

The [American Supply Association \(ASA\)](#) and its [Industrial Piping Division \(IPD\)](#) is the national organization serving wholesaler-distributors and their suppliers in the industrial and mechanical pipe-valve-fitting industry. As a powerful alliance of channel partners, we provide a forum for your upstream trading partners to exchange critical information and address key issues.

In particular, ASA's IPD members constantly check the pulse of the materials and commodities they proudly supply to you. ASA's IPD members are knowledgeable industry leaders, and those who volunteer their service on the IPD Executive Council compile and prepare the *IPD Commodity Reports*. The *Reports* contain some of the most current and qualified market data and information available from the industry's leading manufacturers and distributors about emerging trends and other price-influencing actions and events.

This information is an example of how ASA's IPD manufacturer and distributor [members](#) are constantly looking ahead to ensure you have information and resources you need to be successful. Learn more at [www.asa.net](http://www.asa.net).

## **Oil and Fuel Outlook**

West Texas Intermediate (WTI) was higher at the time of writing due to geopolitical concerns emanating out of the Russia/Ukraine conflict. With a geopolitical premium being added to oil, it was trading at \$71.28 (\$69.46 a barrel in last month's report and up mildly by 1.9% year-to-date).

However, it remained 1.6% lower vs. November 2023 (8.4% lower last month). Brent North Sea Crude was also higher at \$75.19 (up from \$73.28 a barrel last month which was just 0.6% higher YTD but also remained 5.1% lower than November of 2023).

Fuel prices were relatively unchanged month over month at the time of writing. Diesel prices were marginally lower at \$3.54 a gallon at the time of writing (\$3.57 a gallon in the last briefing) (Source: AAA), which was \$.73 per gallon lower than last year. Gasoline was

slightly lower and was nationally \$3.06 a gallon (\$3.13 per gallon in last month's briefing), which is 23 cents per gallon lower from a year ago. Some still expect gasoline prices to approach \$3.00 a gallon by year end at this pace.

Crude oil prices are expected to average \$77.00 a barrel in 2024 (\$78.80 in the last update and they were \$77.58 in 2023) according to the EIA. For 2025, prices are expected to average \$71.60 (sharply lower than \$79.63 in the last update). The EIA latest forecast does not include impacts from the election and changes in the forecast as a result.

Gasoline prices are expected to average \$3.32 a gallon in 2024 and \$3.17 in 2025 (vs. \$3.52 average in 2023). Diesel prices as reported by the EIA will average \$3.76 a gallon in 2024 (\$3.78 in last month's outlook and were \$4.22 in 2023). The outlook for 2025 currently shows diesel prices lower at \$3.59 (\$3.73 in the last update) through 2025.

Total U.S. oil production was expected to average 13.47 million barrels per day (revised) through the fourth quarter, that would be up from 13.27 in Q3. Inventories were 1.633 billion barrels at the end of November, that was down slightly from 1.634 at the end of October but up slightly from 1.613 billion from a year ago. The EIA expects production to approach 13.53 million barrels per day in 2025.

## **What ASA PVF Distributors Are Saying**

*Feedback from ASA member PVF distributors on current market conditions and trends they are seeing.*

"Even with colder temperatures upon us, overall activity has been solid and we even recorded one of our best months in company history this October. The election is just a few weeks past, however, optimism for stronger business conditions throughout our markets is apparent as we finish up 2024 and head into 2025. While our backlog is diminishing, and typically would this time of year, we have a favorable view as to opportunities the new year will bring."

### **Distributor Comments Cont.**

“The national distributors remain slower than they expected. Both are down double digits compared to 2023. They expect MRO work to increase in 2025. The largest refiners in the U.S. have been delaying projects and reducing capacity to maintain operating margins. Higher interest rates, the previously pending elections, and the lack of available labor have negatively impacted spending by major oil companies. The victory by the Trump administration should be very good for big oil. Everyone expects the new export LNG project halt to be lifted, new oil exploration permits in Alaska issued, pipeline projects restarted and removal of EV subsidies.”

“Independent distributors sell regionally where they are located. Very few participate in national contracts. Regional construction on data centers, battery plants and distribution centers have been strong. These distributors will also be the major recipients of Infrastructure Act spending on schools, hospitals, state and federal buildings, clean water projects, etc.”

“Most of the industry is optimistic about the new administration coming up to be pro-business and pro construction. However, there is still some trepidation about interest rates. If consumer prices for consumption come down, interest rates come down a bit and consumer confidence goes up, we should see more people enter the new construction housing market. We are seeing commercial construction steady for 2025 but, after that, not sure. The only wild card is geo-political instability.”

“Commercial & industrial (C&I) order activity remains strong through YTD. This is being led by data center & automotive-related work (EV battery and tire plants). We see this trend continuing through much of Q1 & Q2 2025.”

“Inflationary pressures still exist. Wages, taxes, utilities and insurance are all contributing factors.”

“Commodity metals pricing is unsteady.”

“The threat of an East Coast port strike, while delayed, is still in the mix.”

“The Trump historic complete victory has industry very optimistic for the coming year.”

“The 4th quarter of 24 is not looking good with the holiday weeks. Shipping days and invoicing will be down.”

“Labor market is still down and hard to find qualified people.”

“Looking forward to cranking things back up in 2025.”

“Resin prices fell in November and are expected to fall again by the first of the year. Plastic prices continue to decline causing a continued deflationary impact on sales.”

“The year started off fairly strong, especially compared to a weak first quarter in 2023, but the housing market has softened, and I don’t see a rally this year.”

“If interest rates drop, we may see an upswing starting as early as Q2 of next year but expect Q1 to remain soft. I expect interest rates to drop several times in 2025, but a lot depends on how soon we get them.”

“It is an election year, so half the country is hopeful, and half the country is dreadful. That is the nature of the current political divide. The temperament of the country in terms of optimism and investment will depend on how things play out early in the new administration. There is a lot of wait and see attitude.”

“Nobody knows what to expect in terms are new tariffs, and how that may impact our industry.”

“Personal savings are down, and remodeling segment has been impacted.”

“The commercial segment has promise and could help bridge the shortfalls in residential.”

### **Distributor Comments Cont.**

“Bright spot has been activity on underground utilities and development of land for new housing development. There is a lot of demand for housing and a lot of infrastructure will be in place if the demand starts to spike. It will still be tempered by labor limitations, so a spike in demand should cause steady and longer-term growth.”

“Our outlook for the remainder of the year is optimistic. We are seeing increased activity and a steady flow of recent orders. We are confident this momentum will carry into 2025.”

“There are no changes from our previous response in October. The markets haven’t changed the way we conduct our business today and the project schedules are the same as they were the month prior. Sales projections at year-end as well as end of Q1 2025 have not changed.”

“Short term we are not expecting any drastic changes. Expecting the first quarter to be very similar to last year. However, as interest rates drop, we are expecting some growth.”

“It is always exciting and a little scary when you transition into the new year with a new presidency in the White House. We do believe this administration to be friendly to oil and gas, so we will be gearing up for heavy-wall carbon products. We are cautiously optimistic about the forecast for 2024 and will be preparing for a strong 2025.”

### **Copper/Plastics**

The average copper Comex price for November was \$4.2093 per pound. There was no change in plastics pricing as of this writing.

Residential continues to be slow, while commercial is steady.

### **Cast-Iron**

There have been no price or market change announcements from McWane (Tyler Pipe) and/or Charlotte Pipe and Foundry for cast-iron pipe and fittings for the months of October/November.

### **Forged Steel Pipe Fittings and Branch Connections**

High-pressure forged steel fittings and branch connections have had no price increase announcements through the third quarter. Carbon and stainless-steel bar remain readily available. Raw material pricing has remained stable. Some anxiety over the proposed tariffs but no impact yet on prices. Finished high-pressure forged steel fittings and branch connections are available for delivery from stock to 2 weeks.

### **Stainless Steel Pipe & Fittings**

Happy days are here again in the PVF space after the latest results from the much-awaited election. The expectations are high that industries that have been shunned will have a new incentive for expansion. Fossil fuels, in particular, should see increases in projects, especially in LNG that has been held back by the previous administration. Stainless weld fittings should benefit from the increased activity. Pricing will see a return to normality with potential tariffs applied. We expect the next few years to be very favorable for the PVF markets.