

May 8, 2024

Construction Spending

Takeaway:

Last week, construction spending data was released and continues to show a loss of momentum from last years growth. The most likely culprit continues to be the sharp rebalancing of market expectations against a rapid interest rate cutting cycle.

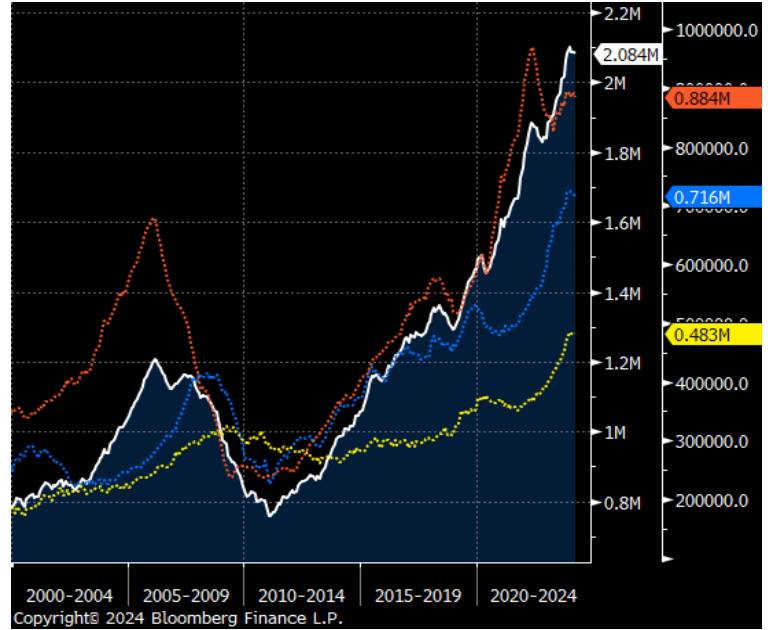
Construction Spending MoM declined by -0.2% in March, missing the market expected 0.3% increase and down from February’s upwardly revised reading of 0.0% from -0.2%. This marks the third consecutive month of downside surprises.

This drop was primarily due to a -0.5% decrease in private construction, with residential spending falling -0.7%, particularly in multi-family housing projects which dipped by -0.6%. Nonresidential spending also declined, albeit slighter, by -0.2%.

In by 0.8%, driven by gains in power (3.3%) contrast, public construction spending grew , conservation and development (2.9%), commercial (2.7%), and health (1.9%) projects.

Despite the monthly decrease, year-over-year shows a 9.6% increase in construction spending as of March.

Construction Spending – Total, Residential, Non-residential, & Public



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PROGRAMS AND SERVICES



PREFER A FIXED OR FLOATING PRICE?

FCM can provide the pricing terms you want no matter who sources the material. The details of the contract are not disclosed, existing supply chains are not interrupted, and it can be as simple as issuing a purchase order.

NEED TO ACCESS FUTURES AND OPTIONS MARKETS?

FCM offers a variety of methods for accessing the derivatives market and can help choose which is the best fit for your business. If you're already utilizing futures and options, FCM can provide the liquidity you need to manage your price risk efficiently and cost-effectively.



WANT TO CAP YOUR PURCHASE PRICE, OR LIMIT YOUR DOWNSIDE?

Partnering with FCM can enable you to reap the benefits if the market moves favorably but protect you if the market moves unfavorably. FCM will give you the option to buy or sell at a price only if it's better for you in the future.



HOLDING EXCESS INVENTORY IN A FALLING MARKET?

If your company is holding material that is at risk of declining in value, FCM can protect the value of your material while enabling you to have JIT inventory. Additionally, this solution helps raise capital on your balance sheet.



NEED HELP PROTECTING VALUE WHILE IMPORTING MATERIAL?

FCM can help manage price risk while your material is in transit, ensuring that you are not holding mispriced material by the time the material arrives at its destination.



BIDDING ON A PROJECT AND NEED TO HOLD A FIRM PRICE?

FCM can hold a fixed price while you wait to hear back about a contract tender, ensuring that cost estimates remain unchanged in the meantime.



NEED TO MEET ESG MANDATES?

FCM can supply and retire voluntary carbon offset credits on your behalf, as well as consult, advise, and execute carbon neutrality strategies. FCM is a member of all the major registries and sources offsets directly from project developers all over the world.



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