



MATERIALS MARKET DIGEST[©]

CRITICAL UPDATES FOR THE
INDUSTRIAL/MECHANICAL
PVF SUPPLY CHAIN

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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.

Distributors Speak Out on Market Conditions

***"Overall, business conditions have softened over the past few months but a few segments, including HVAC, have held up well when comparing year over year performance.

Work still needs to be completed before the snow starts flying but the market is not as strong as the first six months of the year.

Product is readily available, and lead times continue to be shortened; We are keeping an eye on commodity pricing as there has been much variability as of late.

2024 is pacing on budget and we have an optimistic view for 2025."

***"We continue to see some volatility in the market, from the lows we experienced in the past months in the steel market, prices are starting to move on an upward trend even though demand continues to be slow.

We continue to face some labor shortages, increase in ocean freight due to container prices being on the rise and the war on the Red Sea.

Also, with the upcoming election we are waiting to see what happens. Our current sales are below approximately 8%, with some good and slow months."

***"July and August exhibited the typical 'summertime vacation blues,' but September has recovered nicely with both strong order booking and billing, which is in line with what we experienced in the first 6 months of the year!!"

***"Sales are up 8% this month."

***"We're a little behind last year, sales-wise, but profits are up. Activity in Arkansas is steady, but a few huge projects were cut down or put on hold at the beginning of the year. We all understand the difference a single point drop in interest can do to say, a \$200 million project. A couple of those are coming back around, but I don't see a huge push until 2025.

When sales are down, the competition is up! That tends to drive margins downward, so we're blessed that our margins have been as strong as they are. We work hard to make it where and when we can, while still being very competitive on the large quotes. I'll be happy if things just keep going through the EOY. Even with the drop-in interest rates, we don't expect to see any spike because of that for several months. By then, hopefully, there will be a couple more drops.

It takes a while to resurrect the projects that were put on hold. Can't happen in a month or two. Having stated the above, we're very optimistic for 2025, which is shaping up to be a breakout type of year. Looking forward to getting the election behind us, regardless of the outcome, and hoping and praying for some world-wide stability. God willing."

***“We have seen a notable slowdown in projects that pop up out of nowhere, which has led to a slight decline in our sales to PVF distributors. Our revenue is up this year as engineered sales and ecommerce distributors have made up the difference.”

***“On the cost front, we have taken steps over the past two years to reduce the supply chain risk associated with overseas production. Commodities have been stable for two years now, which is a welcome change from the chaos during and following the pandemic.”

***“About the same, getting asked for more multi-family bids.”

Copper

The copper Comex closed earlier this week at \$4,2890, which is up \$0.0075 from the previous Friday's close. The Comex average year-to-date price is \$4.2103 per pound and the LME is \$0.0767 below the Comex average year-to-date price.

Carbon Steel

Carbon steel pricing is up 15% over the last month, while down just over 30% year-to-date. Increased pressure on imports has driven up imported steel pipe quotes, matching domestic increases.

On international fronts, China has been exporting large amounts of steel all year, while India has seen demand for its steel offerings diminish while its own imports rise. Global scrap prices have remained relatively flat, leading one to wonder if these recently increased carbon steel prices will stick.

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 month of September.

Forged Steel Pipe Fittings and Branch Connections

There have been no changes in pricing for forged steel carbon and stainless fittings.

Raw material remains available, and deliveries are stock to two weeks.

There are many watching the possible impact of a port workers strike in the Gulf and East Coast ports at the end of the month.

Stainless Steel Pipe & Fittings

The stainless weld fitting market continues to have a less-than-stellar year as prices remain flat. It still seems that major projects that have any swing with the election results are waiting until there is a clear winner.

Interest rates retracting should put some added stimulus for buyers to get back into financed projects, but there is also the concern that the economy is continuing to cool. Only a few months away to see.

Market Observations

Plastics are becoming more competitive. The demand is lower.

Wrot is stable, while press is competitive as well. Data center projects continue to keep valve demand stable.