



Is Rebar Poised for a Spring Construction Bounce?

A View From the Construction Markets

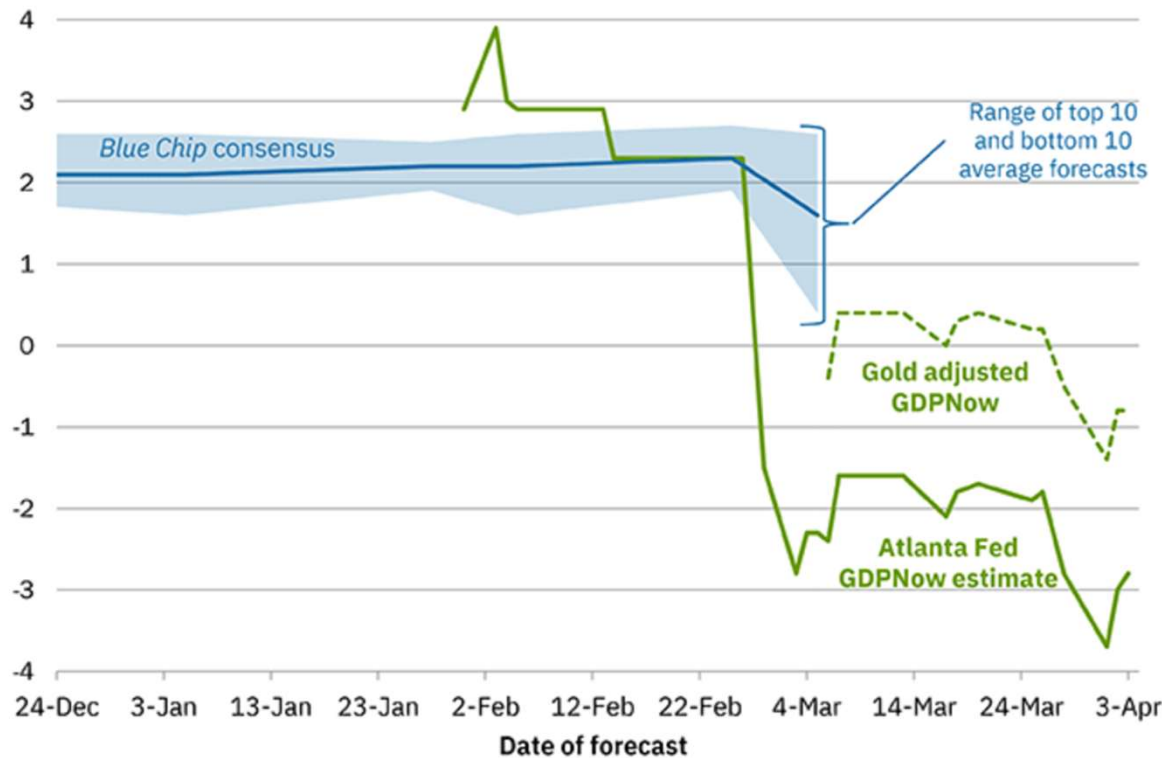
Michael Guckes

Chief Economist, ConstructConnect

April 10th, 2025

Early Indicators Point to At-Risk Economy

Evolution of Atlanta Fed GDPNow real GDP estimate for 2025: Q1
Quarterly percent change (SAAR)

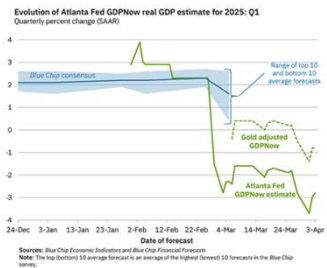


Sources: Blue Chip Economic Indicators and Blue Chip Financial Forecasts

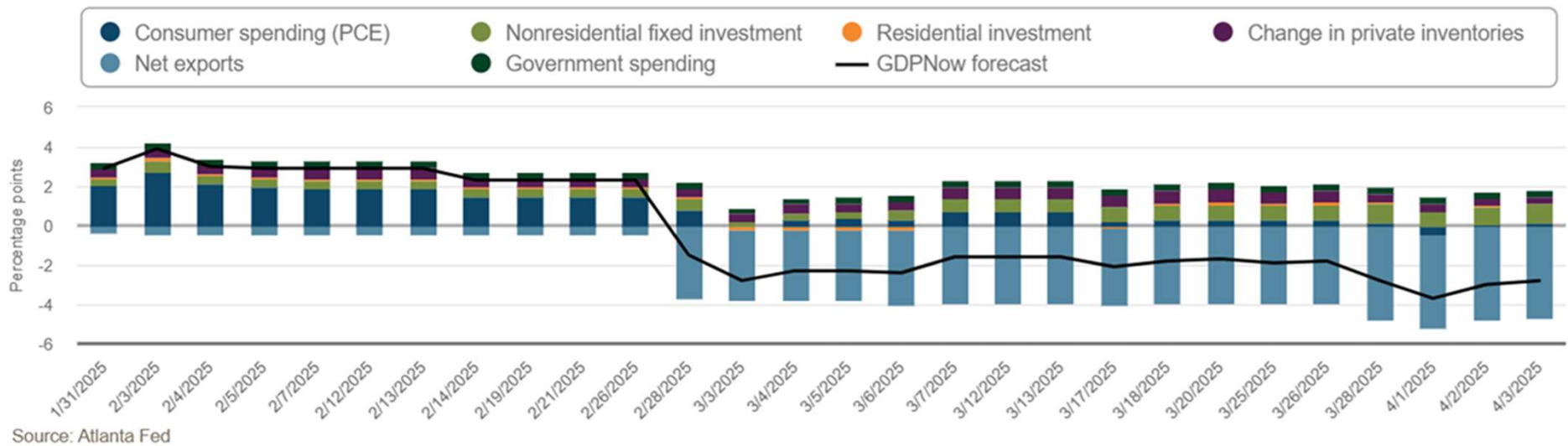
Note: The top (bottom) 10 average forecast is an average of the highest (lowest) 10 forecasts in the Blue Chip survey.

Source: Federal Reserve of Atlanta, <https://www.atlantafed.org/cqer/research/gdpnow> as of 4/6/2025

Early Indicators Point to At-Risk Economy



Subcomponent contributions to GDPNow real GDP growth forecasts

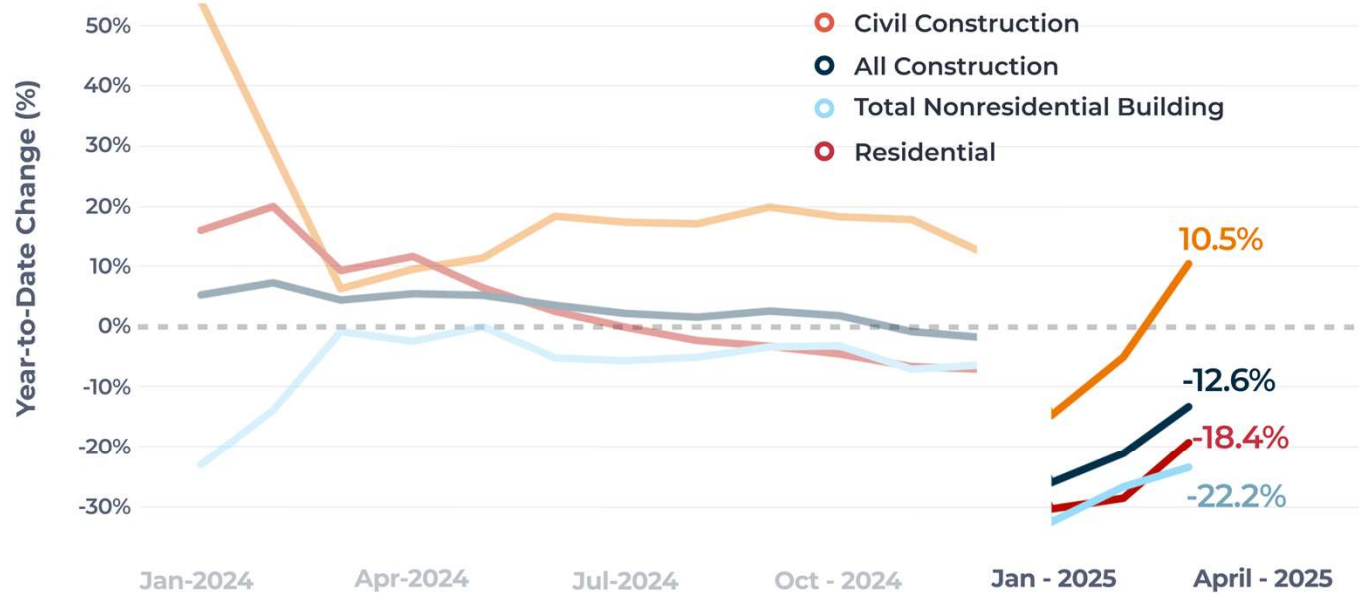


Source: Federal Reserve of Atlanta, <https://www.atlantafed.org/cqer/research/gdpnow> as of 4/6/2025

Construction Has Been Very Soft of Late

Year-to-Date Starts Activity is Down Sharply

2025 Year-to-Date “YTD” Starts Activity

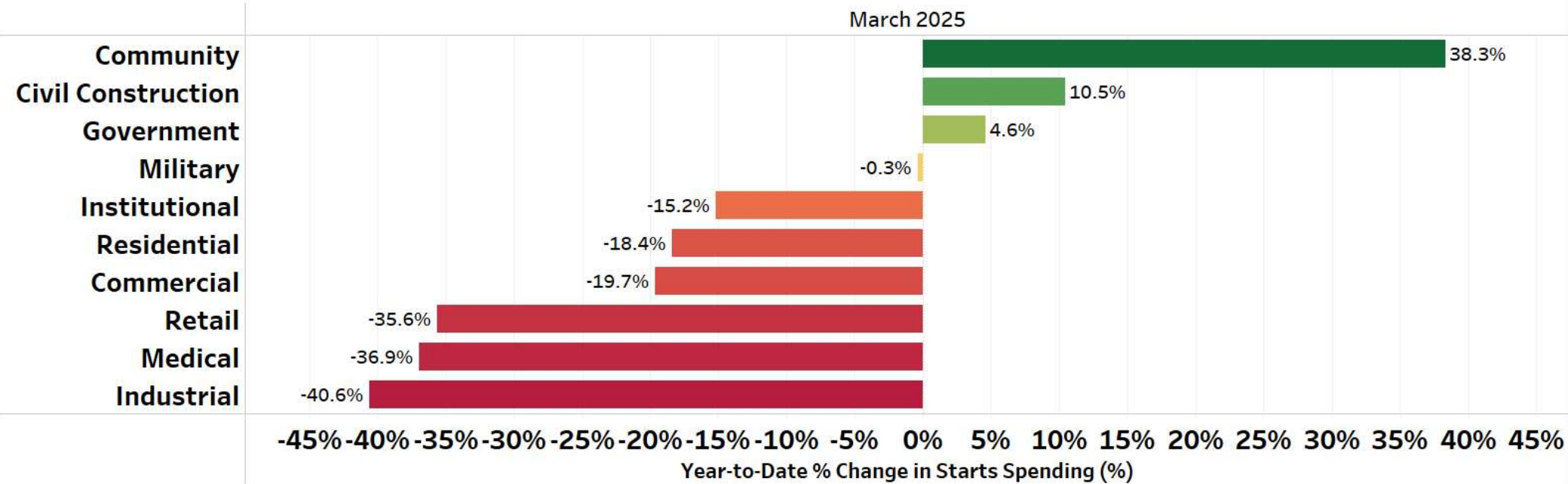


Source: ConstructConnect Industry Snapshot

Industry Snapshot Results @ March 2025

Year-to-Date Construction Starts Spending Varies Widely By Category

Full year 2025 spending results for select subcategories, change in dollar spending (%)

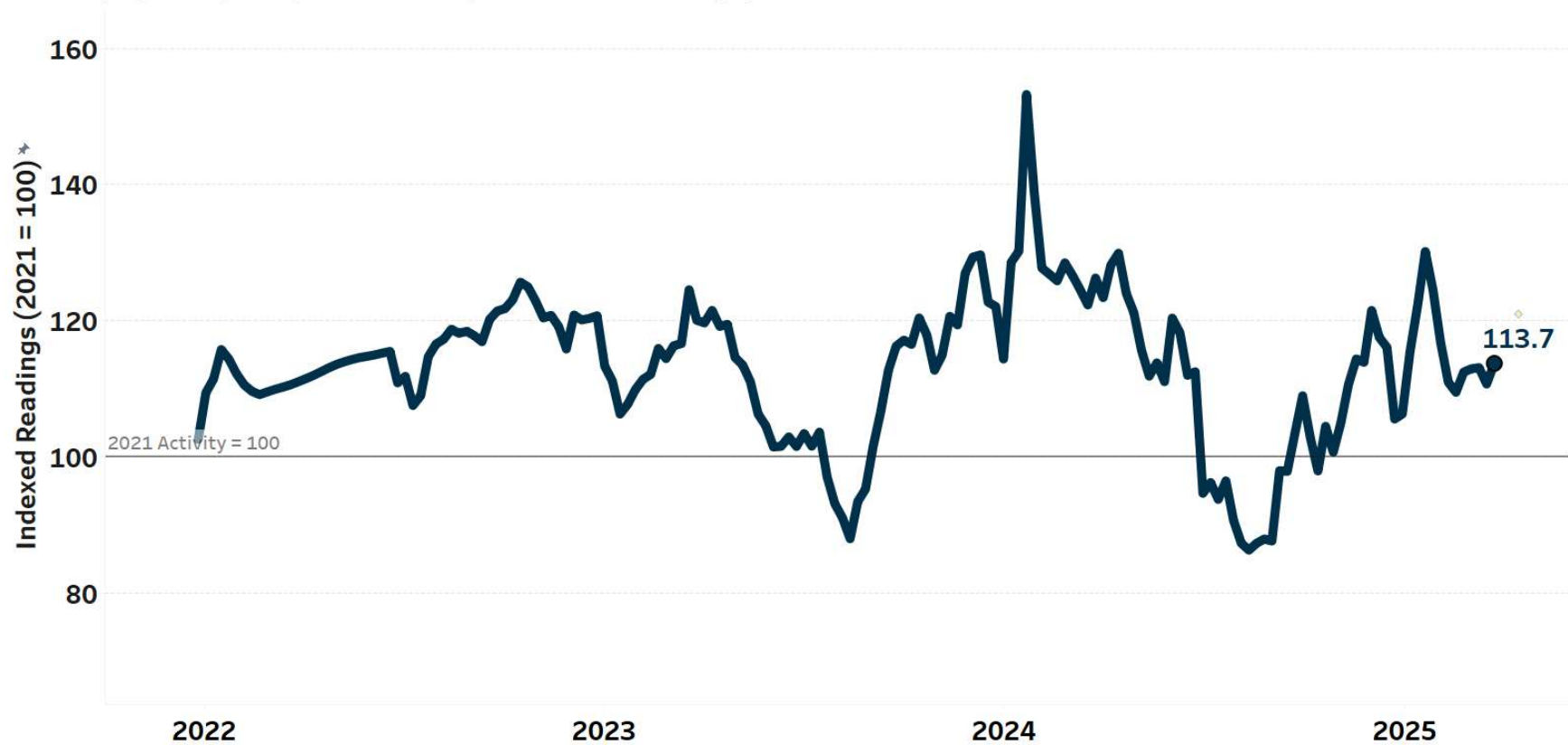


Source: ConstructConnect Industry Snapshot

Early Year Stress Readings Are Ominous

Project Stress Index Composite

A seasonally adjusted, equal weight measure of delayed, on hold and abandoned projects

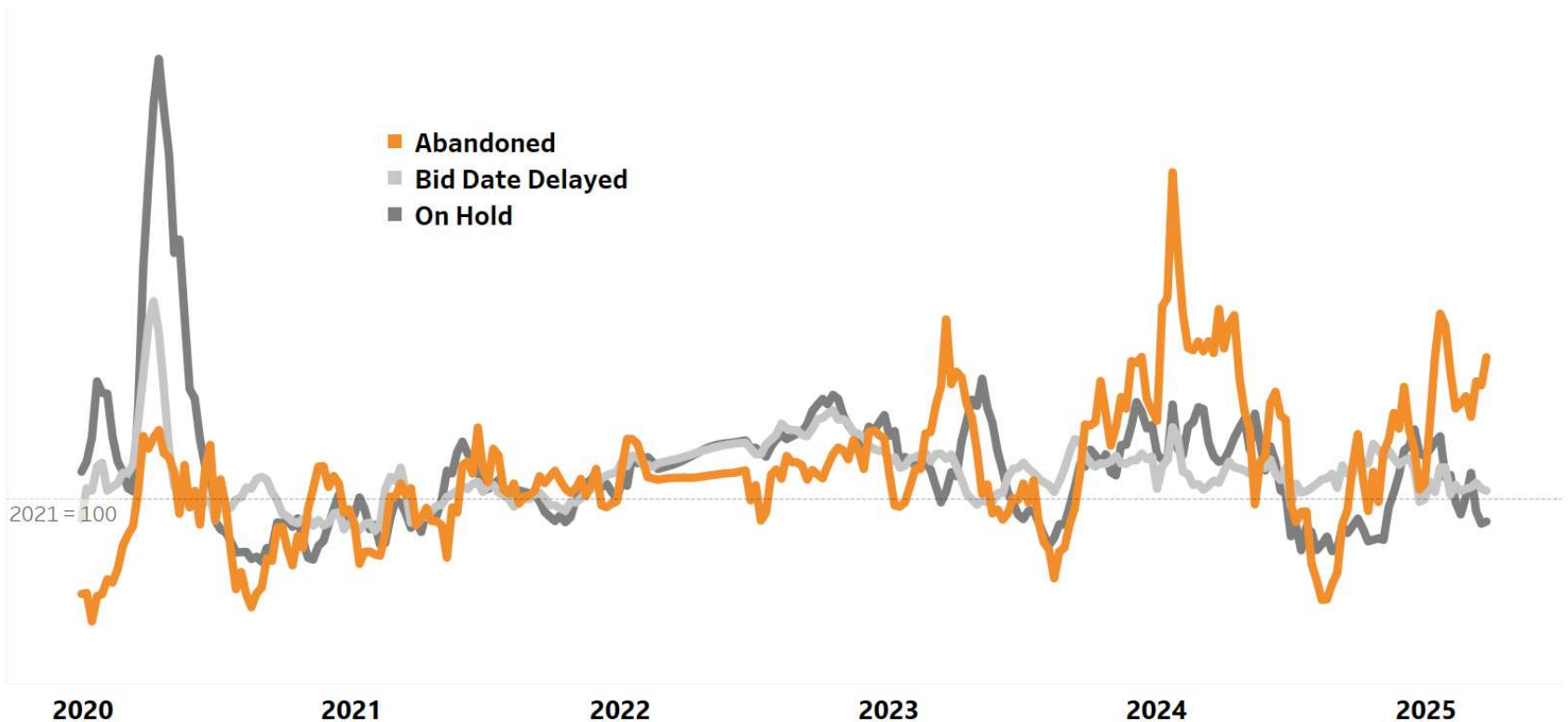


Source: ConstructConnect, Project Stress Index

Abandonments Are Driving The Index Once Again

Project Stress Index Composite Components

Values are seasonally adjusted and indexed to 2021 = 100

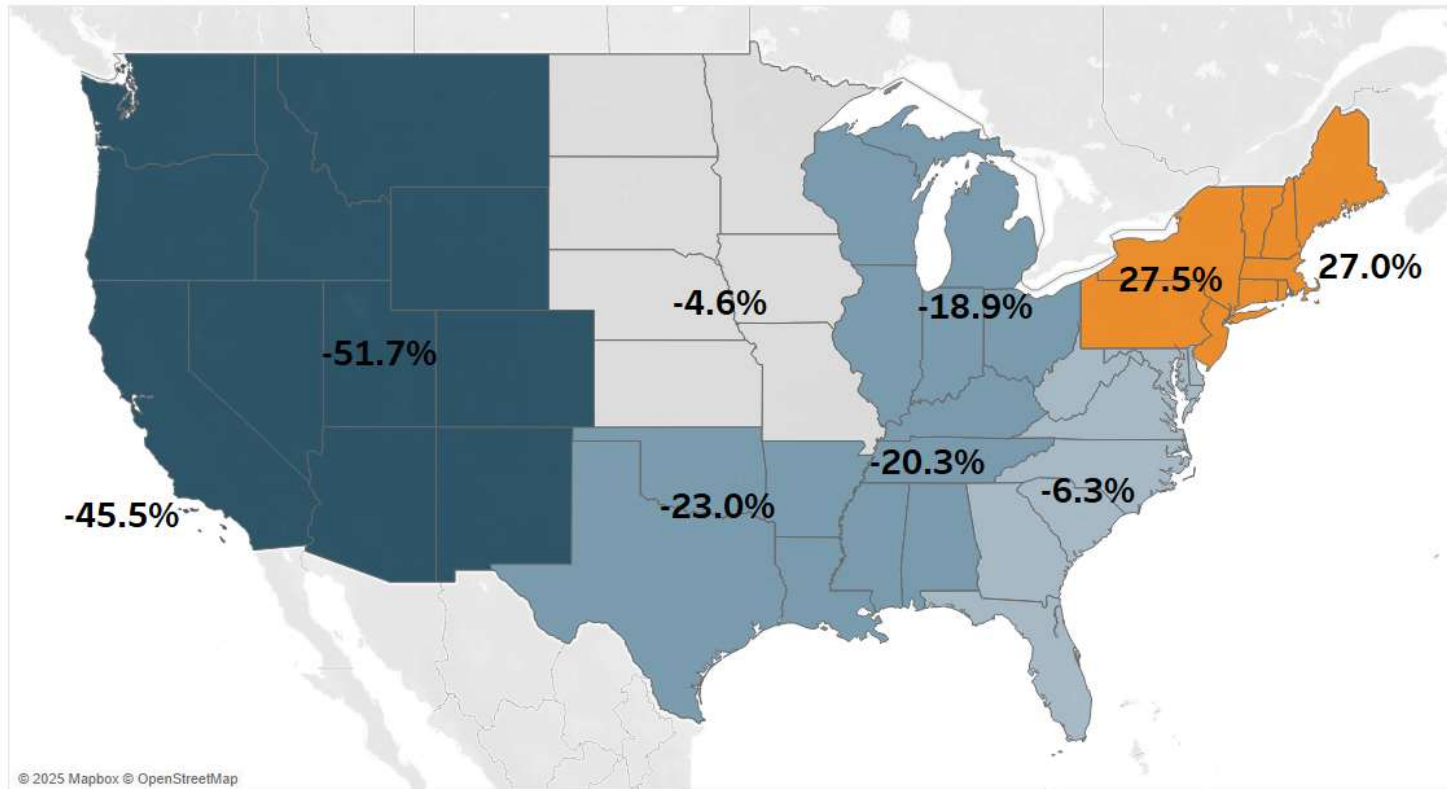


Source: ConstructConnect, Project Stress Index

Industry Snapshot – Regional Results @ 3/2025

Total Nonresidential Year-to-Date Starts by Census Divisions

(Year-to-Date change from 1-year ago, %)

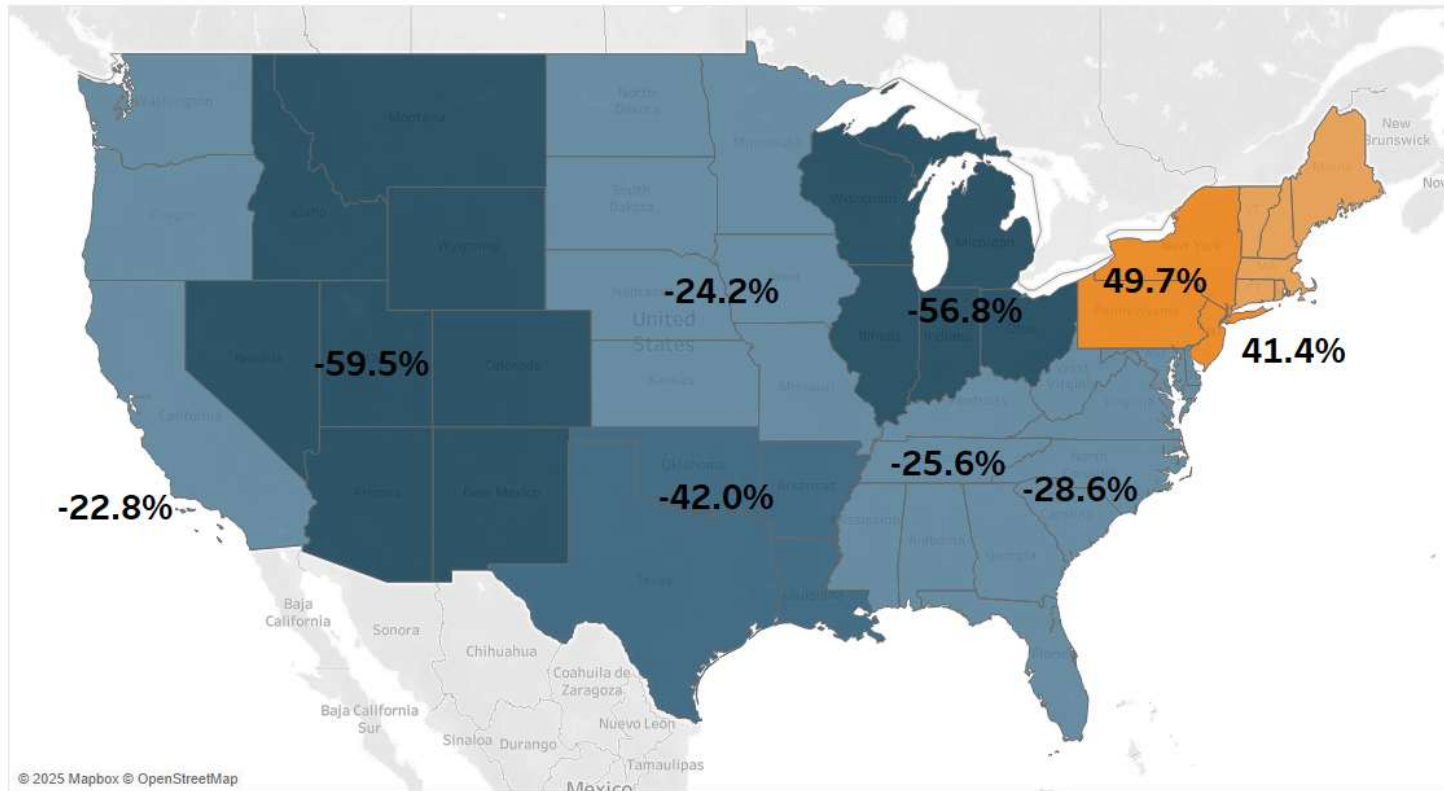


Source: ConstructConnect Industry Snapshot

Industry Snapshot – Regional Results @ 3/2025

Nonresidential Building Starts by Census Divisions

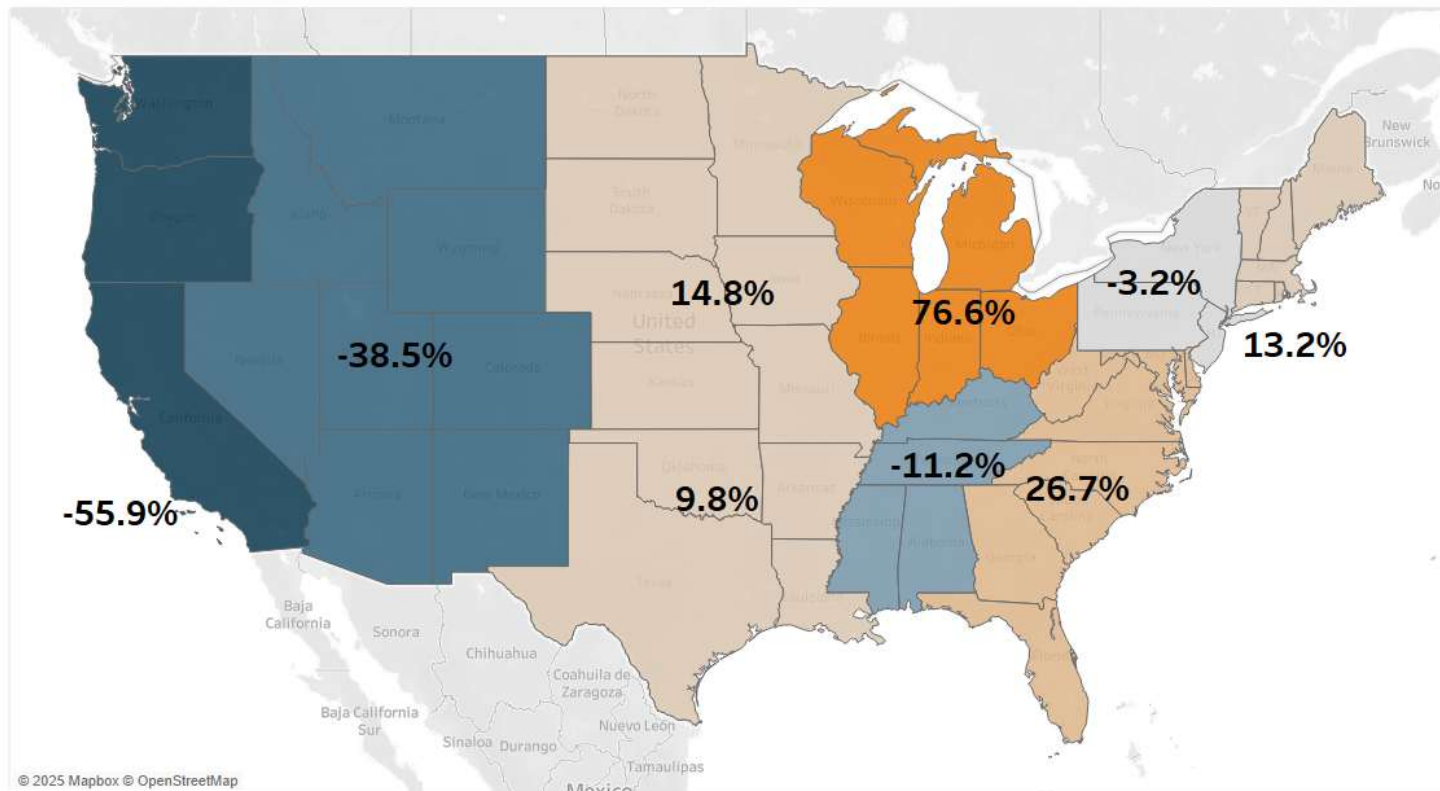
(Year-to-Date change from same period 1-year ago, %)



Source: ConstructConnect Industry Snapshot

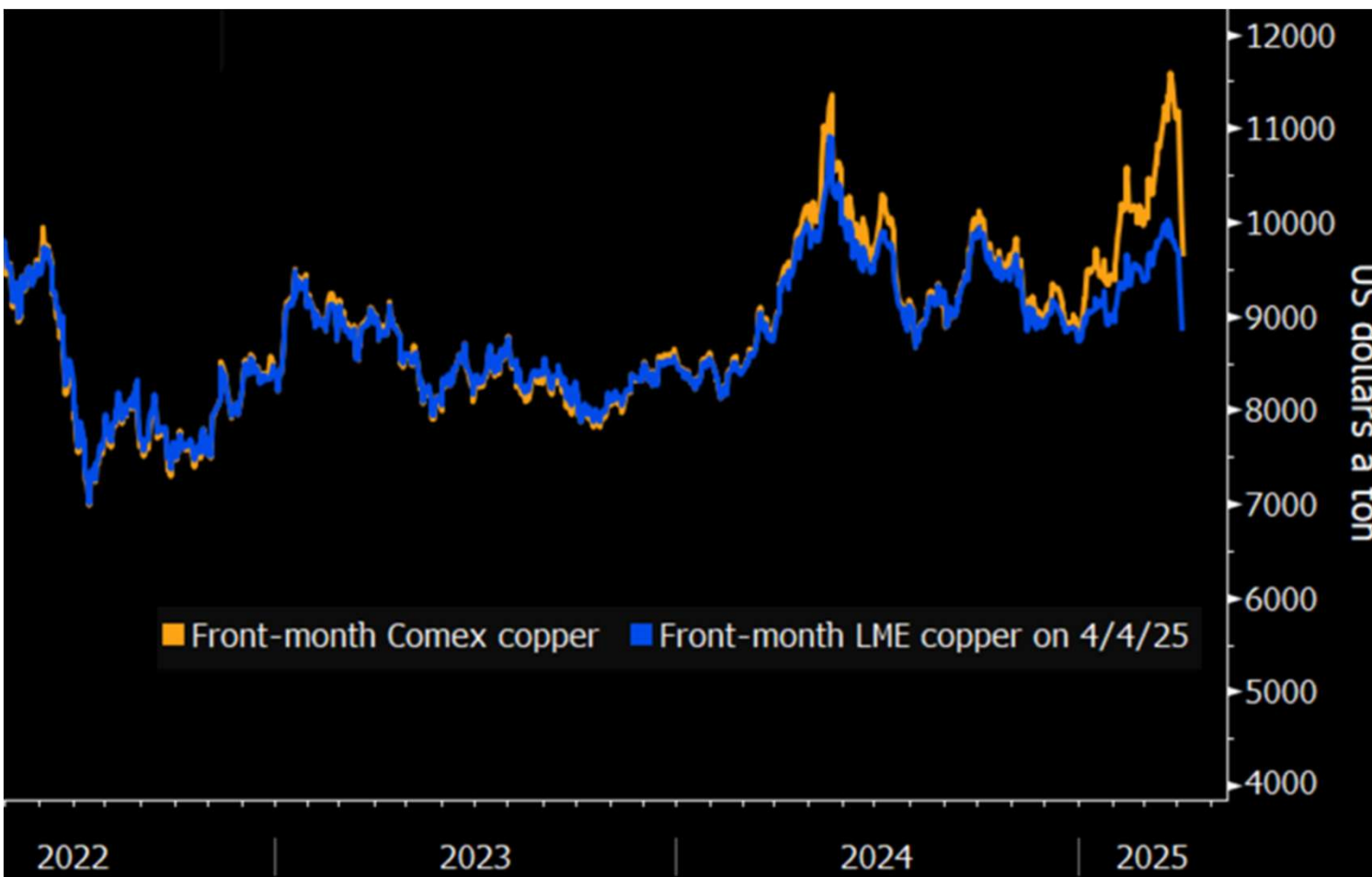
Industry Snapshot – Regional Results @ 3/2025

Heavy Engineering Year-to-Date Starts by Census Divisions (Year-to-Date change from same period 1-year ago, %)



Source: ConstructConnect Industry Snapshot

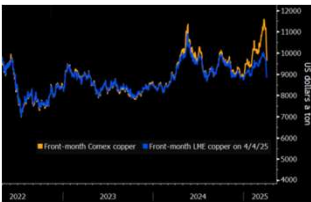
US Panic Buying Created Unsustainable Prices



Source: Bloomberg as of 4/7/2025

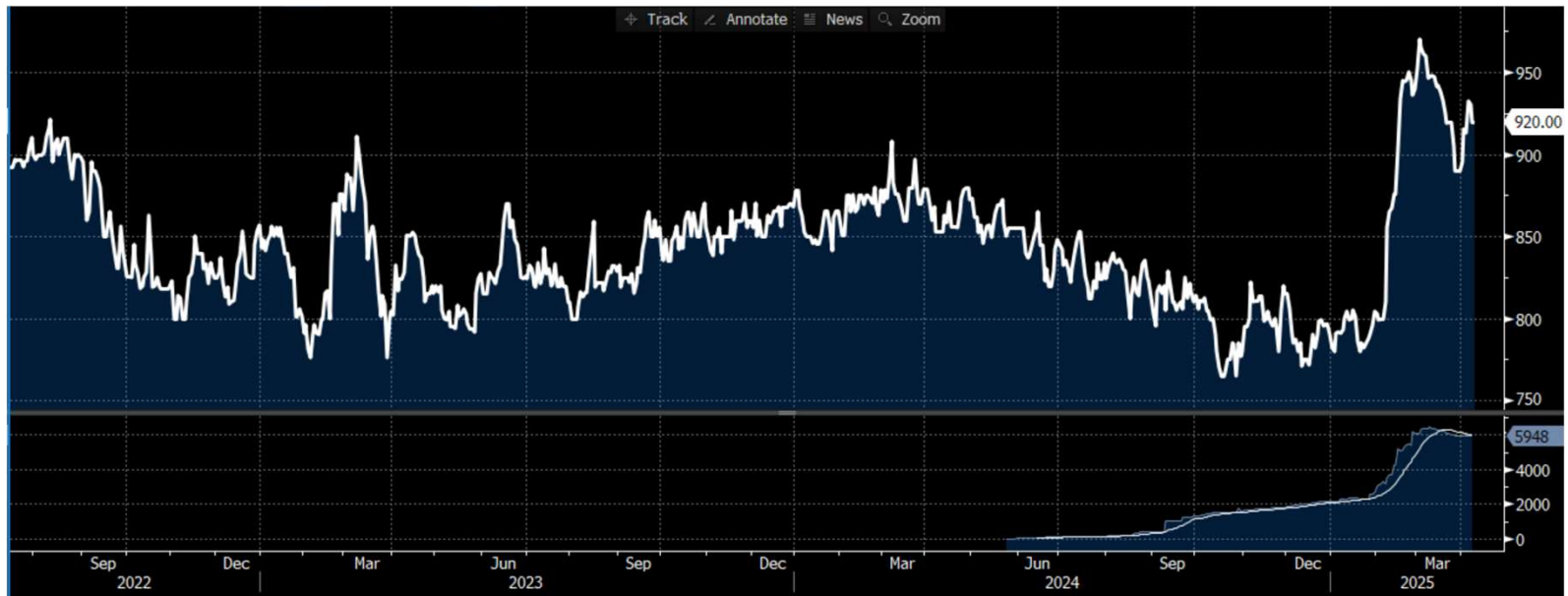
- US copper prices increased 26% YTD through early 3/31
- LME prices were up 11% over the same period.

US Panic Buying Created Unsustainable Prices



HRC Steel Continuous Contracts

as of 4/9/2025



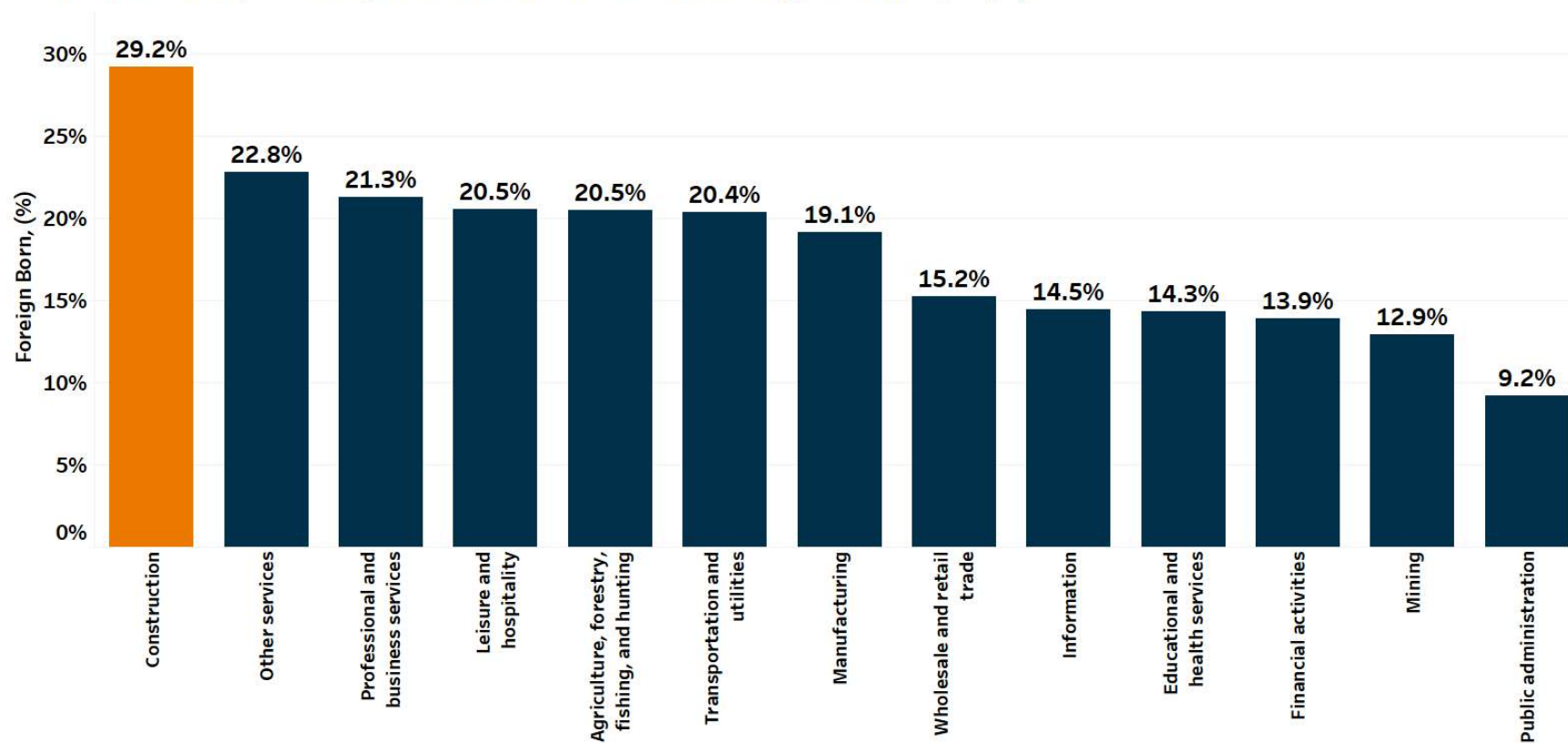
Price Change 3/25 to 4/7:

Copper	Steel	Lumber	WTI
- 19%	- 17%	- 15%	-11%

Source: Chart - Bloomberg as of 4/9/2025; Table - Copper, Steel, Oil NYMEX, Lumber CME

Concentration of Foreign Born Workers by Industry

Over 28M workers, of 14.7%, of the U.S. labor force was foreign born in 2022 (%)



Source: U.S. Bureau of Labor Statistics

Where Do We Go From Here?

Where will you use your working capital?

- Stockpile materials
- Set aside to compete for labor as we begin to ramp up the construction season.

What to Watch?

- Debt and Delinquencies
- Consumer confidence & spending measures
- Unemployment
- PSI
- High Frequency Indicators (monthly, weekly)



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