



Americas

Country Commodity Reports

Q4 2022



Americas Country Commodity Reports



AMERICAS

United States

Canada

Mexico



United States Country Commodity Report Q4 2022



United States

Q4 2022

The overall GDP growth rate for 2022 is expected to be around 2%, and slowdown is anticipated to continue well into 2023. In its most recent update, the IMF forecasts a 1.4% GDP growth in 2023. Inflation has been similarly high, at 6.2% in 2022, and is expected to remain around 4.7% in 2023, despite all of the policies introduced by federal authorities to minimize inflation.

In 2022, the US construction industry is expected to contract by 7%. This anticipated contraction is significantly larger than the previous estimate of 4.3%. The growth of the sector is being hampered by high input costs, rising interest rates, inflationary pressures, and supply-chain issues. With investments by the government in the housing, transportation and manufacturing sectors from this year through to 2026, the industry is expected to grow at an average annual rate of 3.7%. While demand for the majority of commodities is expected to ease in the coming year, rising input costs, high energy costs and other factors are expected to offset this.



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Lumber

The lumber market has calmed after a period of extreme volatility as intensive demand- and supply-side disruptions have subsided. Demand-side signals now largely dominate the narrative in the lumber market with increased interest rates. Demand for housing has slowed resulting in reduced demand for lumber. With further rate hikes anticipated and the cost-of-living crisis likely to intensify, residential construction is not expected to recover in the short- to medium-term.



Cement and aggregates

High cement prices in recent quarters have mainly stemmed from elevated energy prices, and supply issues from lower shipments. However, the downturn in residential construction will add to negative demand-side pressure in the coming quarters.



Concrete blocks and bricks

Brick prices have remained elevated in recent quarters, with high production costs driving the recent upward trend at a time of waning residential demand. With high interest rates and a weak economic outlook, residential construction will remain sluggish in the coming quarters, containing further upward pressure on brick prices.



Steel (rebar and structural)

Steel producers will seek to reverse the downward trend in prices, but demand in the coming quarters will remain weak, and buyers appear to be running down their relatively high stock levels. Over the longer term, demand will be bolstered by spending under key public investment programs, but the real incomes squeeze and low investor sentiment remain key issues for the industry in the short term.



Copper

Demand for copper has been relatively weak, but supply issues are prevalent; political instability and protests in Chile and Peru have disrupted supplies. Over the short- to medium-term, despite weak global economic growth, copper demand will be bolstered by public spending programs related to the energy transition, and a recovery in auto manufacturing.

United States - Commodity Report



Materials	Q1 2023 (f)	Q1 2022 – Q1 2023 (f)		Q3 – Q4 2022 (e)
	US\$	US\$	2022-23 % change	% change
Copper (US\$/T)	7,313	9,206	-20.6% ↓	1.2% ↑ ●
Steel rebar (US\$/T)	988	978	1.0% ↑	-4.7% ↓ ●
Steel flat (US\$/T)	1,770	1,743	1.6% ↑	-8.8% ↓ ●
Stainless steel (US\$/T)	4,603	NA	NA	NA
Lumber (US\$/cu.ft.)	5.7	15.3	-62.9% ↓	-18.4% ↓ ●
Asphalt (US\$/T)	590	514	14.8% ↑	-14.0% ↓ ●
Limestone (US\$/T)	28.2	26.9	5.0% ↑	0.0% ↔ ■
Cement (US\$/T)	135	123	9.4% ↑	1.6% ↑ ●
Concrete (US\$/CY)	118	108	8.9% ↑	1.6% ↑ ●
Welded mesh (US\$/unit)	232	231	0.4% ↑	-4.7% ↓ ●
Bricks (US\$/'000 unit)	850	683	24.4% ↑	4.5% ↑ ●
Drywall (US\$/unit)	13.1	12.4	5.5% ↑	1.2% ↑ ●
Diesel (US\$/gallon)	4.9	4.6	8.3% ↑	-2.0% ↓ ■

(f) Forecast (e) Estimated

● Q3 to Q4 2022 % change greater than estimation in our Q3 report
■ Q3 to Q4 2022 % change less than estimation in our Q3 report

Welded mesh: 47.2 x 118.1 in, dia.-0.24 in Drywall: 47.2 x 143.7 x 0.49 in (L x W x T)

Material	% change Q4 – Q1 2023 (f)	Level of impact of pricing on construction procurement and supply chain *	
 Copper	+0.5% ↑		Moderate
Copper prices rose in Q4 2022, reflecting in part supply disruptions and an expectation of a demand boost from the re-opening of the Chinese economy. Recession fears and the Fed's interest rate hikes will apply downward pressure on copper in the short term, but this will be offset by investment in the energy transition and concerns over tight supply.			
 Steel prices - Steel rebar - Flat steel	-0.5% ↓ -0.5% ↓		Moderate
Steel prices continued to fall in late 2022, reflecting underlying weakness in demand, and the lack of new investment in infrastructure recently. Furthermore, the drop in European demand and the stronger dollar will further add to negative pressure. However, public investment programs such as the Investment Infrastructure and Jobs Act, the CHIPS and Science Act, and the Inflation Reduction Act, will help to boost the demand in coming years.			
 Stainless steel	+0.5% ↑		Moderate
Despite weak demand, stainless steel prices have come under upward pressure owing to higher raw materials prices.			
 Lumber	-1.0% ↓		Moderate
As the housing market has slowed, price pressure has eased and stockpiles have been replenished. After significant supply setbacks in Canada caused by forest fires and flooding in early to mid-2022, producers have rebuilt stock levels. Prices are expected to decline further in the near future given the gloomy outlook for housebuilding demand.			
 Asphalt	-0.6% ↓		Moderate
A recent drop in oil prices has reduced costs for producers. As spending on infrastructure projects starts to ramp up again, growth in demand is expected to keep prices relatively elevated.			
 Limestone	+0.5% ↑		Low
Prices for limestone will remain relatively stable in the near future, with weaker demand being offset by continued high production costs.			

United States - Commodity Report



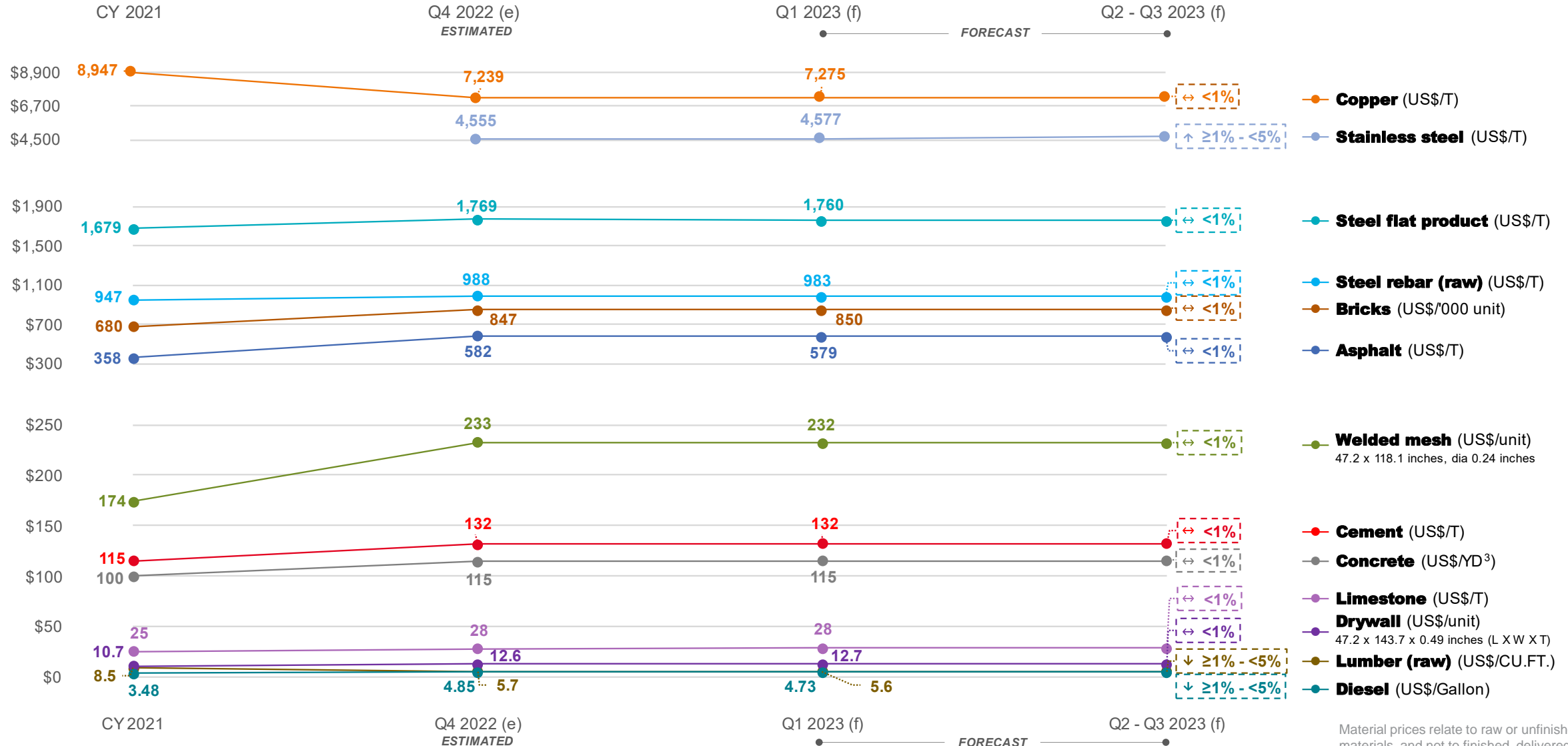
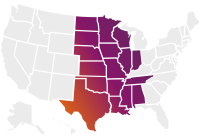
Building cost Index 2016-2022



Material	% change Q4 – Q1 2023 (f)	Level of impact of pricing on construction procurement and supply chain *	
 Cement Concrete	+0.5% ↑ +0.7% ↑	 Moderate	Despite weaker demand in the residential construction sector reflected in a drop in housing starts, cement and concrete prices continued on an upward trend in late 2022. This primarily reflects higher production costs; the producer price index for cement and concrete manufacturing was up by 15% year on year in November 2022. However, demand-side price pressure is expected to ease. The Portland Cement Association (PCA) estimates that demand will decline by 3.5% in 2023.
 Welded mesh	-0.5% ↓	 Moderate	Similar to the steel price trend, the price of welded mesh is set to fall steadily.
 Bricks	+0.4% ↑	 Moderate	Housing starts have been steadily declining since February and there has been a decline in refurbishment work. However, supply-side pressures have persisted, contributing to the continued upward trend in brick prices. The producer price index for brick manufacturing was up by 15% year on year in November. Ongoing weakness in demand will limit further upward pressure in the coming quarters.
 Drywall	+0.5% ↑	 Low	High production costs contributed to a steady rise in drywall prices in late 2022, along with restocking efforts by building material suppliers. However, with the residential building sector continuing to decline, demand-side price pressures will ease in 2023.
 Diesel	-2.5% ↓	 High	Diesel prices dropped below \$5 per gallon in December, and will continue to decline from recent highs. The Energy Information Administration, in its December Short-Term Energy Outlook, lowered the forecast for the average 2023 retail diesel price by 17 cents to \$4.48 per gallon, falling 11% from the expected full-year 2022 average of \$5.05 per gallon owing to high refinery utilization.

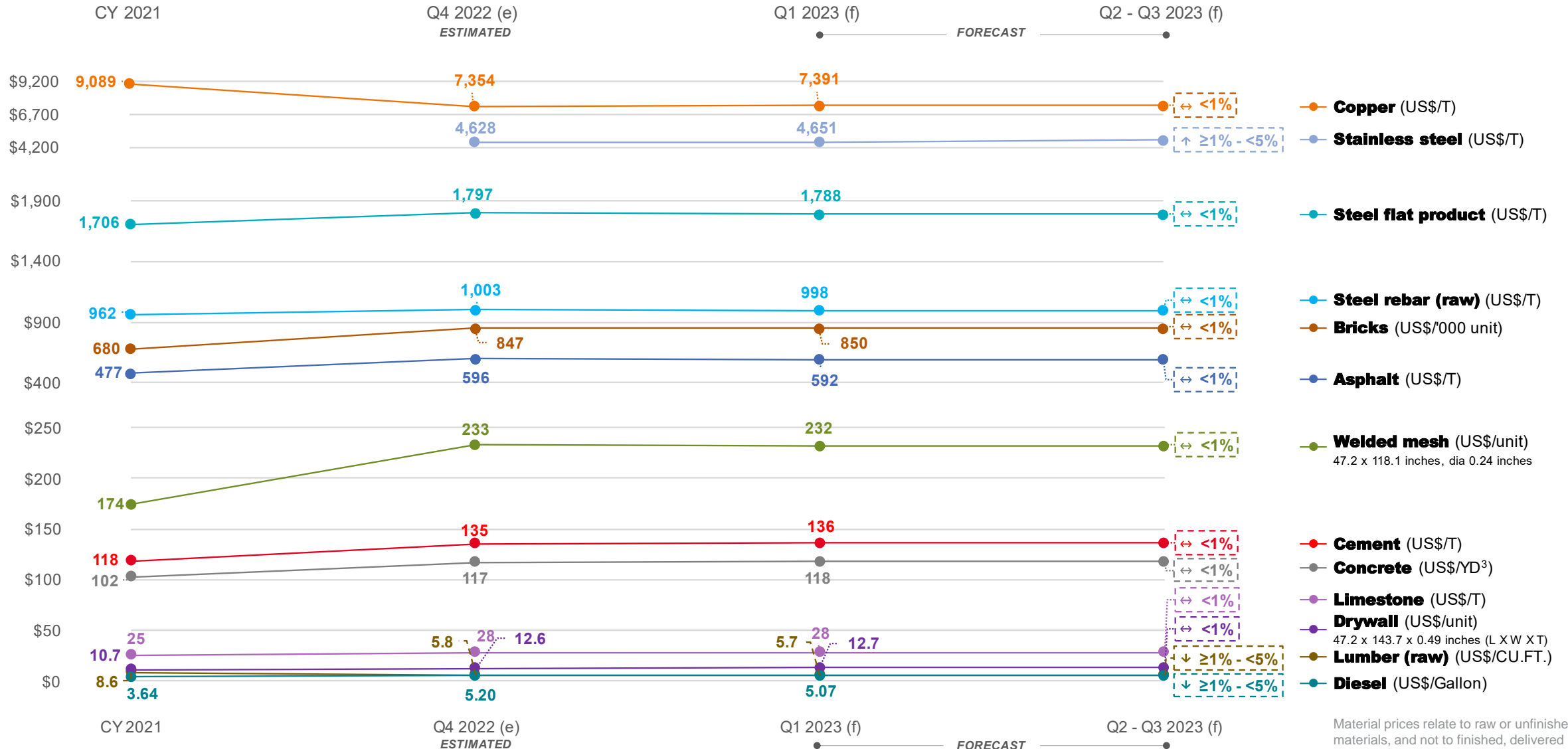
* Level of impact rating reflects a combination of factors: the price movement and also price level (compared to recent past beyond the last quarter), the importance of the material, and general state of the supply chain in terms of stability. Please note that commodity prices are based on representative materials available in the respective countries, and as these materials may not be standard across all markets, cross-country comparisons on prices can be ineffective. For example, asphalt types can vary between hot, cold or a bitumen price, and standard unit sizes for materials can vary across countries.

US Central - Construction Materials Pricing (2021-2023)



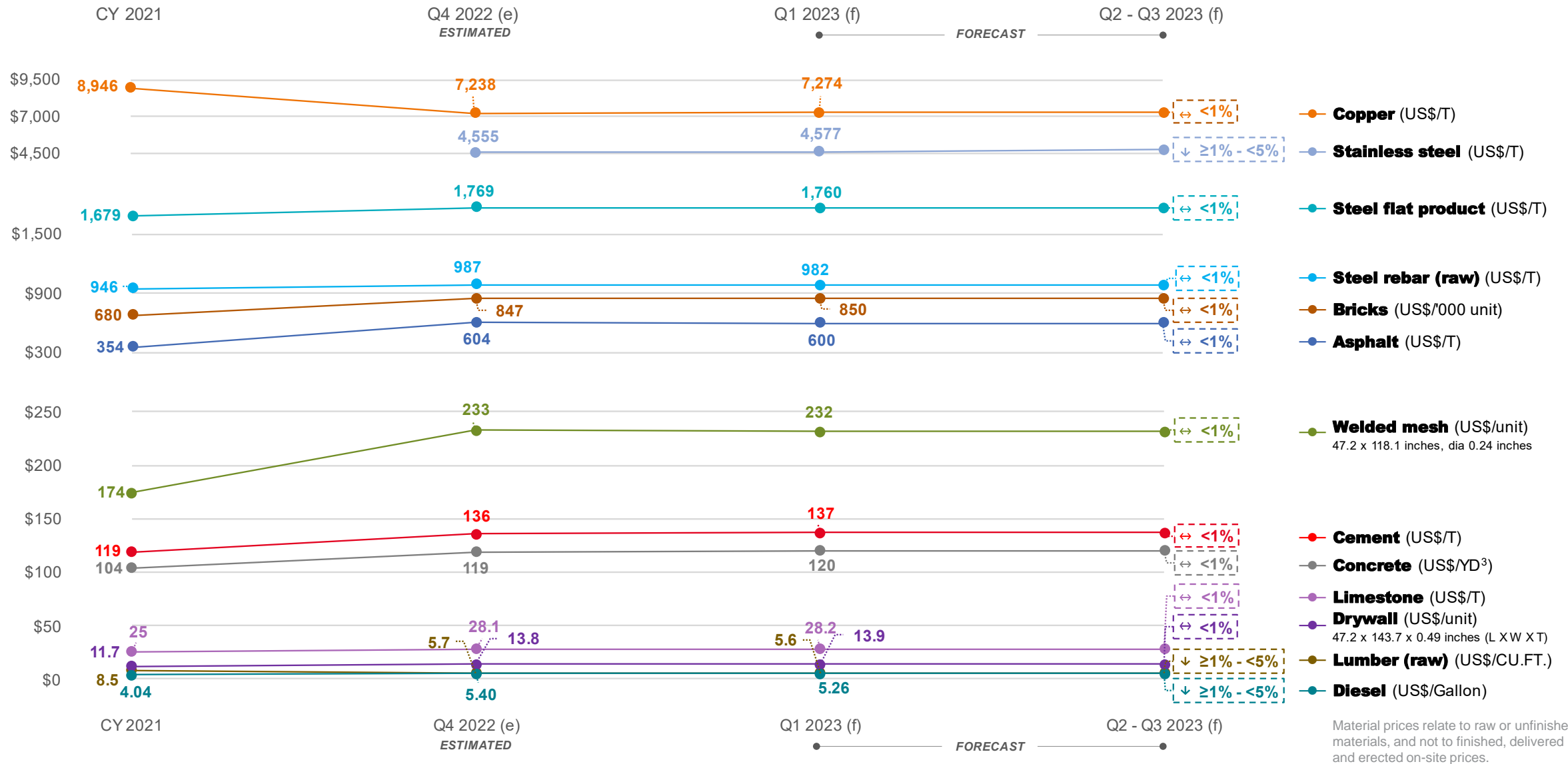
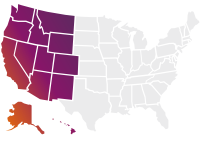
Material prices relate to raw or unfinished materials, and not to finished, delivered and erected on-site prices.

US East - Construction Materials Pricing (2021-2023)



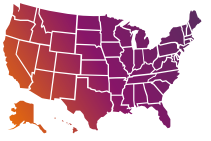
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US West - Construction Materials Pricing (2021-2023)



Material prices relate to raw or unfinished materials, and not to finished, delivered and erected on-site prices.

United States - Report methodology



Linesight has commissioned independent global research to track construction materials and commodity prices. The approach and methodology for the collection of construction material pricing and other indicators is based on primary and secondary research.

Primary and secondary research

Primary research is conducted on a quarterly basis with stakeholders in the value chain, including manufacturers and suppliers/distributors of the target materials, to ascertain market information on prices in recent quarters, and also on projections for changes in the coming quarter and remainder of the year. The market analysis also involves a thorough assessment of secondary sources of data on materials and labor prices, in addition to underlying demand and supply trends that will impact market prices.

Sources include GlobalData's Construction Intelligence Center (CIC), the World Bank, IMF, OECD, as well as country specific national statistics offices, such as the U.S. Bureau of Economic Analysis, Bureau of Labor Statistics, and also industry specific associations and publications.

Definitions

- Commodity prices are net of taxes for all the countries
- Prices are not customer delivered
- All commodities are raw materials
- Nominal and real data

Nominal data series do not exclude changes in prices and are also referred to as current prices series.

Annual changes in nominal data for construction output will include changes in construction activity, as well as changes in costs for materials and equipment.

Real data series are calculated by keeping prices constant (so, are also referred to as constant price series), and therefore, they reflect changes in activity only. Growth rates in nominal terms can overstate the pace of growth in construction activity if there is high inflation stemming from rising prices for key inputs.

Sample sources – United States

For the United States, sources for this report include, but are not limited to:

- ENR
- IMF
- GlobalData's Construction Intelligence Center (CIC)
- Federal Reserve Economic Data
- Bureau of Economic Analysis

Linesight





Canada Country Commodity Report Q4 2022



Canada

Q4 2022

According to a recent IMF estimate, Canada's economy will rise by 3.5% in 2022 but will then drop to 1.5% in 2023. High inflationary pressures, lower consumer spending and high interest rates are the key factors causing the economy to weaken in 2023. However, inflation is expected to ease throughout 2023 with improvements in the supply chain globally and a tightening of fiscal policy with increased interest rates. While general unemployment may increase in 2023, a shortage of core skilled construction labor is expected, resulting in stable costs for labor throughout the year.

In 2022, Canada's construction industry is expected to grow by 1.7% in real terms. Residential construction is likely to be slower this year because of the overall economic sentiment, an increase in interest rates and a readjustment for significant house price inflation over the past few years. The government has announced a significant number of major infrastructure projects such as road and light rail projects in the major metropolitan areas. This will help offset some of the slowdowns in other areas of the economy. Opportunities for growth in the Data Center and Life Sciences sectors, similar to what is seen in the United States, are likely to emerge in the coming year, with a majority of these projects based in Eastern Canada



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Lumber

Canadian lumber prices have continued along a slight downward trend over the past quarter as demand has remained subdued. Due to a high dependence on US exports (85% of the US softwood imports are sourced from Canada), price determination is linked to the US housing market, which is facing a prolonged downturn. With interest rates expected to remain high over 2023, the US housing market is unlikely to recover in the short- to medium-term. This has led many producers in Canada to curtail production and shut down mills to maintain a demand-supply balance.



Cement and aggregates

Hauler strikes and a shutdown of major plants due to fires added to supply tightness in mid to late 2022. However, supply has gradually recovered, and stocks have been replenished while intensive demand from the housing sector has subsided. However, high energy prices remain a key factor in keeping prices for cement and aggregates high. Furthermore, over the medium term, producers are likely to be hit by higher costs due to increased environmental regulations on production.



Concrete blocks and bricks

Although demand from the residential sector has subsided, energy prices have remained a key determinant in a high brick price.

Elevated oil and gas prices will continue to put upward pressure on brick prices over the next quarter.



Steel (rebar and structural)

Around 50% of steel supply is produced in Canada. With supply-side issues easing and inventories now stable, demand-side uncertainty has been the key driver behind price weakness. However, a long-term infrastructure program by the government will help to boost the demand to some extent.



Copper

Although the anticipation of the global economic recession impacted copper demand, prices have picked up in part owing to political and social unrest in Chile and Peru, with subdued output in the two countries restricting global copper supply. Demand over the medium- to long-term will be supported by the Net Zero agenda and renewable energy drive.

Canada – Commodity Report



	Q1 2023 (f)	Q1 2022 – Q1 2023 (f)	Q3 – Q4 2022 (e)	
Materials	CAS\$	CAS\$	2022-23 % change	% change
Copper (CA\$/T)	9,911	11,474	-13.6% ↓	7.3% ↑ ■
Steel rebar (CA\$/T)	808	907	-10.9% ↓	3.3% ↑ ■
Steel flat (CA\$/T)	2,106	2,363	-10.9% ↓	3.3% ↑ ■
Stainless steel (CA\$/T)	9,083	NA	NA	NA
Lumber (CA\$/cu.ft.)	49.8	127	-60.8% ↓	-21.5% ↓ ●
Asphalt (CA\$/T)	1,113	877	26.8% ↑	-11.1% ↓ ●
Limestone (CA\$/T)	35.6	33.9	5.2% ↑	0.0% ↔ ■
Cement (CA\$/T)	259	228	13.9% ↑	0.0% ↔ ■
Concrete (CA\$/CY)	192	176	9.2% ↑	0.0% ↔ ■
Welded mesh (CA\$/unit)	219	245	-10.5% ↓	3.3% ↑ ■
Bricks (CA\$/'000 unit)	663	513	29.2% ↑	4.2% ↑ ●
Drywall (CA\$/unit)	17.9	16.8	6.5% ↑	2.4% ↑ ●
Diesel (CA\$/gallon)	8.4	8.1	3.5% ↑	-5.5% ↓ ●

(f) Forecast (e) Estimated

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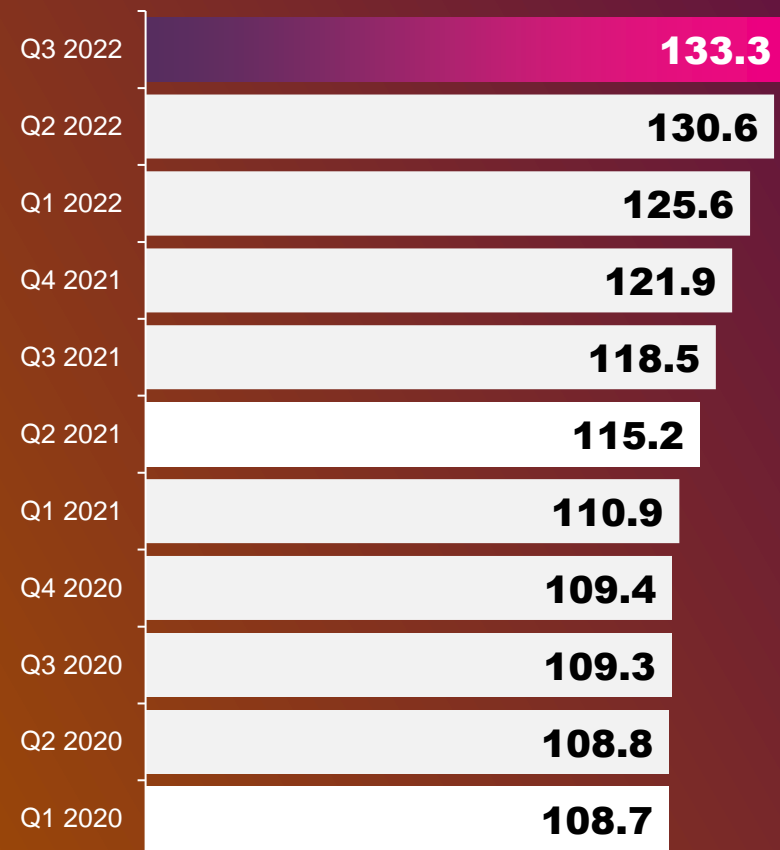
Welded mesh: 47.2 x 118.1 in, dia.-0.24 in Drywall: 47.2 x 96.1 x 0.5 in (L x W x T)




Material	% change Q4 – Q1 2023 (f)	Level of impact of pricing on construction procurement and supply chain *	
 Copper	+0.5% ↑	 Moderate	The supply outlook for copper has been impacted by subdued output from Chile and Peru, which contributed to upward pressure in late 2022. The demand outlook is more complex. While economic activity is down globally due to increased interest rates, the reopening of the Chinese economy and the continued momentum behind the energy transition will keep copper prices volatile in the coming quarters.
 Steel prices - Steel rebar - Flat steel	-0.6% ↓ -0.6% ↓	 Moderate	Steel prices remained relatively low in late 2022 compared to the high levels in the first half of the year. Demand from the infrastructure sector will be supported by federal and local government investments in upgrading the country's transport infrastructure, but residential construction will be sluggish in the coming quarters.
 Stainless Steel	+1.0% ↑	 Low	Stainless steel prices have been pushed up by higher raw materials prices, and this will continue to be the case in the coming quarters.
 Lumber	-2.0% ↓	 High	Short-term volatility in the lumber market looks to be in the past, as supply chain issues have largely been resolved. However, with continued downward pressure from the residential market domestically and in the US, prices are expected to fall.
 Asphalt	+1.0% ↑	 Moderate	Asphalt prices eased in Q4 2022, with the trend reflecting in part the decline in crude oil prices. Although staying below the highs reached in 2022, prices for crude oil are expected to remain around \$80 per barrel, thereby keeping asphalt prices elevated.
 Limestone	+0.8% ↑	 Low	Mining for limestone and primary aggregates has been stable in Canada and supply chains remain strong. However, elevated energy prices will continue to put upward pressure on prices. Hence, prices are expected to remain stable at current highs in the coming quarters.

Canada – Commodity Report



Non- residential building construction price index 2020- Q3 2022

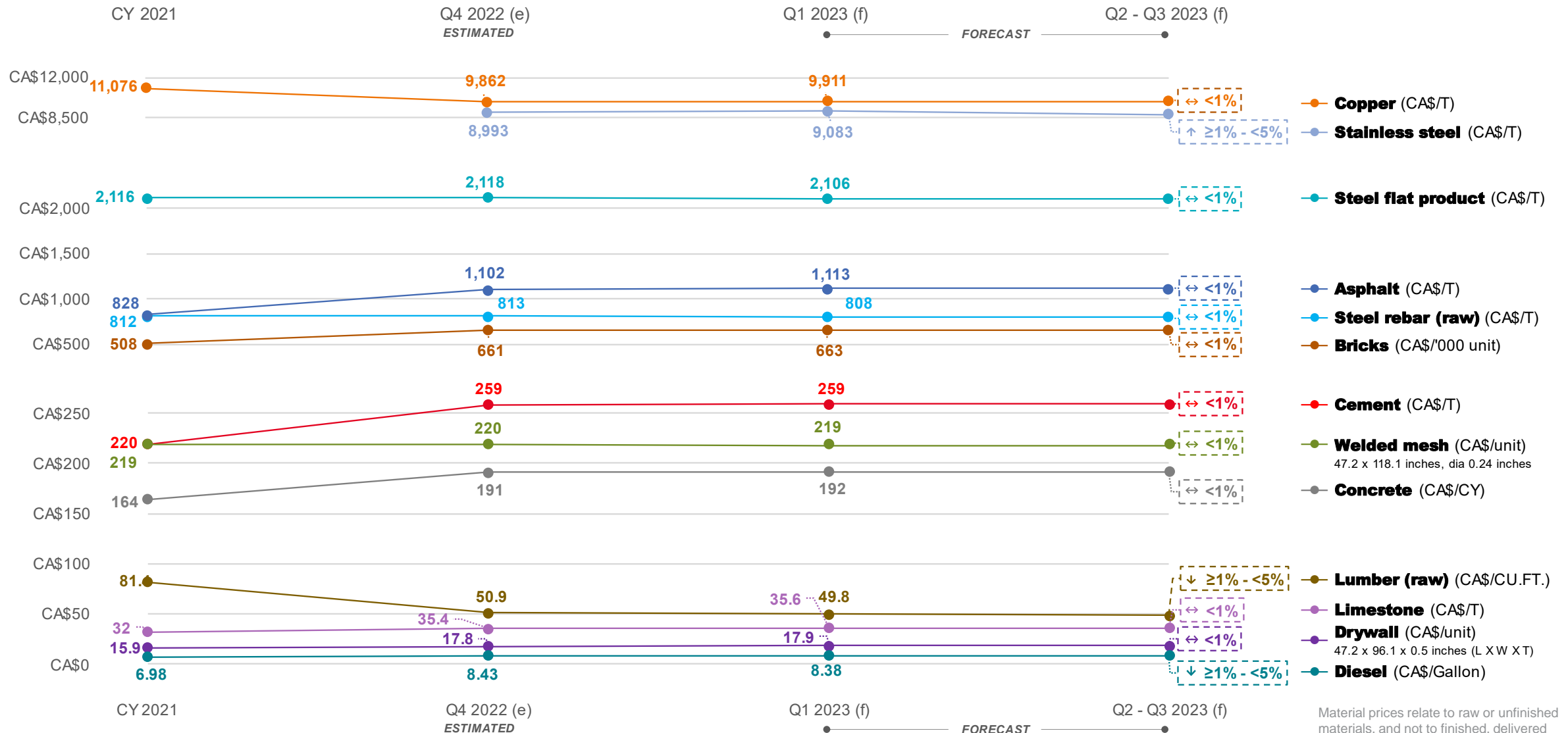


Material	% change Q4 – Q1 2023 (f)	Level of impact of pricing on construction procurement and supply chain *
 Cement Concrete	+0.2% ↑ +0.2% ↑	 Moderate Cement prices have flattened in recent months as demand pressures have lessened, although supply issues remain prevalent. A slowing construction market has been the key driver in lower demand for cement. However, elevated energy costs and logistical issues such as the haulers' strike continue to impose upward pressure on prices.
 Welded mesh	-0.1% ↓	 Moderate Following the steel price trends, demand for welded mesh will ease in the latter part of the year, but production and logistical costs will remain elevated.
 Bricks	+0.2% ↑	 Moderate Construction output for the residential sector is expected to decline in 2023, driving down demand for bricks. However, supply chains remain tight, hence the price is expected to remain around current levels.
 Drywall	+0.5% ↑	 Low As the residential construction sector loses momentum, pressure on plasterboard prices is expected to ease. Consequently, prices will likely remain at similar levels to the previous quarter.
 Diesel	-0.5% ↓	 High Diesel prices have been on a declining trend since June 2022. However, the recent decision by OPEC+ to cut production targets is expected to keep prices elevated in the near future.

* Level of impact rating reflects a combination of factors: the price movement and also price level (compared to recent past beyond the last quarter), the importance of the material, and general state of the supply chain in terms of stability.

Please note that commodity prices are based on representative materials available in the respective countries, and as these materials may not be standard across all markets, cross-country comparisons on prices can be ineffective. For example, asphalt types can vary between hot, cold or a bitumen price, and standard unit sizes for materials can vary across countries.

Canada – Construction Materials Pricing (2021-2023)



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Canada – Report methodology



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Primary and secondary research

Primary research is conducted on a quarterly basis with stakeholders in the value chain, including manufacturers and suppliers/distributors of the target materials, to ascertain market information on prices in recent quarters, and also on projections for changes in the coming quarter and remainder of the year. The market analysis also involves a thorough assessment of secondary sources of data on materials and labour prices, in addition to underlying demand and supply trends that will impact market prices.

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Sample sources – Canada

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- IMF
- Bank of Canada
- Statistics Canada
- Oxford Economics
- GlobalData's Construction Intelligence Center (CIC)





Mexico Country Commodity Report Q4 2022



Mexico

Q4 2022

The IMF estimated a 3.1% growth in Mexico's GDP in 2022 and raised its forecast for 2023 by 0.5% to 1.7%. The upward revision is attributed to a rebound in economic activity and higher-than-expected growth in major trading partner economies. The Consumer Price Index for 2022 reached a record high of 7.8%, but with the demand supply gap stabilizing and global markets recovering, it is expected to fall in coming quarters.

Construction output has been weak, with a 1.1% (in real terms) year-on-year decline expected in 2022, as construction activity remained subdued from January to September 2022. Although upward price pressures, supply chain constraints, interest rate hikes, and infrastructure project cancellations are affecting the industry in the short term, the mid-to long-term outlook appears to be positive, with an 2.8% average annual growth expected between 2024 and 2026.



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Lumber

Lumber prices are heavily dependent on residential construction domestically and are also impacted by demand trends in the US given that around 38% of Mexico's lumber imports are sourced from the US. Declining residential construction demand due to high interest rates and low consumer confidence, in addition to more stable supply chains in Canada, has caused a gradual decline in lumber prices over the past year. With further rate hikes on the horizon that will hit residential investment, prices are expected to go down further.



Cement and aggregates

Cement prices have largely reflected the rise in production costs primarily due to energy cost increases, which have been directly passed onto consumers. However, there has also been strong demand in infrastructure, industrial, and warehouse construction, which will continue to put pressure on cement prices in the near-term.



Concrete blocks and bricks

In addition to higher production costs for bricks, concrete block suppliers will be impacted by additional taxes on key materials. The newly introduced green tax levied on quarry operations in early 2022 has put additional pressure on the concrete supply chains.



Steel (rebar and structural)

Weakening demand growth globally has been a key factor in the decline in steel prices. On the upside, the recovery of the auto manufacturing industry and increased production is likely to re-invigorate demand into the medium term. Furthermore, in an effort to protect the steel industry, the Mexican government has introduced a 15% tariff on 224 steel items, which will keep prices relatively high.



Copper

Domestic copper demand remains uncertain. Demand from the construction sector is weak, given a lack of investment and cost hikes that have led to many major energy and infrastructure projects being postponed or canceled in addition to weak demand from the residential sector. However, demand for copper from auto manufacturing is expected to brighten; US automobile exports picked up towards the end of 2022 and are likely to increase further in 2023.

Mexico – Commodity Report



	Q1 2023 (f)	Q3 – Q4 2022 (e)
Materials	MXN	% change
Copper (MXN/T)	142,441	3.7% ↑
Steel rebar (MXN/T)	19,427	-4.3% ↓
Steel flat (MXN/T)	25,435	-1.1% ↓
Stainless steel (MXN/T)	69,485	-18.2% ↓
Lumber (MXN/cu.ft.)	40.1	1.1% ↑
Asphalt (MXN/T)	10,589	-14.3% ↓
Limestone (MXN/T)	178	0.2% ↑
Cement (MXN/T)	2,978	1.9% ↑
Concrete (MXN/CY)	1,476	0.5% ↑
Welded mesh (MXN/unit)	4,327	-4.3% ↓
Bricks (MXN/'000 unit)	7,677	1.7% ↑
Drywall (MXN/unit)	164	0.2% ↑
Diesel (MXN/gallon)	86.4	-0.2% ↓

(f) Forecast (e) Estimated

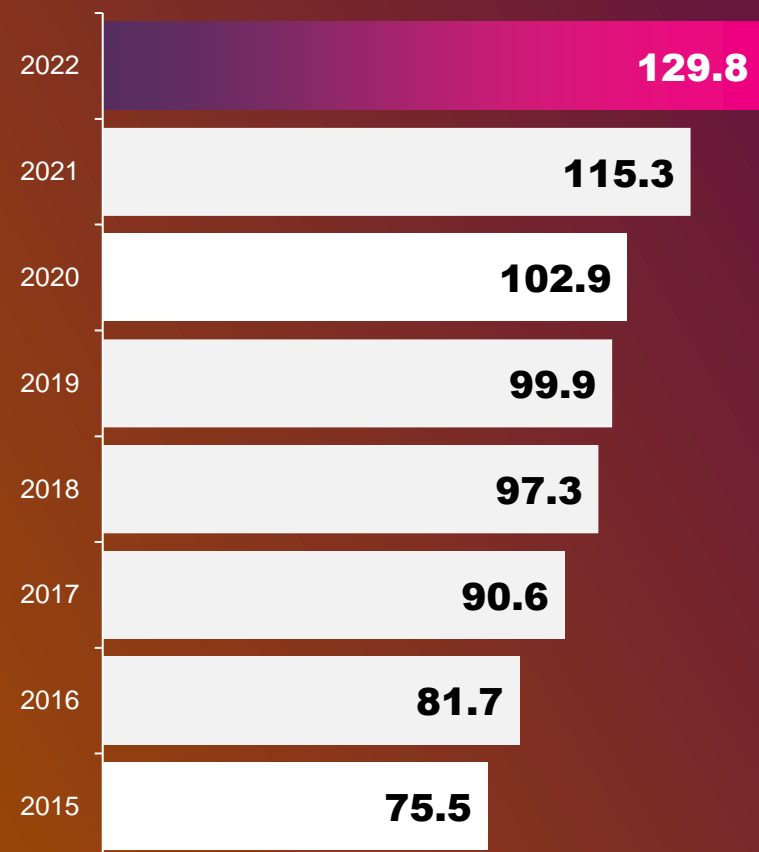
Welded mesh: 98.4 X 1,574.8 in; dia-0.19 in Drywall: 56.7 X 48 X 5.1 in (L X W X T)

Material	% change Q4 – Q1 2023 (f)	Level of impact of pricing on construction procurement and supply chain *	
 Copper	+0.5% ↑	 Low	Copper prices picked up in Q4 2022, owing in part to concerns over supply tightness and disruptions in Peru caused by political unrest. Despite the slowing global economy, which will weigh on prices, volatility is expected to continue in the coming quarters given ongoing concerns over supply shocks and weak demand.
 Steel prices - Steel rebar - Flat steel	-2.8% ↓ -1.2% ↓	 Low	Steel prices continued to decline in Q4 2022, reflecting weakening demand domestically and falling prices globally. Although prices have dropped from the highs of mid-2022, they are still relatively high compared to levels before early 2021, due to elevated production costs.
 Stainless Steel	-4.0% ↓	 Low	Stainless steel prices have trended downwards from recent high levels. Weaker demand will contribute to further downward pressure, but the high costs for key raw materials, notably nickel, will prevent a sharp decline in the coming quarters.
 Lumber	-2.8% ↓	 Low	Lumber prices edged upwards in late 2022, but price pressures will dissipate given the weak outlook for the construction industry, with residential construction, in particular, to be weighed down in the short term by the hike in interest rates.
 Asphalt	-9.6% ↓	 Low	Asphalt prices fell sharply in Q4 2022, and this downward trend is expected to persist in the coming months. However, with crude oil prices remaining close to current levels, prices on average will be relatively stable throughout the year.
 Limestone	+3.1% ↑	 Low	Prices for limestone have been stable in recent quarters, and high production costs will keep prices high in the coming quarters.











Mexico – Commodity Report



*Average national producer price index construction, Residential construction 2015-2022



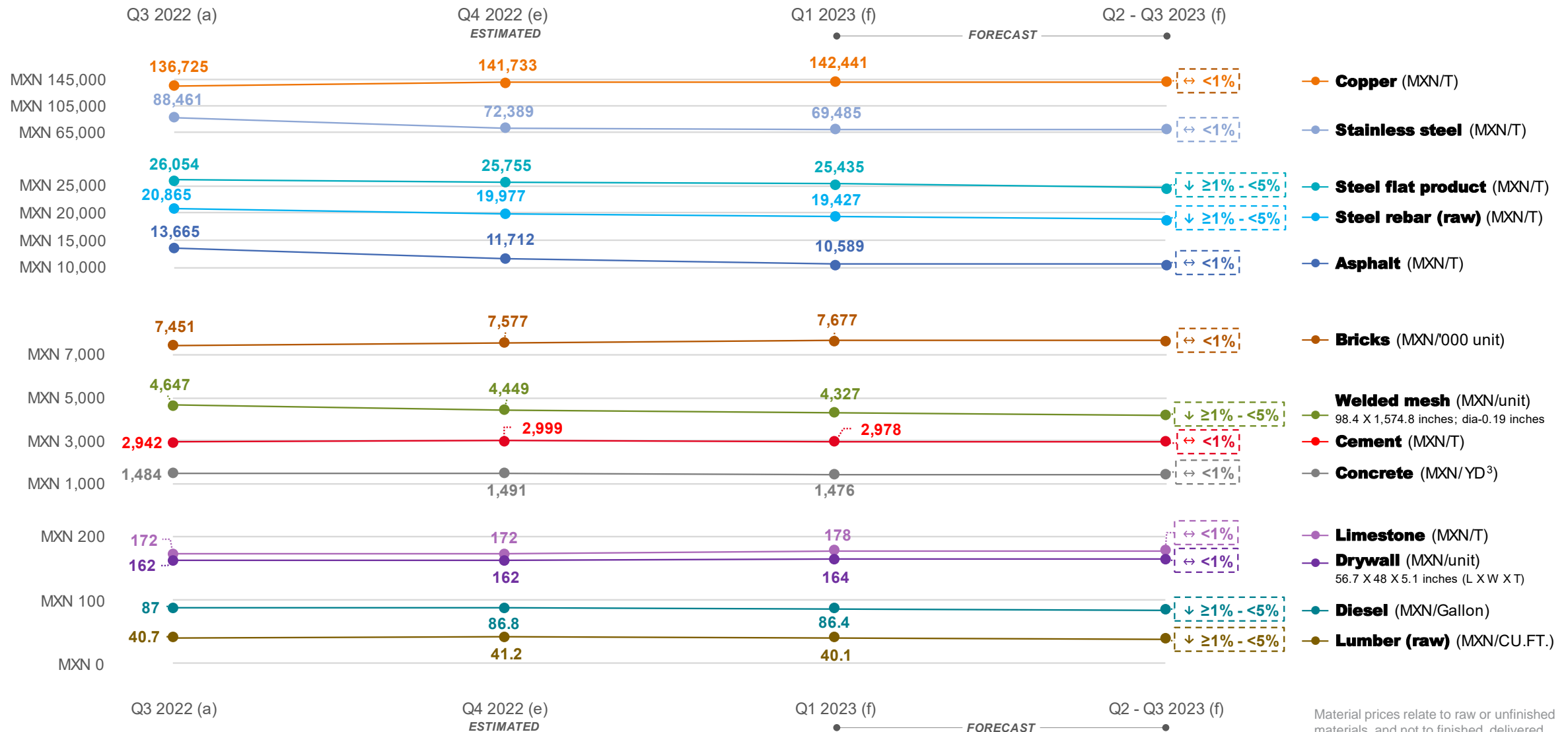
*(formerly INCEVIS) (2015-2020), Base July 19=100

Material	% change Q4 – Q1 2023 (f)	Level of impact of pricing on construction procurement and supply chain *	
 Cement Concrete	-0.7% ↓ -1.0% ↓	 Moderate	Concrete and cement prices have continued on an upward trend, with producers passing on high production costs. Infrastructure construction has contributed to strong demand for bulk cement and ready-mixed concrete, but weaker residential growth has impacted the sales of bagged products.
 Welded mesh	-2.8% ↓	 Low	In line with trends for steel, prices for welded mesh is expected to trend downwards in the coming quarters.
 Bricks	+1.3% ↑	 Low	Owing to higher production costs, brick prices rose in Q4 2022. As demand weakens in the coming quarters, upward price pressure will ease, but prices will remain relatively high.
 Drywall	+1.0% ↑	 Low	Plasterboard prices will remain high, given that producers are facing higher costs. However, weak growth in buildings construction will limit further rises.
 Diesel	-0.5% ↓	 Low	Diesel prices have edged lower with global crude prices stabilizing. Government subsidies will help contain price inflation in the coming quarters.

* Level of impact rating reflects a combination of factors: the price movement and also price level (compared to recent past beyond the last quarter), the importance of the material, and general state of the supply chain in terms of stability.

Please note that commodity prices are based on representative materials available in the respective countries, and as these materials may not be standard across all markets, cross-country comparisons on prices can be ineffective. For example, asphalt types can vary between hot, cold or a bitumen price, and standard unit sizes for materials can vary across countries.

Mexico – Construction Materials Pricing (2021-2023)



Material prices relate to raw or unfinished materials, and not to finished, delivered and erected on-site prices.

Please note that commodity prices are based on representative materials available in the respective countries, and as these materials may not be standard across all markets, cross-country comparisons on prices can be ineffective. For example, asphalt types can vary between hot, cold or a bitumen price, and standard unit sizes for materials can vary across countries.

Mexico – Report methodology



Linesight has commissioned independent global research to track construction materials and commodity prices. The approach and methodology for the collection of construction material pricing and other indicators is based on primary and secondary research.

Primary and secondary research

Primary research is conducted on a quarterly basis with stakeholders in the value chain, including manufacturers and suppliers/distributors of the target materials, to ascertain market information on prices in recent quarters, and also on projections for changes in the coming quarter and remainder of the year. The market analysis also involves a thorough assessment of secondary sources of data on materials and labour prices, in addition to underlying demand and supply trends that will impact market prices.

Sources include GlobalData's Construction Intelligence Center (CIC), the World Bank, IMF, OECD, as well as country specific national statistics offices, such as the U.S. Bureau of Economic Analysis, Bureau of Labor Statistics, and also industry specific associations and publications.

Definitions

- Commodity prices are net of taxes for all the countries
- Prices are not customer delivered
- All commodities are raw materials
- Nominal and real data

Nominal data series do not exclude changes in prices and are also referred to as current prices series.

Annual changes in nominal data for construction output will include changes in construction activity, as well as changes in costs for materials and equipment.

Real data series are calculated by keeping prices constant (so, are also referred to as constant price series), and therefore, they reflect changes in activity only. Growth rates in nominal terms can overstate the pace of growth in construction activity if there is high inflation stemming from rising prices for key inputs.

Sample sources – Mexico

For Mexico, sources for this report include, but are not limited to:

- IMF
- National Institute of Statistics and Geography (INEGI)
- GlobalData's Construction Intelligence Center (CIC)

