Market Insights

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EDITION

EDITORS
KARTIK DUBEY
HARISH KUMAR

Gexpro® Services
Powerful Supply Chain Solutions

Content

METALS MARKET OVERVIEW

Global steel and supply chain conditions remain volatile, shaped by trade uncertainty, geopolitical instability, elevated input costs, and slower economic momentum. In the United States, steel prices remain supported by tight domestic supply, limited import flexibility, and ongoing trade protections, including strengthened Section 232 measures on steel and related metal products. Higher transportation and fuel-related costs are also increasing total landed costs for buyers, particularly where inland freight, diesel exposure, and carrier surcharges are material parts of procurement economics. Stainless steel markets face additional cost risk from nickel volatility, with Indonesia's nickel policy and dependence on Middle Eastern sulphur supplies creating uncertainty for refining costs and future supply availability.

European steel markets remain under pressure as tighter UK and EU import controls are expected to support regional pricing and reshape trade flows. At the same time, weak demand, higher energy/logistics costs, regulatory complexity, and Middle East-related geopolitical risk continue to pressure producer margins. More broadly, the IMF has lowered its 2026 global growth outlook and warned that a longer or wider Middle East conflict could increase inflation through energy, commodity, and supply-chain channels, creating additional pressure on industrial demand and manufacturing margins.

Freight and currency markets remain important sources of procurement risk. Red Sea and Strait of Hormuz disruptions continue to affect routing decisions, transit times, insurance costs, fuel costs, and schedule reliability, even as some headline ocean freight indexes remain softer than prior peak levels. The U.S. dollar is expected to remain relatively supported by geopolitical uncertainty, energy-price volatility, and cautious monetary policy, while commodity- and manufacturing-linked currencies may continue to fluctuate. These movements could affect landed costs, sourcing decisions, and export competitiveness. In this environment, continued investment in AI-enabled forecasting, supply-chain visibility, scenario planning, and supplier collaboration remains well aligned with current market risks and should help improve resilience against steel-price, freight, currency, and geopolitical volatility.

The *Purchasing Price Index*, which is a measure of the average change in the prices paid by the consumers for a market basket of goods and services reflects significant inflationary pressure Y-o-Y across North America and Europe region whereas it started picking up inflationary signals in the Asia market. [Exhibit 1]

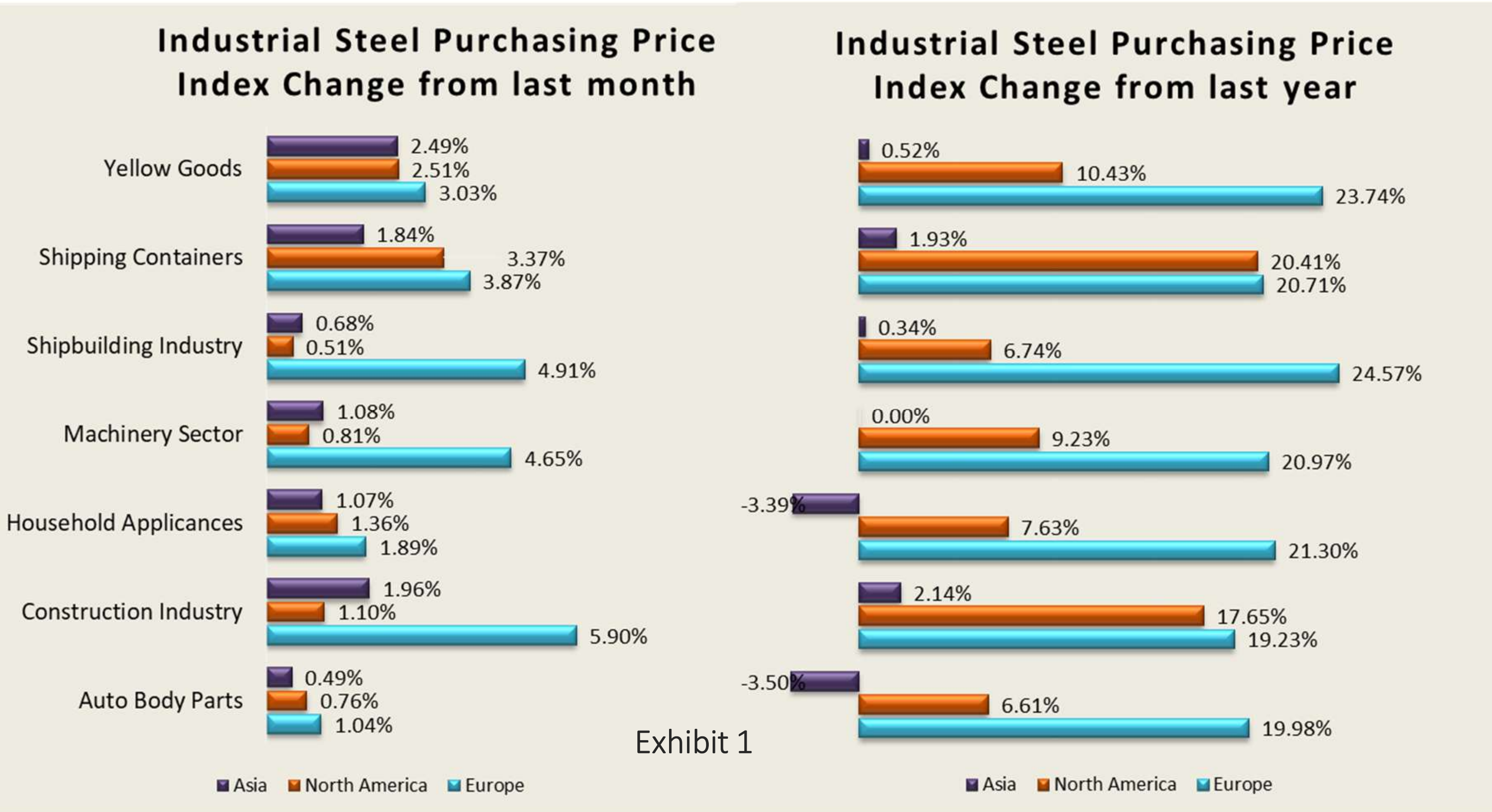


Exhibit 1

METALS MARKET OVERVIEW

Exhibit 2

Base Metal	% Chg. from last year, same period	% Chg. Avg. through prior 3 months	% Chg from prior month
Steel Coil Hot Rolled	12.86%	10.13%	2.45%
Import - Steel HR Coil	15.00%	5.53%	4.55%
Steel Coil Cold Rolled	6.64%	8.82%	2.99%
Scrap # 1 Busheling	-2.17%	11.57%	0.00%
Steel wire rod (mesh)-China	6.12%	3.32%	2.03%
Copper	29.96%	5.43%	6.06%
Aluminum 6061	73.49%	19.01%	5.49%
Import - Steel Medium Plate	6.25%	-1.95%	0.00%
Silver Engelhard United States	124.51%	6.95%	0.48%
Steel Rod - High Carbon	6.82%	5.26%	0.00%
Import LC Wire Rod	1.59%	4.44%	0.00%
Nickel	25.71%	10.63%	14.58%
Wire Rod, Cold Heading Quality	11.94%	11.69%	0.00%
Cobalt	46.17%	10.15%	-2.07%
Aluminum	26.60%	15.00%	9.50%
316L Stainless Steel	13.68%	7.79%	0.53%
304 Stainless	8.97%	7.71%	-0.27%
Ferromolybdenum	48.98%	39.41%	-7.59%
Gold Engelhard United States	40.25%	6.93%	1.07%
Chromium-AluminoThermic	-7.58%	-2.39%	0.00%
Nylon PA6/6	2.76%	3.76%	11.19%

Long Products:

- US wire rod prices have remained above USD 1,000 per short ton for the first time since late 2022, even as scrap prices softened. In April, prices edged up slightly by USD 5 to around USD 1,000-1,050 per short ton.
- Rebar prices, meanwhile, stayed flat after a USD 20 per short ton drop in March. Overall, long product prices have stabilized or seen modest gains despite a USD 20 per gross ton decline in shredded scrap prices. Increased scrap availability supported by better weather and weaker export demand has put downward pressure on scrap values.
- Beam prices in the United States continued to climb to new record highs this month, driven by strong demand and limited domestic supply. Prices rose by USD 40 per short ton to around USD 1,575–1,600, surpassing previous peak levels seen in 2022.
- Rebar demand remained weak across Northern Europe, while wire rod saw slight support from the manufacturing and engineering sectors amid tightening supply. Demand for beams and merchant bar also stayed subdued, with limited support from the construction sector. However, prices for these products still rose, driven by higher mill costs and reduced import availability.

Flat Products:

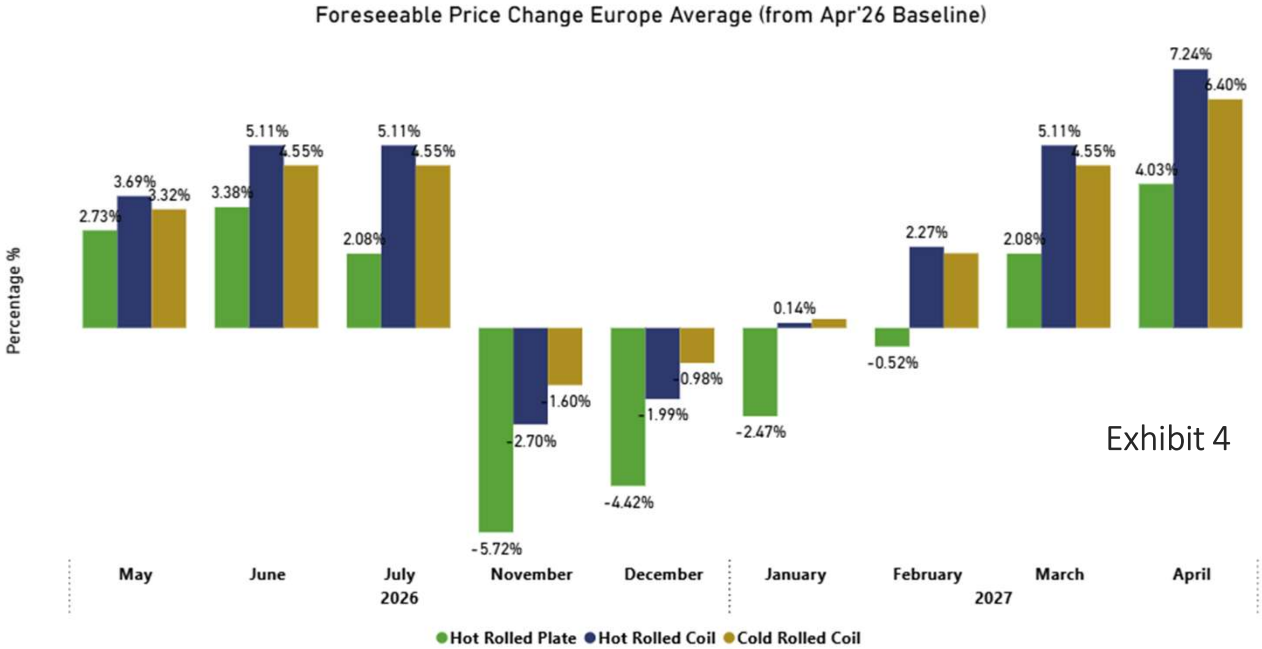
- Tight supply has kept hot rolled coil prices in the United States elevated for a sixth straight month, with prices now firmly above USD 1,000 per short ton. In April, prices rose by USD 45-60, reaching around USD 1,040-1,080 per short ton. Higher fuel surcharges have also pushed up procurement costs for buyers. Plate prices in the United States have stabilized after last month's sharp USD 100 per short ton increase, with April levels holding around USD 1,140–1,200 per short ton.
- Supply constraints are expected to persist, driven in part by 50% Section 232 import tariffs. Flat product imports fell 46% year-over-year in the first quarter of 2026, while galvanized steel imports also impacted by antidumping duties on multiple countries declined by more than 47%. There are growing concerns that imports could tighten further due to rising freight and energy costs.
- Hot rolled coil prices rose across Europe in April, increasing by EUR 20-30 per tonne in France and Germany. In the UK, prices saw a sharper rise of EUR 53-59 per tonne (in euro terms), following strong gains in March. UK buyers expect further increases, driven by planned 60% cuts to import quotas and 50% tariffs on volumes exceeding quotas from July 1. In Central Europe, producers have also raised prices, citing higher production costs linked to the Middle East conflict.

- Most labor- and processing-related cost indices show steady increases over the past three years and compared with last year.

Exhibit 3

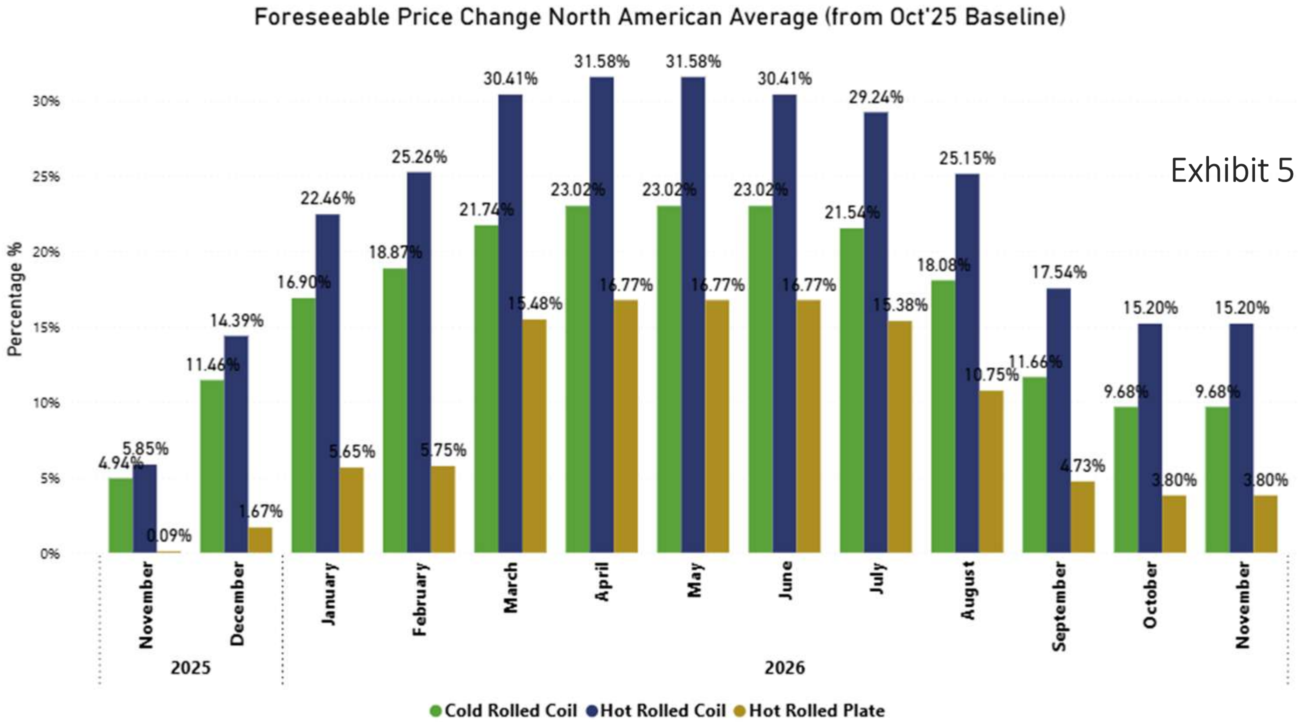
Base	% Chg. V from last year, same period	% Chg. Avg. through prior 3 months	% Chg from prior month
American Unit Labor Costs	4.15%	2.22%	0.00%
Average Wages - Taiwan	2.51%	0.85%	-0.73%
Average Wages - Vietnam	8.49%	3.79%	0.00%
Heat Treating	1.70%	0.55%	0.97%
Electroplating	-1.78%	-0.56%	0.00%
Metal Plating and Polishing	-1.69%	-0.54%	0.00%

NEAR TERM FORECAST



[Exhibit 4] European steel prices are expected to continue rising in the coming months, mainly due to supply constraints and ongoing cost pressures. Prices have already increased by 10-15% in the first four months of 2026, supported by reduced import competition linked to uncertainty around CBAM taxes and tighter import quotas, along with 50% tariffs on excess volumes in both the EU and UK from July 1.

Long product prices are likely to rise more gradually, following a sharp increase in April, with an additional EUR 15–20 per tonne expected in May before stabilizing toward the end of the second quarter. Higher energy and shipping costs, driven by the Middle East conflict, have also supported price increases. However, without a meaningful recovery in demand, prices may stabilize by late May. Recent signs point to slower purchasing activity, as buyers push back against higher prices amid weak demand.



[Exhibit 5] The North American steel market is expected to see significant price increases throughout 2026 compared to the October 2025 baseline, with prices rising steadily during the first half of the year before easing later. Hot Rolled Coil (HRC) is projected to record the strongest growth, peaking at 31.58% in April and May 2026. Cold Rolled Coil (CRC) is forecasted to reach a peak increase of 23.02% during the same period, while Hot Rolled Plate (HRP) is expected to peak at 16.77% between April and June 2026.

Although prices are anticipated to soften during the second half of 2026, all three steel products are expected to remain above the October 2025 baseline through year-end. The projected upward trend reflects continued supply-side constraints, elevated production and energy costs, and sustained industrial demand across the North American steel market.

CURRENCY OVERVIEW

The US dollar has weakened by around 1% against most major currencies over the past month, including the euro, Canadian dollar, Vietnamese dong, South Korean won, and Mexican peso. However, the most notable movement was against the Indian rupee, where the dollar posted its strongest monthly gain of about 1.15%. Meanwhile, currencies such as the Mexican peso, Canadian dollar, and South Korean won have declined by more than 2% compared to the previous month.

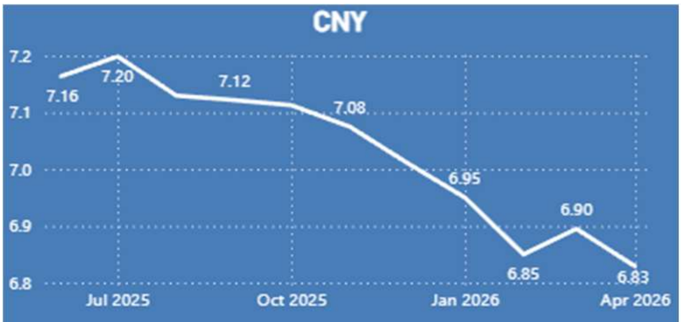
Looking at a longer-term trend, the dollar has strengthened significantly gaining roughly 12% against the Indian rupee and about 3.5% against the South Korean won over the past year.

Exhibit 6

KRW % Change 1Y	KRW % Change 3M	KRW % Change 1M
3.50%	1.69%	-2.10%

VND % Change 1Y	VND % Change 3M	VND % Change 1M
1.10%	1.19%	-0.28%

EUR % Change 1Y	EUR % Change 3M	EUR % Change 1M
-3.47%	1.06%	-1.46%

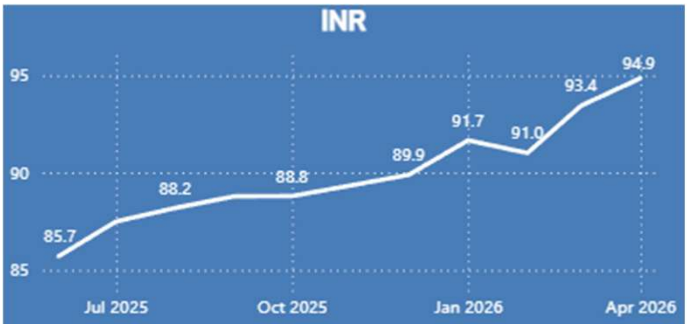


CNY % Change 1Y	CNY % Change 3M	CNY % Change 1M
-6.08%	-1.74%	-0.96%

MXN % Change 1Y	MXN % Change 3M	MXN % Change 1M
-10.91%	-0.02%	-2.88%

CAD % Change 1Y	CAD % Change 3M	CAD % Change 1M
-1.38%	0.00%	-2.23%

TWD % Change 1Y	TWD % Change 3M	TWD % Change 1M
-1.28%	-0.09%	-1.06%



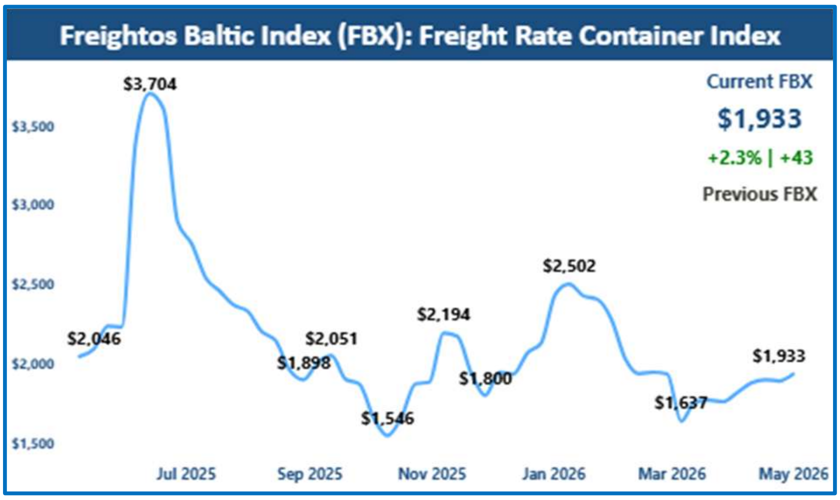
INR % Change 1Y	INR % Change 3M	INR % Change 1M
12.17%	3.48%	1.51%

Freight Update

Containers update

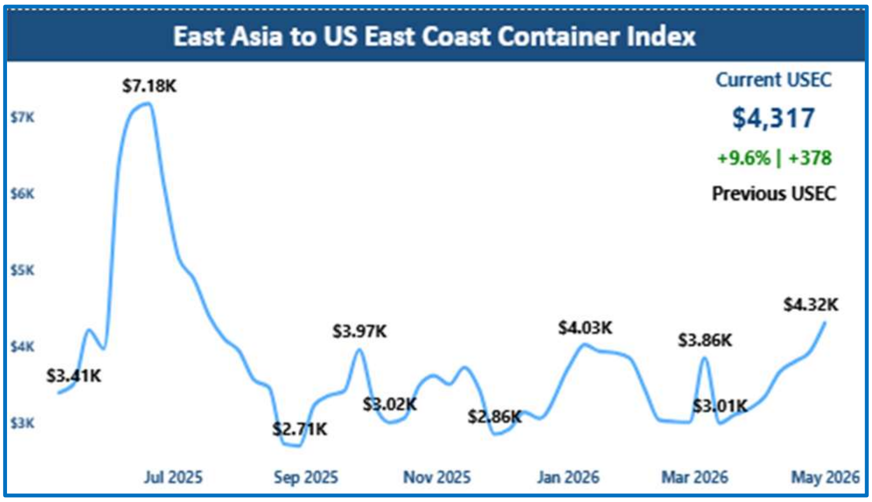
Global Market Overview

Exhibit 7



- In April 2026, the global freight market experienced elevated volatility driven by geopolitical disruptions, rising bunker fuel costs, and ongoing supply chain uncertainty. While spot freight rates remained well below the historic highs seen during the pandemic and Red Sea crisis, some trade lanes recorded temporary increases due to fuel surcharges and rerouting pressures linked to Middle East tensions and Strait of Hormuz disruptions.
- However, structural overcapacity and weak global demand continued to pressure container freight rates downward, despite carriers implementing blank sailings and capacity management measures. capacity and subdued cargo demand.

Exhibit 8



Asia–US East Coast (Exhibit 8)

Spot rates on this lane weakened through April but then jump back in May.

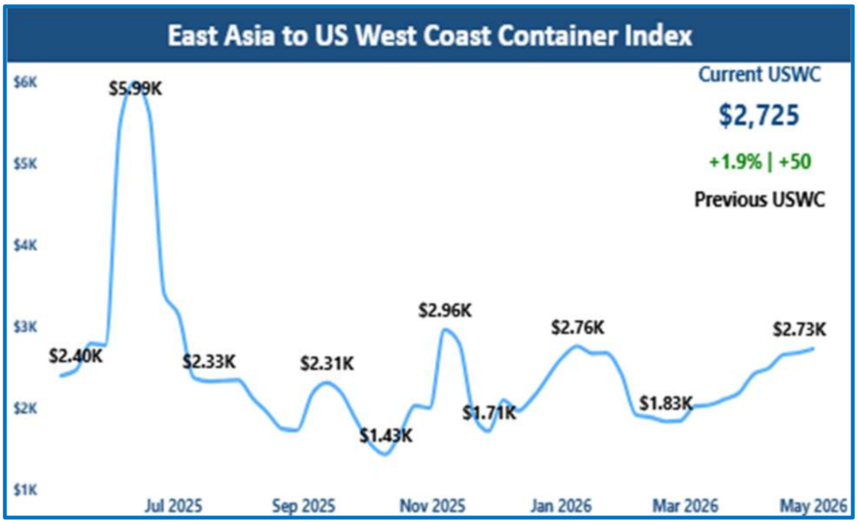
- Asia to the East Coast of North America reached $4,317 per FEU, increasing by $1,119 per FEU compared to the previous month, when rates stood at $3,198 per FEU.
- The index saw a sharp 10% increase in the first week of May alone.
- Rates have climbed by roughly $1,000 per FEU (a 50% gain) since late February 2026, driven largely by geopolitical disruptions and network congestion rather than a surge in organic demand.

Asia–US West Coast (Exhibit 9)

Rates followed a similar downward trend through April, rising back in May.

- Asia to the West Coast of North America reached $2,725 per FEU, increasing by $542 per FEU compared to the previous month, when rates stood at $2,183 per FEU.
- This index saw a modest 2% increase in the first week of May. While the West Coast remains significantly cheaper than the East Coast, it is showing steady upward pressure as shippers diversify their entry points to avoid East Coast congestion.

Exhibit 9



Source : https://www.freightos.com/

Freight Update

Rate Trends Across Major Trade Lanes

Exhibit 10

Source : https://www.xeneta.com/

Market average spot rates as of April 2026

Shipping rates showed varied levels across key trade lanes. Rates from the Far East to the US West Coast averaged USD 2,864 per FEU (40-ft container), while routes to the US East Coast were higher at USD 3,873 per FEU.

Shipments heading to North Europe averaged USD 2,528 per FEU, and to the Mediterranean USD 3,567 per FEU. Meanwhile, the North Europe to US East Coast lane recorded a lower average of USD 2,188 per FEU.

Offered capacity (4-week rolling average, week commencing Apr 2026)

Freight rates from the Far East to the US West Coast rose by 21%, increasing from USD 2,368 to USD 2,864 per FEU. Similarly, rates to the US East Coast climbed 19%, from USD 3,264 to USD 3,873 per FEU. In contrast, rates from the Far East to North Europe declined by 10%, dropping from USD 2,802 to USD 2,528 per FEU, while shipments to the Mediterranean saw a sharper fall of 15%, from USD 4,221 to USD 3,567 per FEU. Meanwhile, rates from North Europe to the US East Coast surged significantly by 45%, rising from USD 1,512 to USD 2,188 per FEU.

Air Freight Update 2026

Global air cargo spot rates jumped 30% year-on-year in April, reaching USD 3.34 per kg the highest level since October 2022. However, there are early signs of relief for shippers as capacity gradually returns on routes most affected by the Middle East conflict, allowing market fundamentals to slowly regain influence over pricing.

April's surge, along with an 18% increase in long-term rates (for contracts longer than one month), brought back memories of the pandemic period, when limited capacity drove freight costs sharply higher.

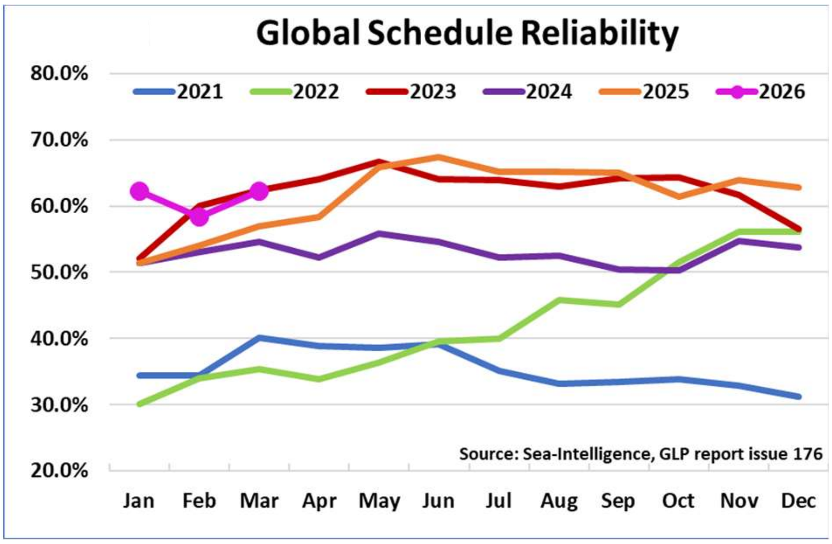
That said, the comparison isn't exact. Unlike the COVID-19 shock, which disrupted capacity on a global scale, current constraints are more regional. A more pressing concern is rising fuel costs: crack spreads the gap between crude oil and refined jet fuel prices have now surpassed pandemic-era peaks, adding significant cost pressure that carriers cannot easily absorb.

Fuel price : Airfreight rates have eased in recent weeks, even as jet fuel prices have risen. In practice, the total cost paid by freight forwarders to airlines is influenced more by supply and demand than by fuel costs alone. As a result, shippers are being advised not to rely on separate fuel charges in their pricing structures, especially since many surcharges are often negotiable.

Freight Update

Ocean Freight Schedule Reliability

Exhibit 11



In March 2026, global schedule reliability improved by 3.9 percentage points compared to the previous month, reaching 62.2% tying for the highest level recorded so far this year. On a year-over-year basis, reliability was up by 5.2 percentage points, showing a clear improvement in overall performance. As schedules became more reliable, delays for late vessel arrivals also eased slightly. The average delay dropped by 0.14 days month-over-month to 5.48 days. However, compared to March last year, delays were still higher by 0.36 days.

Source : https://www.sea-intelligence.com/

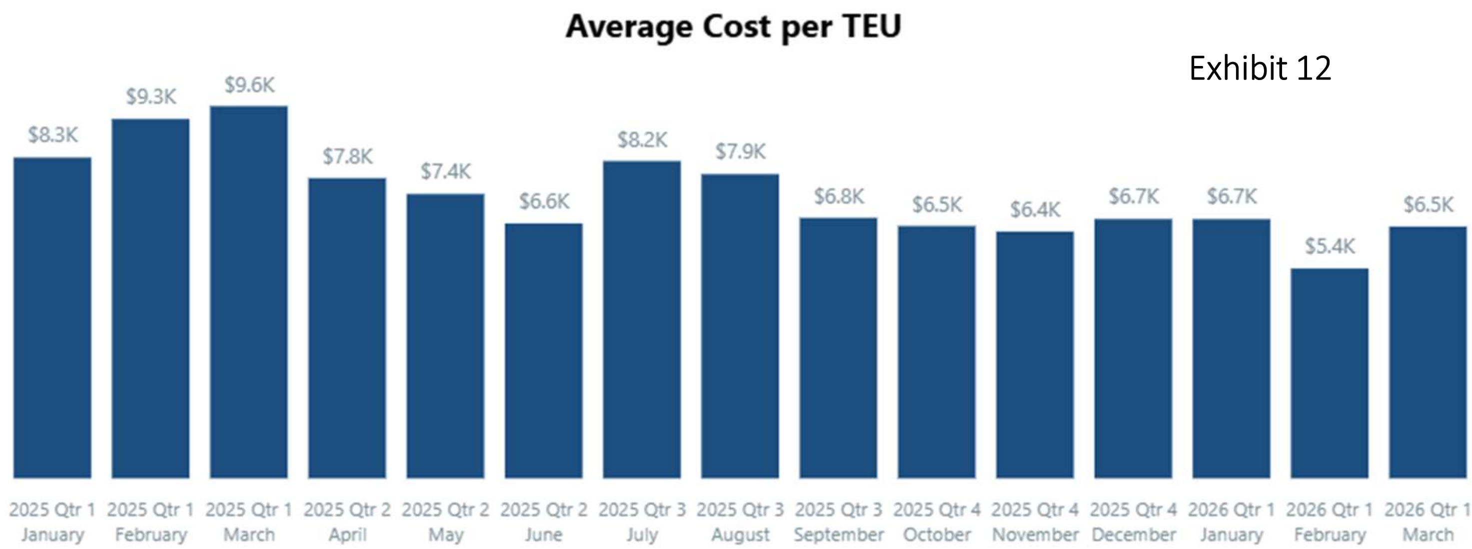
In March 2026, the top carrier achieved schedule reliability of 72.3%, followed by another at 70.8%. Eight carriers recorded reliability between 60–70%, while the lowest stood at 46.6%. Month-over-month, only two carriers declined, while 11 of 13 showed year-over-year improvement.

During February - March 2026, the leading alliance recorded 76.8% schedule reliability for all arrivals and 77.6% for trade arrivals. Other alliances reported lower performance, with reliability ranging between 56.5% and 65.4%, while older alliance structures stood at 65.9%.

Business Freight Update

Exhibit 12 presents the Average Cost per TEU (Twenty-foot Equivalent) for FCL (Full-Container Load) and BCN (Buyers Consolidation) shipments for the business. There was a brief period of slumped freight rates post the start of the Iran war, however the freight rates picked again April owing to the energy/fuel shortage. Shipping companies are imposing additional surcharges to cover sudden, skyrocketing fuel costs and operational risks associated with rerouting or security issues
(Note: Both 40’ & 20’ Container as 1 TEU unit. Previously 40’ Container was considered equivalent to 2 TEUs and 20’ Container as 1 TEU for calculating Average Cost/TEU)

Exhibit 12



FROM AROUND THE WORLD

AI Needs Renewables:

Advancements in AI and ongoing disruptions linked to the Middle East conflict are reshaping the role of sustainability in the energy landscape. Carbon-free power sources particularly renewables are becoming central to the tech sector's strategy, driven by two key needs: the massive energy demand of AI growth and the desire for greater energy independence.

Despite uncertainty following Donald Trump's July 2025 budget bill, which accelerated the phaseout of renewable energy tax incentives, corporate investment in clean energy continues to grow strongly. As of February 2026, leading hyperscalers such as Amazon, Google, Meta, and Microsoft have collectively secured around 135 gigawatts of clean energy capacity globally more than 3.6 times higher than three years ago.

At the same time, energy security is becoming a growing priority amid geopolitical tensions, with governments introducing state-level policies to manage and regulate the rapid expansion of data centers.

Global Economic Outlook Q2 2026:

The Middle East war has triggered the largest energy supply shock on record, significantly weakening the 2026 global outlook and offsetting earlier expectations of stronger growth. The baseline assumption is that the conflict ends in April, leading to slightly slower growth, notably higher inflation, and a shift in central bank policy.

However, risks remain heavily tilted to the downside and depend largely on how long the conflict continues. A prolonged crisis could trigger sharp market reactions and lead to a broader global slowdown.

Before the conflict began in late February, global growth forecasts were expected to improve, supported by strong momentum from 2025, AI-driven investments, favorable financial conditions, fiscal support in major economies, and low energy prices. Now, most of these positive drivers have weakened or disappeared, with only AI-related investment still providing support.

The disruption has been driven by the closure of the Strait of Hormuz, restricting around 15–20% of global oil and gas supply (roughly 15 million barrels per day), much of which is destined for East and South Asia. While some supply has been rerouted through alternative pipelines and supported by emergency reserve releases coordinated by the International Energy Agency, a significant supply gap remains.

Middle East Disruptions Drive Up Global Copper Mining

Geopolitical tensions in the Middle East particularly disruptions around the Strait of Hormuz are expected to push up global copper mining costs in 2026. The closure of this key route has disrupted the flow of oil, LNG, sulfur, and sulfuric acid, all of which are critical inputs for mining and processing.

Updated projections suggest global copper cash costs could rise by around 5.1%, with reagents such as sulfur and sulfuric acid contributing the largest share of the increase. Higher fuel and electricity costs, driven by constrained oil and gas supply, are also adding pressure especially in regions that depend heavily on fossil fuel-based power.

Overall, mining and processing account for the majority of the cost increase, with potential price impacts exceeding 10 cents per pound of copper. These effects are expected to ripple across non-ferrous supply chains, as upstream disruptions gradually feed into production costs and profitability.

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