



April 20, 2026

Valued Customer,

At Border States, we remain focused on providing clear, timely insights into the global supply chain and what they mean for our customers. As we move through April, supply chains across construction, industrial and utility markets remain more stable than in recent years, but volatility has re-emerged in several key areas, largely driven by geopolitical disruption, elevated energy costs and continued infrastructure-driven demand. These trends are creating a more uneven operating environment and reinforce the importance of early planning, flexibility and close coordination across the supply chain.

Commodity and energy markets are the primary drivers of current supply chain conditions. Copper prices remain elevated, aluminum is trending toward multiyear highs from energy-supply risks in the Middle East, and steel demand is rising as construction, utility and hyperscale infrastructure demand continues. At the same time, near-term fuel volatility has become a key cost variable as diesel prices spiked sharply in March, putting near-term upward pressure on both freight costs and broader inflation.

Transportation markets are also shifting as higher fuel costs, carrier capacity management and fewer CDL drivers on the road contribute to higher logistics costs. Ocean container rates are rising, driven by fuel-cost inflation, carrier capacity discipline (including blanked sailings) and elevated geopolitical risk in the Middle East. Conditions through the Strait of Hormuz remain constrained and inconsistent, adding uncertainty to routing and transit times. On the domestic side, truckload capacity has tightened rapidly — especially for flatbed equipment — pushing spot rates to their highest levels since 2022 and increasing the likelihood of sustained freight cost pressure throughout 2026.

The Federal Reserve (Fed) held its scheduled Federal Open Market Committee meeting March 17–18. Consistent with expectations from most economists, the Fed maintained benchmark interest rates within the range of 3.5%–3.75%, continuing its wait-and-see approach amid geopolitical uncertainty and mixed economic indicators. A stronger-than-expected labor market and modestly rising inflation tied, in part, to energy and tariffs has contributed to holding rates steady. Many economists now anticipate any rate reductions may be pushed out to later in 2026. Fed Chair Jerome Powell presided over the March meeting. The Fed is scheduled to meet again Tuesday–Wednesday, April 28–29, and Tuesday–Wednesday, June 16–17.

The Consumer Price Index (CPI), which measures changes in the average prices consumers pay for goods and services over time, rose 3.3% year over year and increased 0.9% from the previous month. This marks a notable increase from the 2.4% year-over-year gains reported by the Bureau of Labor Statistics (BLS) over the prior two months. The Producer Price Index (PPI), which measures changes

- Retaliatory tariffs on U.S. goods from countries responding to additional tariffs could also add additional costs and challenges to the supply chain.

For additional information on tariffs, including a list of active, upcoming and counter tariffs, please read the [Fact Sheet](#) on our website.

Material Lead Times

Lead times increased modestly month over month, with most categories experiencing longer supplier lead times compared to earlier in the year. Overall lead times remain above this time last year, as geopolitical uncertainty and tariff speculation continue to accelerate raw material purchasing and strain production capacity. In addition, continued demand from hyperscale data center projects is impacting lead times and product availability. Key areas we are observing are noted below.

Construction and Industrial

- Distribution equipment: Circuit breakers, load centers, panels, switches
- Fuses
- Meter sockets and hubs
- Automation products controls
- Strut
- Cable tray
- Ground rods
- Steel conduit (EMT, GRC, IMC)

Utility – Electrical, natural gas, communications

- Wire and cable: 600V aluminum, bare overhead distribution and transmission, primary underground
- Communication cable: Loose tube and ribbon
- Transformers, capacitors and voltage regulators
- Pad-mount switchgear
- Fiberglass box pads and enclosures
- Transmission insulators and related hardware
- Underground cable accessories
- Gas regulators
- Excess flow valves
- Meter risers and meter set assemblies
- By-pass meter valves and bars
- PE pipe, tap tees and line stoppers

Logistics and Freight

Logistics markets have shifted significantly in April from a stable, normalized environment to a more volatile, disruption-led market. While underlying freight demand is still relatively steady, transportation costs and service reliability are

