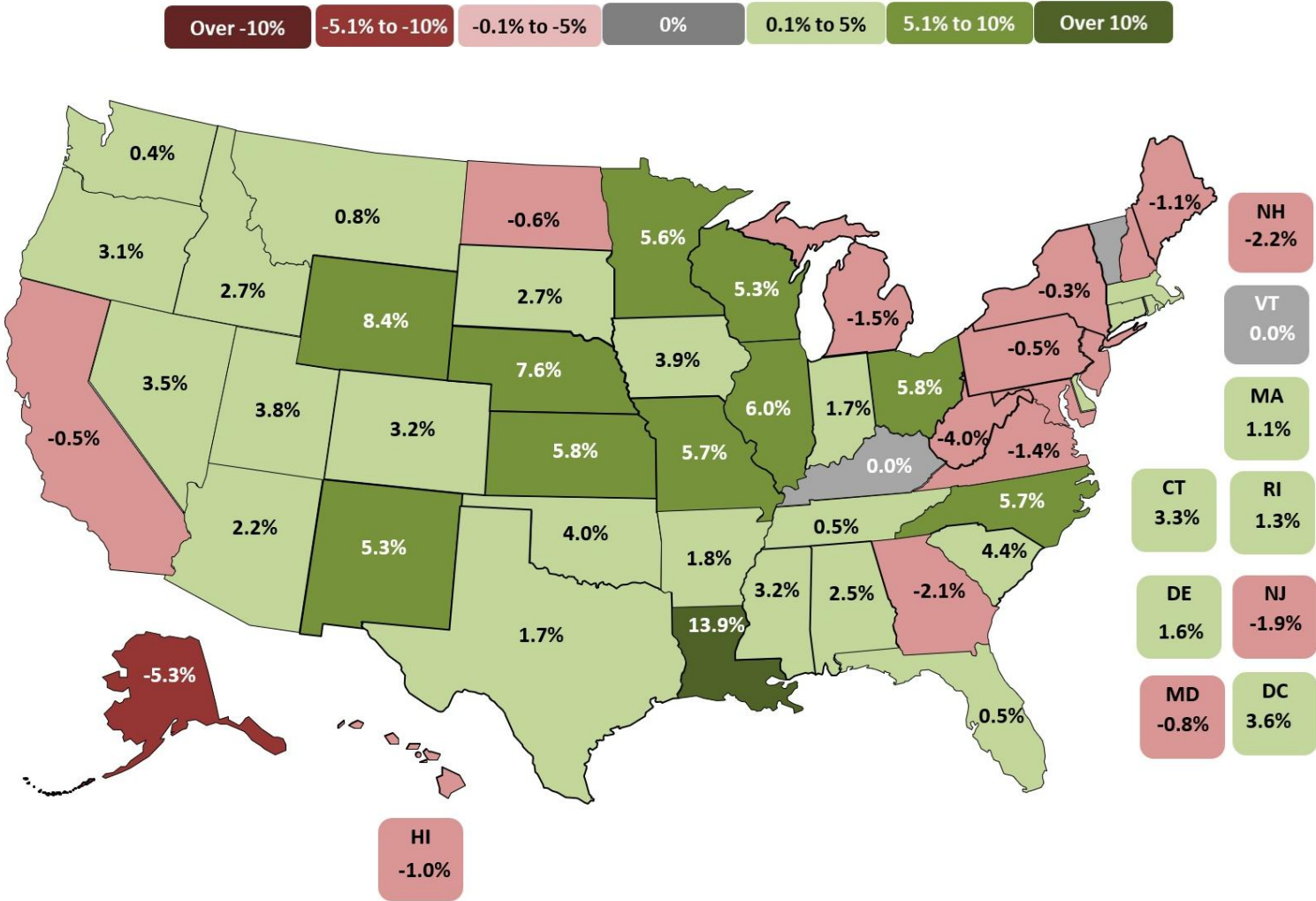
180 metros (50%) **up**, 118 (33%) **down**, 62 unchanged

Top 6

LA	13.9%
WY	8.4%
NE	7.6%
IL	6.0%
KS/ OH	5.8%

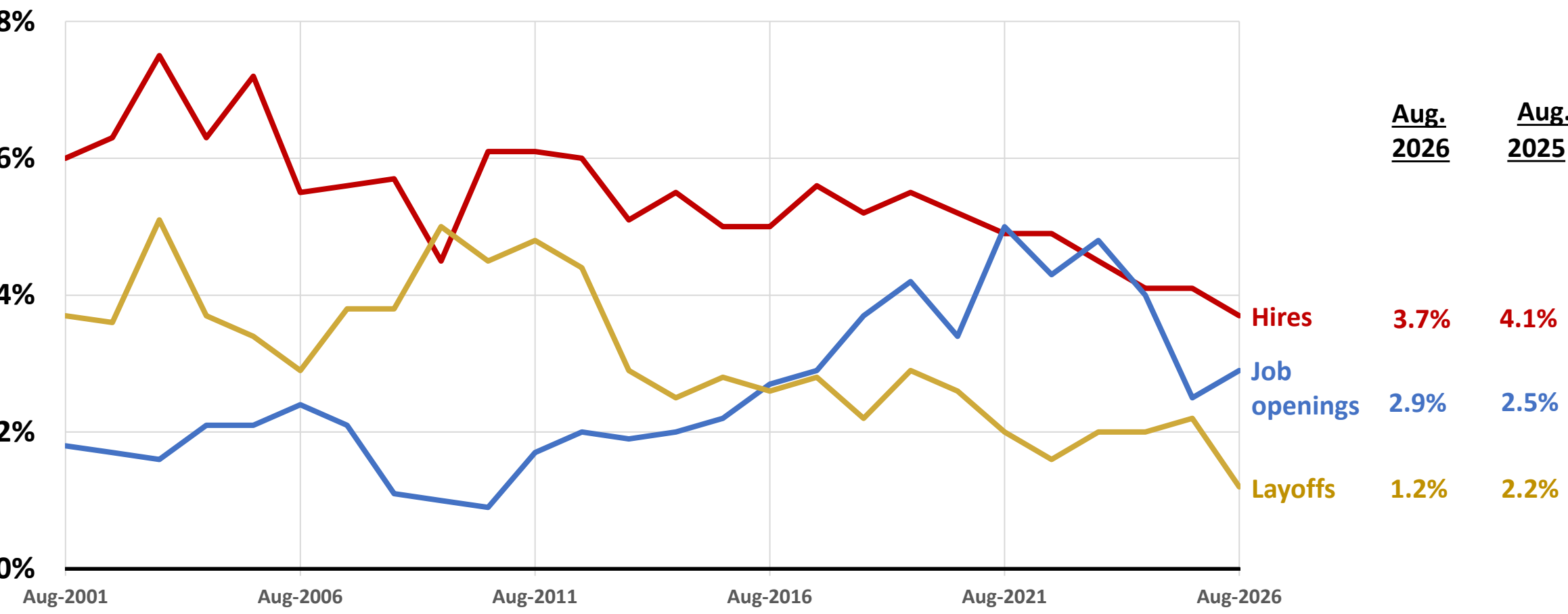
Bottom 5

AK	-5.3%
WV	-4.0%
NH	-2.2%
GA	-2.1%
NJ	-1.9%



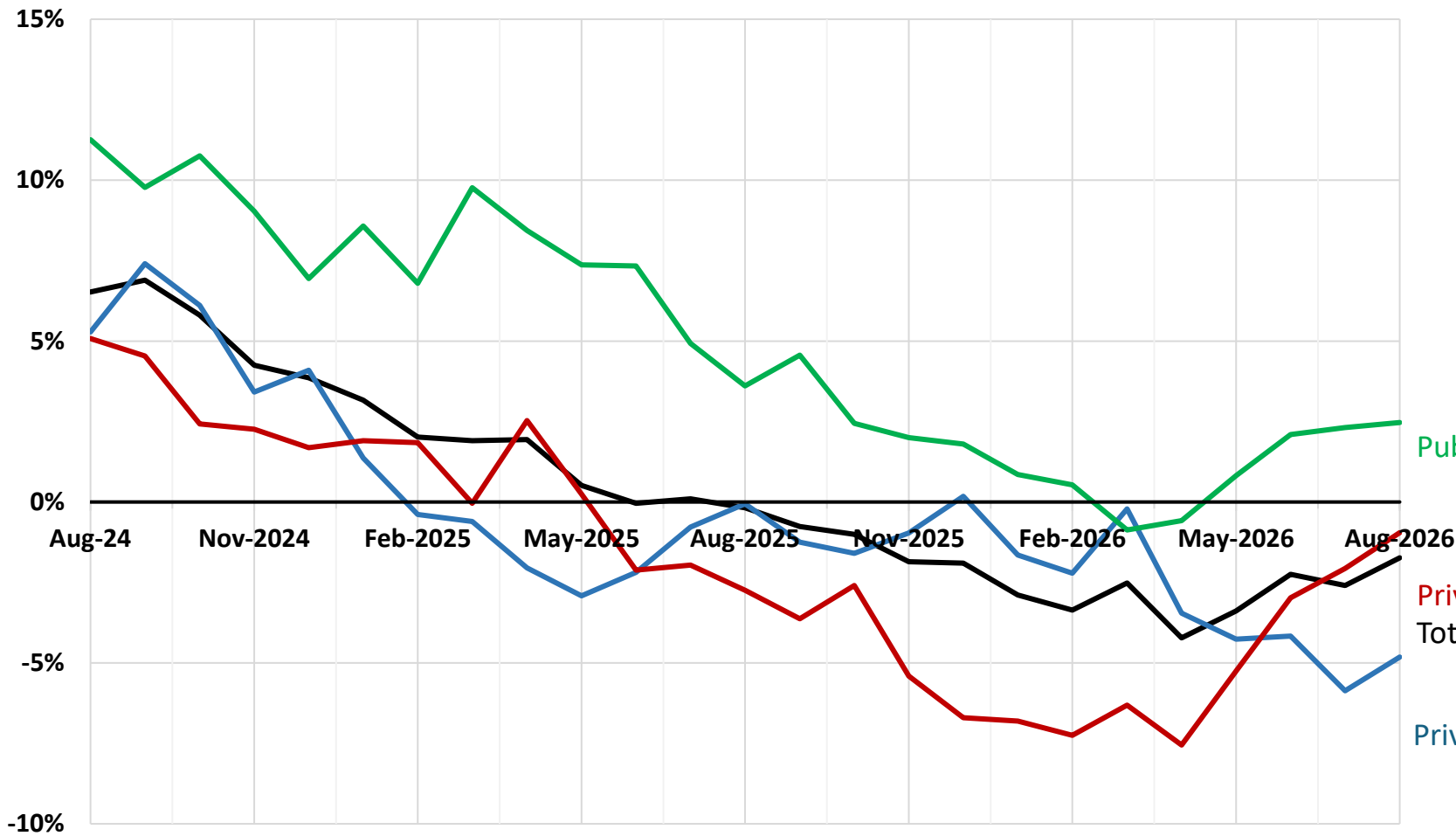
Low rates for hires and job openings but also layoffs (“low hire, low fire”)

Construction hires, job openings, and layoffs as % of August employment, 2001-2026



Small gain in public spending; downturns in private res & nonresidential

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



	Aug. 2026 (billion \$)	year-over-year % change Aug. 2024- Aug. 2025	Aug. 2025- Aug. 2026
Public	\$548	3.6%	2.5%
Private nonresidential	\$773	-2.7%	-1.0%
Total construction	\$2,203	-0.2%	-1.7%
Private residential	\$882	-0.1%	-4.8%



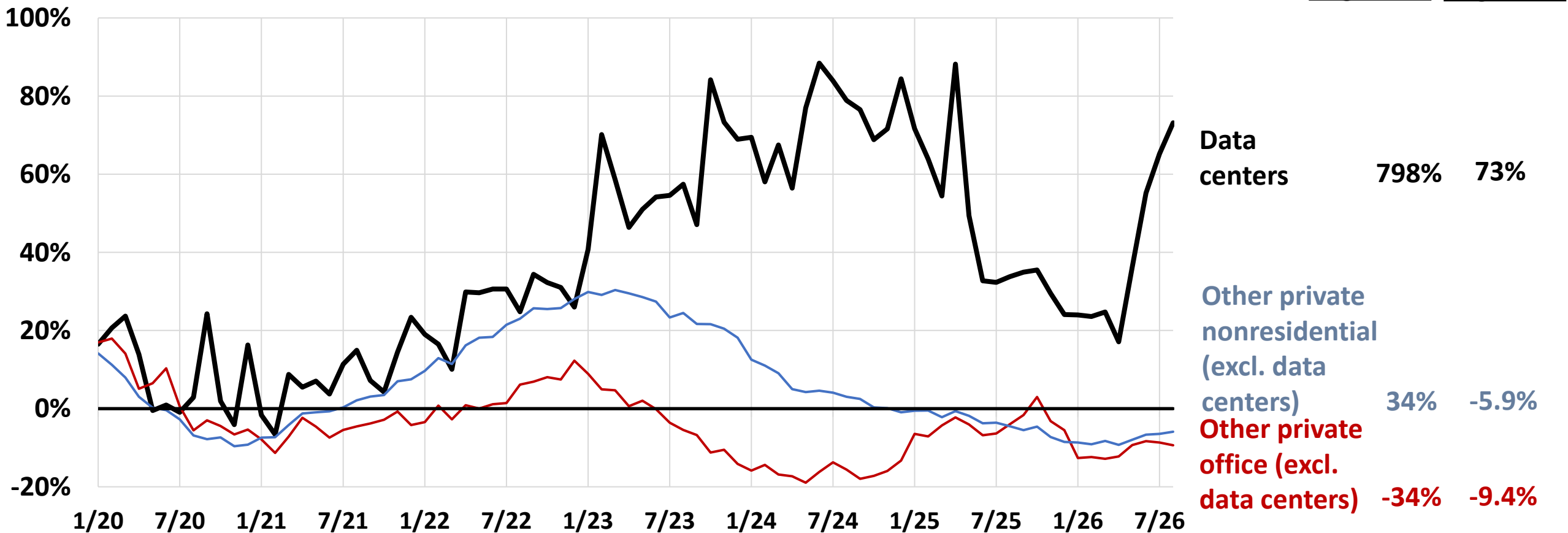
% change

Jan. 2020- Aug. 2025-

Aug. 2026: Aug. 2026:

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

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



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

Billions of dollars, seasonally adjusted annual rate, August 2025-August 2026

\$2,203B Total -1.7%: \$895B Residential -5% (private: single-family -4%; multi -0.6%; improvements -7%); public -6%
 \$1,309B Nonresidential 0.5% (private -1%, public 3%)

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

- \$186B Power 9% (electric 9%; oil/gas fields & pipelines 4%)
- \$171B **Mfg. -19%** (computer/electronic -45%; chemical 6%; food/beverage/tobacco 3%; transportation equipment 38%)
- \$152B Highway and street 5% (pavement 8%; **bridge -1%**)
- \$151B Office including data centers 25% (data centers 73%; **other private office -9%; public office -6%**)
- \$137B **Educational -0.5%** (primary/secondary 1%; **higher ed -2%; pre-primary, libraries, museums, misc. -2%**)
- \$123B **Commercial -5%** (private -5%: warehouse -8%; retail -4%; farm 0.5%); public -6%
- \$ 76B **Health care -3%** (hospital -0.4%; medical building -6%; special care -9%)
- \$ 73B Transportation 3% (air 1%; **private rail/truck -2%; transit 3%**)
- \$240B Other 2%:
 Sewage/waste 0.7%; Amuse/recreation 3%; Water supply 1%; Communication 3%; **Lodging -10%; Pub safety -7%; Conserv/dev 30%; Relig 18%**

Tariffs, war are pushing up costs of construction materials

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



Sep. 2026 change from:
Aug. 2026 Sep. 2025 Feb. 2020
(1 month) (12 months) (78 months)

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

PPI for inputs to new nonresidential construction	2.1%	12%	58%
Consumer price index (CPI)	0.6%	3.7%	30%

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

Diesel fuel	24%	115%	250%
Aluminum mill shapes	-0.1%	25%	97%
Copper and brass mill shapes	1.4%	30%	121%
Steel mill products	2.2%	28%	107%
Asphalt (at refinery)	-2.4%	18%	48%

Tariff announcements & dates affecting construction (as of Oct. 27)

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



- Supreme Court ruling invalidated many country-specific tariffs but not materials tariffs
- Contractors can get refunds only if they are importers-of-record or tariffs are shown on invoice
- President Trump imposed new tariffs in late July; also facing court challenges

Still in effect:

- **Steel & aluminum:** 25% on March 12, 2025; 50% on June 4, 2025; various exceptions
- **Copper:** 50% on Aug. 7, 2025 for copper products, not unprocessed copper
- **Lumber:** 10% on Oct. 1, 2025; duties on Canadian lumber raised from 14.5% to 35% in Aug. 2025
- **Cement:** 50% on Canadian cement on Aug. 19, 2026; suspension announced Sept. 8, effective Sept. 15
- **Cars & light trucks:** 25%; **medium and heavy trucks:** 25% on Nov. 1, 2025; lower rate for parts, USMCA
- **Fee on Chinese ships calling on U.S. ports:** suspended until Nov. 9; further delay under consideration

Construction pay increases continue to outpace the private sector



- [BLS](#): Average hourly earnings for production and nonsupervisory employees (Sep. 2025-Sep. 2026):
Construction 4.3% Private sector 3.3%
- [CLRC](#): First-year settlements for construction union contracts: 4.9% (Jan.-Sep. 2026)
- [PAS](#): Construction firm staff increases: 4.4% in 2025; 3.9-4.4% anticipated in 2026 (June 2026 report)

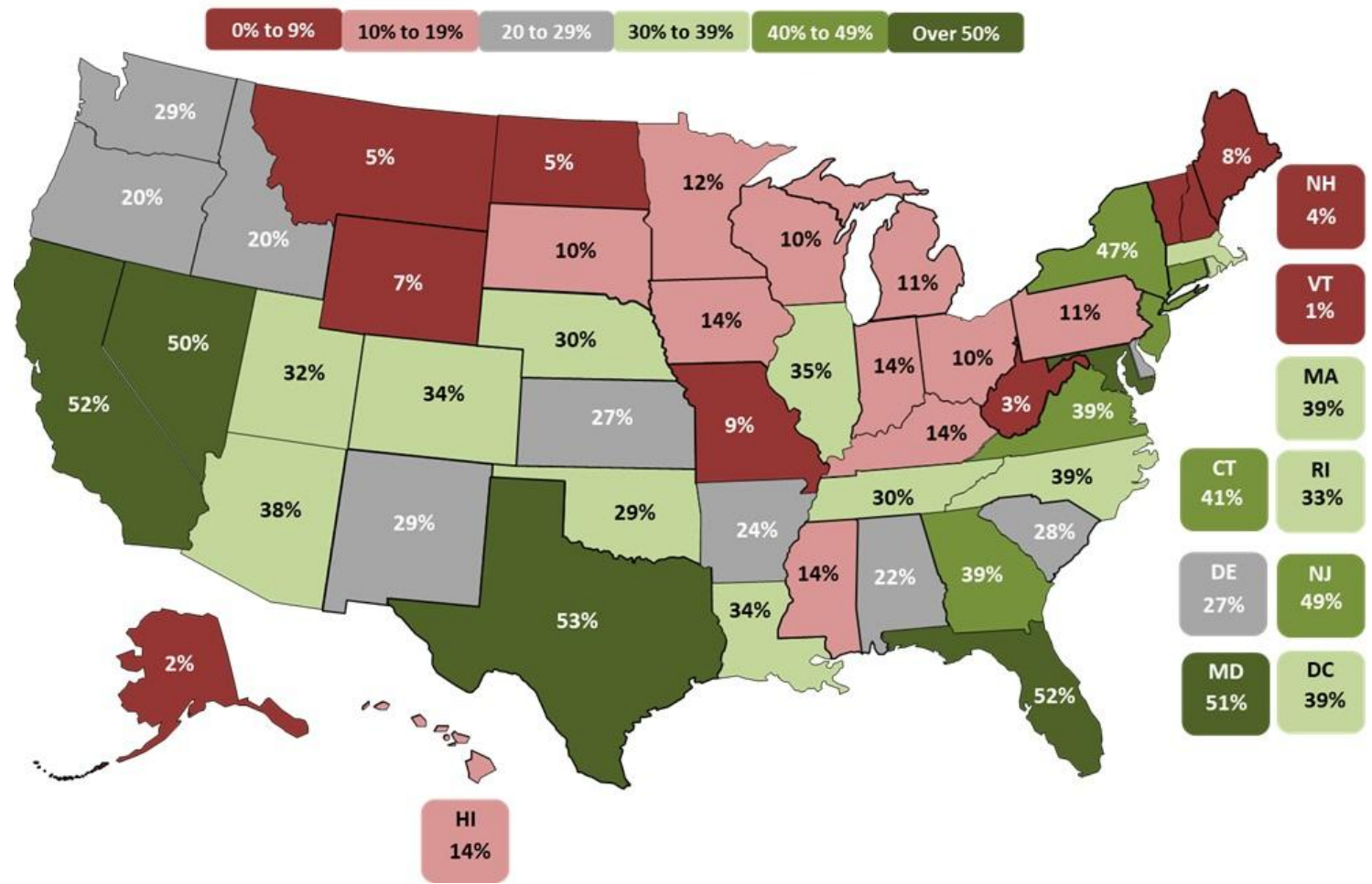
Construction trades rely heavily on immigrants (35% vs. 18% for all workers); impact varies greatly by trade

<u>Occupation</u>	Foreign <u>born</u>	<u>Occupation</u>	Foreign <u>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%

Foreign-born share of construction trades varies greatly by state (1-53%)



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



Top 6

TX	53%
CA, FL	52%
MD	51%
NV	50%
NJ	49%

Bottom 6

VT	1%
AK	2%
WV	3%
NH	4%
MT, ND	5%

Middle East conflict 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 affect 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 hotel, retail construction
- Less investment by Middle East public and private investors

Likely policy impacts on construction



- Tariffs raise costs, invite retaliation, add to uncertainty and owner hesitancy
- Harsh immigration/deportation actions will worsen construction labor shortages
- Fast-rising deficits keep interest rates higher for homebuyers, bond issuers
- Delayed renewal of federal highway & transit funding bill may stop some project awards
- However, lessened federal regulatory hurdles may help projects start sooner

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



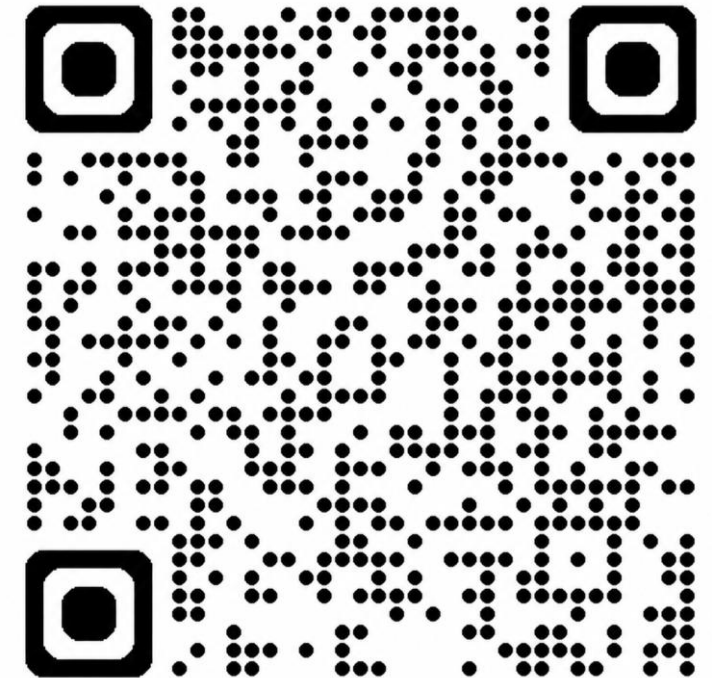
- Economic growth is unbalanced and vulnerable to war shock; inflation risk is high, recession less so
- Single-family: pickup unlikely before mid-2027; multifamily close to bottoming out
- Warehouse, office: declines likely through mid-2027 given high costs, weak demand
- Best bets for growth: data centers, power, airports, specialty health care
- Mfg. construction: increases related to data centers, power, pharma, defense production
- Materials costs: up 3-6%, much more if Middle East conflicts persist
- Supply chain: long lead times, allocations/limited availability for structural steel
- Labor costs and supply: up 4-5%; ICE actions make availability a challenge

AGC economic resources

(email ken.simonson@agc.org)



- *Data DIGest*: weekly email summary of construction economic news ([subscribe](#))
- AGC-NCCER 2026 workforce [survey](#)
- AGC data center construction: [Resource Hub](#); **webinar series** 10/6-11/4 ([register](#))
- AGC [Tariff Resource Center](#)
- 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
- ConsensusDocs [Price Escalation Resource Center](#)



THANKS

for listening

We're glad you joined!

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To contact Ken:

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