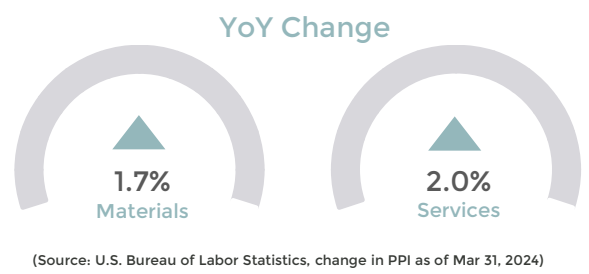
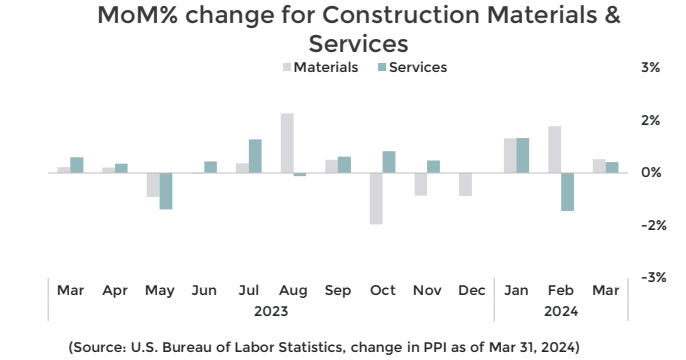


The producer price index (PPI) for net inputs to construction industries - not seasonally adjusted (a broad index that measures producer inflation in materials and services to construction excluding capital investments, labor, and imports)



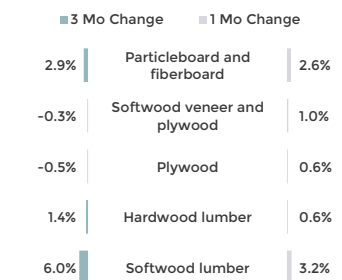
Deeper into the woods | In April, lumber futures sagged by nearly 15% in the past 30 days, trading around the low \$500s per thousand board feet. This dip was catalyzed by a push back in new housing construction signaling a drop in demand for dimension softwood lumber products. The Producer Price Index (PPI) for softwood lumber, which rose by 3.2% in March compared to the previous month, lags recent market dynamics.

The NAHB/Wells Fargo Housing Market Index (HMI), an index that measures homebuilders' sentiment, held steady at 51 in April. Although this reading translates to no change from March and still above the crucial breakeven mark of 50, new residential construction activity indicates a dip in momentum.

Residential construction starts, which had undergone a substantial rise in February, reversed all those advances in March. The latest monthly report on new residential construction from the U.S. Census Bureau reveals a significant decline in housing starts. Compared to February, there was a notable slump of 14.7%, with a further decrease of 4.3% compared to March of the previous year. This decline was primarily driven by a substantial drop in multifamily housing, which decreased by 20.8%, while single-family housing also saw a significant decrease of 12.4%. In contrast, construction permits, which serve as a barometer for future construction activity, experienced a more moderate decline of 4.3% from the previous month coupled by a modest increase of 1.5% from the same period last year.

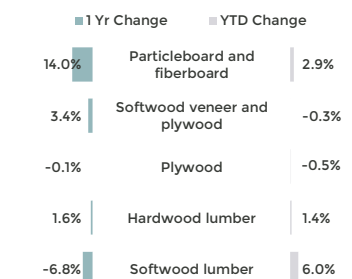
On the housing front, purchase applications declined, and the average 30-year mortgage rate increased to 7.24% from 7.13% and for the week ending April 19 according to Mortgage Bankers Association. Higher interest rates weighed in heavily on housing construction activity, softening demand for lumber in April.

Lumber & Wood Products



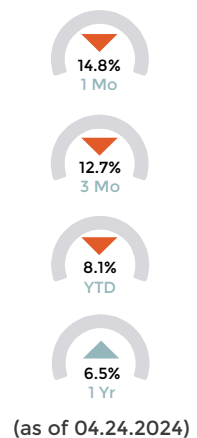
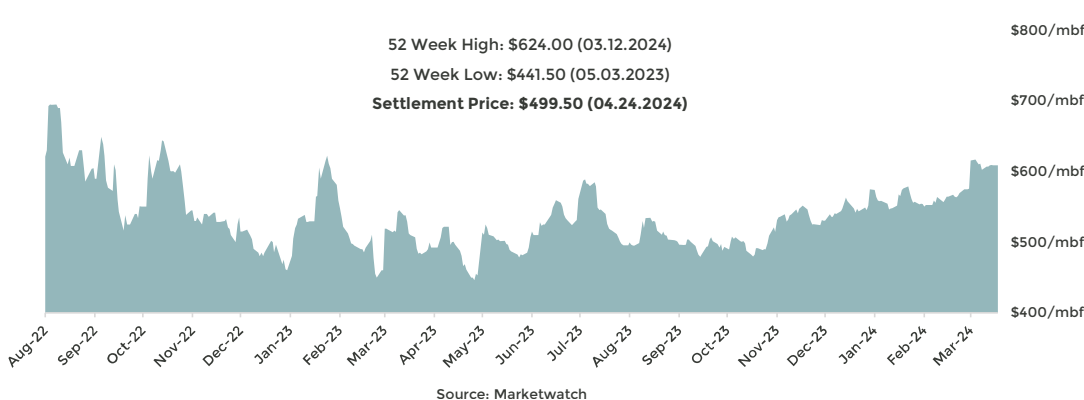
(Source: U.S. Bureau of Labor Statistics, change in PPI as of Mar 31, 2024)

Lumber & Wood Products



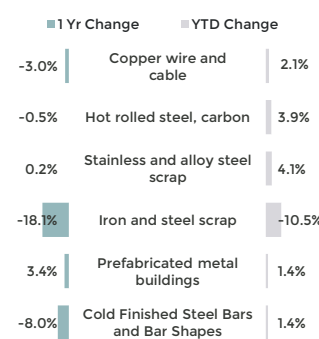
(Source: U.S. Bureau of Labor Statistics, change in PPI as of Mar 31, 2024)

Lumber Continuous Futures (CME: LBR00)

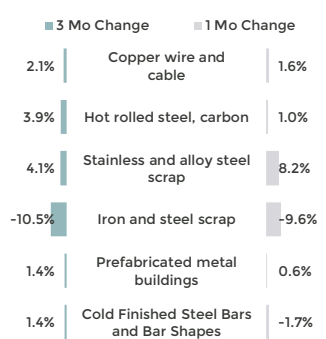


Out of the furnace | In late March and early April, U.S. hot-rolled coil (HRC) futures experienced significant fluctuations, largely influenced by the collapse of the Francis Scott Key Bridge and the subsequent temporary closure of the Port of Baltimore. This event had a localized impact on shipping activity, triggering a surge in speculation among investors. Steel futures skyrocketed by 20% in a single day as speculators anticipated that an increase in freight costs would lead to increased metal prices. However, with the port partially reopening this

Metals & Metal Products

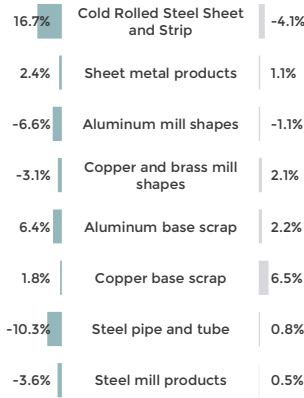


Metals & Metal Products

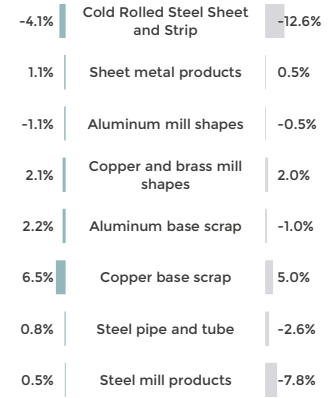


month, concerns regarding long-term supply chain disruptions began to subside, causing the sharp rise in steel futures to dissipate. Consequently, HRC futures stabilized, remaining largely unchanged over the past month.

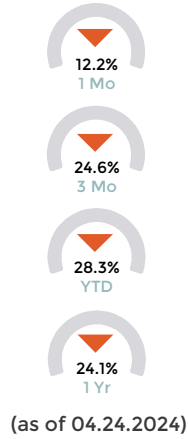
After a three-month streak of gains, the Producer Price Index (PPI) for steel mill products gave back almost all those gains in March and posted an anemic 0.5% increase since the beginning of the year. PPI for steel mill products plunged by 7.8% in March compared to February, on a non-seasonally adjusted basis and dropped by 3.6% compared to the same period last year.



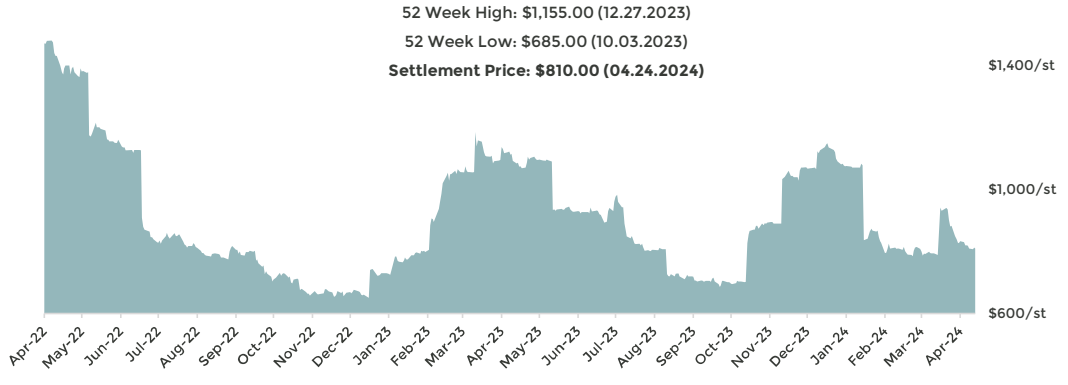
(Source: U.S. Bureau of Labor Statistics, change in PPI as of Mar 31, 2024)



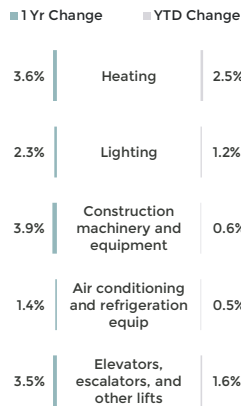
(Source: U.S. Bureau of Labor Statistics, change in PPI as of Mar 31, 2024)



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

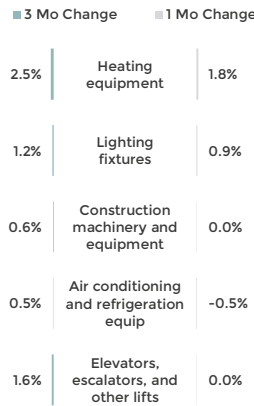


Equipment & Others



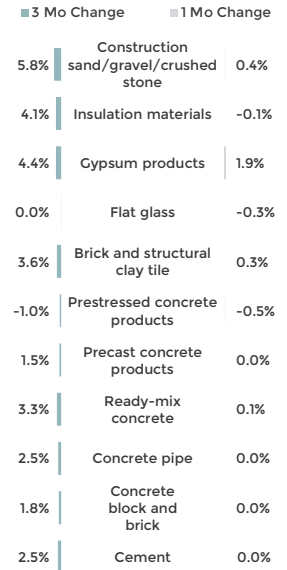
(Source: U.S. Bureau of Labor Statistics, change in PPI as of Mar 31, 2024)

Equipment & Others



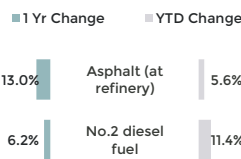
(Source: U.S. Bureau of Labor Statistics, change in PPI as of Mar 31, 2024)

Nonmetallic Mineral Products



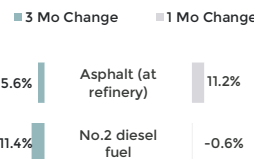
(Source: U.S. Bureau of Labor Statistics, change in PPI as of Mar 31, 2024)

Fuels & Related Products



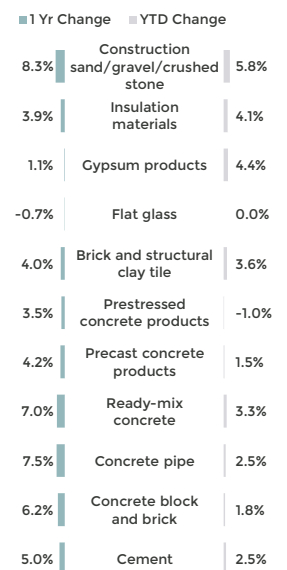
(Source: U.S. Bureau of Labor Statistics, change in PPI as of Mar 31, 2024)

Fuels & Related Products



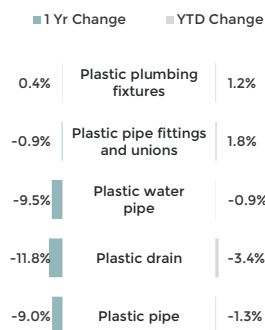
(Source: U.S. Bureau of Labor Statistics, change in PPI as of Mar 31, 2024)

Nonmetallic Mineral Products



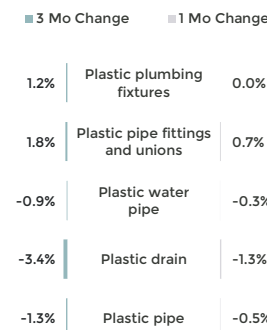
(Source: U.S. Bureau of Labor Statistics, change in PPI as of Mar 31, 2024)

Rubber & Plastic Products



(Source: U.S. Bureau of Labor Statistics, change in PPI as of Mar 31, 2024)

Rubber & Plastic Products



(Source: U.S. Bureau of Labor Statistics, change in PPI as of Mar 31, 2024)