November 16, 2026

Valued Customer,

October was a steadier month, but not an easier one. If September felt like a year of rising costs and slow deliveries, October felt like more of the same: Most supply chain measures held close to where they were a month ago instead of getting clearly better or worse. Global supply chain pressure eased slightly (1.26 vs. 1.36), and prices are still climbing, just a little more slowly (ISM Prices Index 75.2 vs. 77.9). Suppliers are still delivering slowly, and the cost of moving material stayed high, with diesel averaging $6.35 per gallon and truck and ocean freight rates holding at their elevated levels. On the tariff front, changes were targeted rather than broad, with the Canadian product list revised and temporary China exclusions extended through Saturday, January 9, 2027.

Pressure is now concentrated in the materials electrical contractors rely on most. Copper pulled back from September's record but is still about 35% above last year, and steel and PVC suppliers opened November with price increases, with steel up 5%–10% in several categories. Larger conduit is where schedules are most at risk, since three-inch and larger PVC is running 8–12 weeks. Standard material is generally available, but wire, cable, conduit, enclosures and other metal-heavy items are where price and timing surprises are most likely.

Looking ahead, we're watching steel and PVC pricing, copper swings, tariff and court developments and a proposed Section 232 expansion that includes certain electric-conductor cable. Freight is another concern heading into the holidays and winter weather, because carriers have little spare capacity and many are strained by fuel costs. The International Emergency Economic Powers Act (IEEPA) tariff refunds are moving, but there is no guarantee they will reach customers. Skilled labor is also tight: Hiring improved overall in October, but construction employment slipped by 3,000, so experienced crews may still be hard to find.

What does that mean for you? Quotes may not hold as long as they used to, so check how long yours are valid and look at your delivered cost, not just the material price. Identify critical-path items during takeoff, confirm need dates and lead times before you lock in schedules and keep approved alternates handy. Line up your crews at the same time as your material deliveries, because both can be tight. We continue working closely with suppliers and will keep you informed as conditions change.

Key Indicator Metrics (latest available)

- **Global Supply Chain Pressure Index (GSCPI)**: Eased to **1.26 in October** from a revised **1.36 in September** but remains well above October 2025's -0.08. Global supply chains are still under pressure, with longer delivery times and higher transportation costs. Customers should confirm material availability and lead times for critical items early in project planning.

- **ISM Manufacturing PMI**: Rose to **55.5 in October** from **54.5 in September** (above 50 means growth). It was the 10th straight month of manufacturing growth and the second-fastest pace in nearly four years, driven mainly by stronger output. Customers should place critical orders early and watch supplier capacity.
- **ISM Prices Index**: Eased to **75.2 in October** from **77.9 in September**. It was the 25th straight month of price increases, though prices rose at a slightly slower pace as manufacturers kept facing higher raw-material costs. Customers should keep watching supplier pricing, quote validity and project budgets.
- **ISM Supplier Deliveries**: Edged up to **59.1 in October** from **59.0 in September** (above 50 means slower deliveries). It was the 11th straight month of slower deliveries. Customers should confirm lead times and availability early for critical materials and equipment.
- **Federal Reserve (Fed)**: At its October meeting, the Fed held the federal funds target range at 3.75%–4.00% by a 10–2 vote. Two members preferred a quarter-point (0.25%) increase. The next meeting is Tuesday–Wednesday, December 8–9. Rates remain high enough to keep borrowing, project-financing and inventory costs elevated, so customers should keep reviewing financing assumptions and project budgets.
- **Consumer Price Index (CPI) and Producer Price Index (PPI):** CPI increased **0.4% month-over-month in October**, down from **0.6% in September**. The Bureau of Labor Statistics did not publish an October year-over-year CPI comparison because comparable October 2025 data were unavailable following the government shutdown. PPI increased **0.3% month-over-month in October**, down from an upwardly revised **1.4% increase in September** and rose **6.5% year over year**, compared with **6.3% in September.** Monthly price increases slowed, but producer prices remain elevated compared with last year. Customers should continue validating pricing and project budgets as inflation continues to affect costs.
- **Labor Market**: Employers added **165,000 jobs in October**, and the unemployment rate edged down to **4.1%**. Skilled trade and project labor may still be hard to find, so customers should confirm crew and contractor availability early.

Tariff Policy Changes and Updates

Tariff policy changes since the October update have been targeted, not broad. The United States revised the products covered by the 50% Section 338 tariffs on certain Canadian goods, and the Office of the U.S. Trade Representative (USTR) extended temporary relief under two China-related Section 301 actions. Existing Section 232 metals tariffs and the Section 301 tariffs that took effect July 24 remain in force. Customer tariff exposure still depends mainly on the product, country of origin, classification, material content and available documentation. Border States will keep working with suppliers to assess tariff cost and availability impacts and will stay transparent as conditions change.

Recent Congressional Budget Office reports show the federal government is collecting less in tariffs in fiscal year 2026 than first projected, but this does not mean tariffs or material prices are broadly declining. Section 301 tariffs and the tariffs on steel, aluminum and copper remain in place, and costs will vary by product.

Customer pricing continues to reflect metal markets, supplier costs, existing inventory and available supply.

- **United States-Canada trade actions:** Effective October 30, the United States revised products covered by the 50% Section 338 tariffs on some Canadian goods. The action removed certain plywood, paper, machinery, refrigeration equipment and packaging products and added certain valves, carpets, waste products and other goods. Covered products remain subject to the tariffs regardless of United States-Mexico-Canada Agreement status and may also face Section 232 duties. Customers buying Canadian-origin valves, machinery, equipment or related products should confirm coverage item by item, not assume a whole category is included or excluded.
- **United States–China trade actions:** The USTR extended 178 current exclusions from certain China Section 301 tariffs through January 9. It also continued suspending maritime service fees and related duties on certain Chinese cargo-handling equipment through the same date. These temporary, targeted actions are not a broad reduction of existing tariffs on Chinese products. The previously announced reciprocal tariff reductions on about $30 billion in non-sensitive goods still await domestic implementation. Until formal implementation and customs instructions are issued, customers should keep using current tariff rates in cost assumptions.
- **Section 232 metals:** The steel, aluminum and copper tariff structure has not materially changed since October. The U.S. Department of Commerce's Bureau of Industry and Security has proposed adding 14 product categories to the covered derivative products, including certain electric-conductor cable classifications. The proposal remains under review and has not changed current duty calculations. Customers should keep validating classification, country of origin, product coverage and material-content requirements for metal-intensive products.
- **Section 301 country tariffs:** The 10% or 12.5% tariffs that took effect July 24 on 60 trading partners, covering 99.4% of U.S. imports, remain in force, with product exemptions and country-specific treatment. Keep these tariffs in landed-cost assumptions, unless an official action changes them.

Tariffs can affect our business and our customers in several ways, including:

- **Compliance and documentation:** Accurate Harmonized Tariff Schedule classifications, country-of-origin support, supplier certifications and material-content information remain essential. Complete documentation can help minimize shipment delays and validate tariff charges. A policy change may apply only to specific classifications, even when broader product descriptions look similar.
- **Cost volatility by product:** Electrical equipment, wire and cable, enclosures, utility materials and other metal-intensive products face the most tariff-related cost pressure. Costs for similar products can differ by origin, classification and raw materials.
- **Delivered pricing and quote validity:** Tariff-related costs still affect delivered pricing, even when suppliers cite raw materials, labor, freight, energy or inflation. Customers should review total delivered costs and quote validity, not tie every price change to a specific tariff announcement.
- **Sourcing, lead times and availability:** Tariff changes can shift demand among suppliers, products and countries. Lower-tariff alternatives may see higher demand and longer lead times.

- **Project Planning:** Early demand visibility, confirmed need dates, identified critical-path materials and flexibility on approved alternates give customers more options if tariff treatment, supplier pricing or product availability changes.

Tariff Refund Update (IEEPA)

The IEEPA refund processing continues to advance, but not every importer has been paid, and customers are not assured of receiving recovered duties. As of October 23, U.S. Customs and Border Protection's (CBP) Consolidated Administration and Processing of Entries system accepted about $137.9 billion in potential and certified refunds for processing. About $127.7 billion in duties and interest had been sent to the U.S. Treasury for disbursement, roughly 77% of the approximately $166 billion originally reported as collected. These figures reflect different stages of the process.

- **Border States' position:** Border States is not the Importer of Record (the company responsible for filing and paying duties on imported goods) or customs broker. As a result, we do not have the authorization, control or visibility needed to file or review IEEPA tariff refund claims, amend claims or check the status of refund requests filed by others with CBP. We also cannot control refund timing or eligibility. Our role is advisory and informational only.
- **Where things stand:** Refund processing continues in multiple phases, including some older imports. Refunds are paid to the Importer of Record first, so recovery for customers remains uncertain, and any benefit to customers depends on how suppliers handle recovered duties.
- **What we are doing now:** Border States remains actively engaged with manufacturers and suppliers that previously identified tariffs as a pricing factor. We have asked them to reassess applicable pricing, confirm whether refund claims are being pursued, share any available visibility into potential customer credits or adjustments, and provide updates on claim status, recovery timing and whether refunds will be passed on to customers. Responses to date have given limited clarity or certainty on refunds, and we continue to press for more information. A limited number of supplier refunds and formal refund programs are now moving through customer-credit review. These situations are case-specific and do not indicate broad refund availability or establish customer entitlement.
- **What we can help with:** Border States can help identify the manufacturers or suppliers that previously cited tariffs in their pricing and provide supporting information when available.
- **Key takeaway:** A government refund does not automatically become a customer credit. Any credit depends on the supplier's actual recovery and its decision to pass it on to customers. Once supplier recoveries are confirmed, Border States will share the details and coordinate next steps. We cannot guarantee claim outcomes, payment timing or customer credits.

Note: Tariff rates and duties paid depend on product classification, country of origin, entry timing and program eligibility. Some duties apply together, while others do not. Evaluate tariff exposure and potential recovery product by product.

Tariff-Authority Reference Table

Authority	Status	Range	Duration	Geography	Purpose/product scope
IEEPA	Tariffs invalidated; refunds ongoing.	Varied; 10%–41%.	February 2025–February 2026.	Most countries.	Emergency-based tariffs; broad goods coverage
Section 122	Expired.	10%	February 24–July 24.	Most countries.	Temporary import surcharge. Most imports; exemptions applied.
Section 201	Active; product specific.	Varies.	Case-specific; temporary.	Global; exclusions.	Safeguards addressing import surges; specific safeguard products.
Section 232	In effect.	Varies; generally, 10%–50%.	No fixed end; some temporary rates.	Global; exceptions.	National security. Strategic products, including steel, aluminum, copper and derivatives.
Section 301	In effect.	10%–12.5%*	No fixed end.	60 countries*; separate China actions.	Unfair trade practices; most goods, product-specific coverage.
Section 338	In effect; scope modified October 30.	50%; some import bans.	No fixed end.	Canada.	Discriminatory trade treatment; selected Canadian goods.
AD/CVD	Active; order specific.	Varies.	Case specific.	Country/producer.	Offsets dumping and unfair subsidies. Products under AD/CVD orders.
CBP/EAPA	Active enforcement.	N/A	Case specific.	Case specific.	Investigates evasion of AD/CVD orders. AD/CVD evasion investigations.

*The Section 301 range and geography summarize the July 24 forced-labor action. Other Section 301 tariffs, including China-specific actions, have different rates, exclusions and product scopes.

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 and product availability were largely steady in October, and service levels remain near target. Availability varies by manufacturer, though, and is weakest on lower-volume items. The broader environment is more predictable than during peak disruption, but project-driven and long-lead categories still require early planning. The biggest risk for customers remains critical-path material identified too late in the

project cycle, and price changes are coming from several major suppliers through early 2027.

- **Plan early around utility and power distribution equipment:** Availability for key utility and power distribution equipment remains limited. Transformers, regulators, switchgear, underground accessories and related utility materials should be planned early, especially for specific configurations, approvals or documentation. There are no indications of near term relief in the foreseeable future.
- **Watch wire, cable, conduit and steel-related products:** Many vendors implemented price increases citing fuel, transportation, trade and raw material pressure. Review wire, cable, conduit, strut and fabricated metal products early for availability, quote validity and approved alternates.
- **Treat communications, fiber and electrical distribution products with care:** Availability remains strong for most electrical distribution manufacturers. Fiber, specialty communications products and materials with domestic content requirements should still be confirmed early.
- **Monitor gas utility and PVF materials closely:** Regulators, meter-related products, valves, fittings, risers and specialty gas distribution materials remain areas where early planning can help reduce schedule risk. Lead times vary by product family, but certain categories continue to require longer advance notice.
- **Customer takeaway:** Lead-time risk is targeted rather than broad. Early coordination, clear need dates, confirmed quote validity, identification of critical-path materials during takeoff and flexibility around approved alternates remain the best protection.

Transportation and Logistics

October was the steadiest month the market has seen this year, with most headline measures holding close to September levels rather than breaking in either direction. DAT monthly average spot rates finished at $3.04/mi for dry van and $3.61/mi for flatbed, up 1.0% and down 0.3% month over month — still running 46.2% and 43.8% above year-ago levels. Contract rates were similarly flat, with van edging up 1.5% to $3.29/mi and flatbed slipping 0.2% to $4.06/mi. Tender rejections briefly climbed around the end of the quarter as carriers passed higher fuel costs on to shippers, then settled back near 13.3% to 13.9%, still more than double where they stood a year ago. Diesel held at historically high levels, averaging $6.35/gal in October, down just 0.5% from September's record but 72.6% above last year. Ocean freight also held its ground, with the Drewry World Container Index (WCI) closing October at $4,429/FEU, essentially unchanged from September and 143% above October 2025.

Looking ahead to the holiday season and into early 2027, the market appears stable on the surface but has very little room to absorb a shock. Freight volumes are softening, yet capacity has not returned; spot truck postings remain down more than 20% year over year, and high diesel costs are straining carrier cash flow to the point that some smaller fleets may be forced to park trucks or exit the market. U.S. distillate inventories fell to their lowest level since 2003 at the end of October, and the Energy Information Administration expects diesel to ease only gradually toward

roughly $4.50/gal on average in 2027. Holiday demand and winter weather typically tighten capacity from mid-November onward, and, with supply this thin, those disruptions could hit harder than usual. On the parcel side, UPS and FedEx have both set 5.9% general rate increases, with surcharges climbing faster than base rates. Shippers should finalize 2027 budgets with realistic fuel and accessorial assumptions, protect contract coverage through peak, and continue leaning on intermodal where lanes allow.

Ocean freight market

Ocean freight moved sideways in October, as a Golden Week dip early in the month was largely recovered before demand began to fade in the final week. The Drewry World Container Index fell to $4,351/FEU on October 8 as Chinese factory closures cut export volumes, then recovered through mid-month before finishing October at $4,429/FEU, down just 0.1% from September. Transpacific rates eased from their September highs as import peak season wound down, while Asia to Europe lanes stayed under pressure as carriers continued returning services to the Suez Canal, with weekly Suez transits reaching their highest level of the year.

Key September to October changes impacting the U.S. market:

- Drewry WCI Composite: $4,434/FEU (September) → $4,429/FEU (October), -0.1%, and still up 143% year over year.
- Shanghai → New York (USEC): $10,428/FEU (October 1) → $9,631/FEU (October 29), -7.6%.
- Shanghai → Los Angeles (USWC): $7,835/FEU (October 1) → $7,514/FEU (October 29), -4.1%.
- Golden Week: Factory closures in early October drove 11 Transpacific blank sailings in a single week before capacity returned.
- Import outlook: The National Retail Federation forecasts U.S. ocean import volumes to fall 11% month over month in November.
- Suez Canal: Transits rose to 62 vessels in late October, the highest weekly level this year, adding capacity on Asia to Europe trades.
- Strait of Hormuz: Only two vessels transited the strait in the final week of October, keeping bunker costs and fuel surcharges elevated.
- Tariff timeline: The U.S.–China tariff truce remains in place through early January, opening a post-peak restocking window.

Behind the numbers, October marked the transition from peak season to a softer winter market on U.S.-bound lanes. Importers pulled freight forward earlier in the year, record September import volumes have now landed, and November bookings are expected to drop sharply. Carriers are still actively managing capacity with blank sailings and proposing higher November rates, but with demand easing and more effective capacity returning through Suez, Drewry expects transpacific rates to drift lower in the near term. Even so, rates remain more than double year-ago levels, and the Strait of Hormuz, the tariff deadline in early January and continued Asian port disruptions leave room for renewed volatility heading into Chinese New Year.

U.S surface transportation market

The surface market held near its elevated plateau in October, with rates largely unchanged from September even as freight volumes softened. DAT monthly average spot rates finished at $3.04/mi for dry van, up 1.0% month over month and 46.2% year over year, and $3.61/mi for flatbed, down 0.3% month over month and up 43.8% year over year. Contract rates followed the same pattern, with van up 1.5% to $3.29/mi, 36.5% above last year, and flatbed down 0.2% to $4.06/mi, 32.2% above last year. Load-to-truck ratios eased modestly after September's tightening, with the van ratio falling 9.7% to 10.2 and the flatbed ratio slipping 3.8% to 37.5, though both remain sharply elevated at 66.4% and 51.9% above year-ago levels. National tender volumes fell roughly 6% from mid-September, yet carriers continued rejecting more than 13% of contracted loads, a clear sign that lower demand has not translated into easier capacity. Record diesel costs are now a cash flow issue for many carriers, particularly smaller fleets on long payment terms, adding exit risk to a supply base that has yet to respond to a full year of higher rates. In parcel, UPS announced a 5.9% general rate increase effective Monday, December 21, two weeks ahead of FedEx's matching 5.9% increase on Monday, January 4, 2027, with many common surcharges rising closer to 9%.

Intermodal had a record-setting October, extending one of the strongest years in the mode's history. U.S. intermodal volume rose 9.6% year over year and set an all-time monthly record, the third straight month of record volumes, with October producing three of the five best intermodal weeks on record. Carloads rose 3.4%, their largest gain in eight months, and 15 of 20 carload categories posted year-over-year growth. Through the first 43 weeks of 2026, intermodal volume reached 12.27 million units, up 4.7% year over year, putting the industry on pace for a new annual record. High diesel costs and tight truck capacity continue to push freight to rail, and the Association American Railroads noted the breadth of the gains points to underlying industrial strength rather than modal shift alone.

The through-line from October is stability without relief. Spot and contract rates held their gains, rejections stayed well above historical norms, and diesel remained near record levels even as freight volumes cooled after peak season. The market is balanced for now, but it is balanced on a thin layer of capacity with carriers under financial strain and fuel inventories at multi-decade lows. As the holidays and winter weather approach, shippers that have locked in coverage, built realistic 2027 fuel and parcel assumptions into their budgets and kept intermodal in the mix will be best positioned for whatever disruption the season brings.

Raw materials (commodities)

Commodity prices remain high but uneven heading into November. Copper has eased from September's record highs but is still well above last year. Aluminum supply is improving as higher Chinese output offsets Middle East disruption. Steel and PVC face more immediate pressure: Suppliers began November with price increases, and strong demand from large data center and infrastructure projects

continues to strain production capacity and lead times. Compared with October 2025, copper is up 35%, aluminum is up 9%, 3/4-inch steel is up 31%, and 4-inch PVC is up 21%.

A lower commodity price does not always mean a lower price for the finished product. Tariffs, regional premiums, resin and energy costs, freight, manufacturing capacity and product size can all change the final delivered cost. Large projects and products with a lot of copper, steel, aluminum or PVC are the most exposed to price changes and supply risk. As customers prepare for year-end work and 2027 projects, early planning, clear need dates and close attention to quote validity remain important.

- **What changed vs. last month:** Copper prices eased from September highs but remain elevated, averaging about $6.59 per pound in October. Aluminum is up 9% from last year but remains near multi-month lows amid higher Chinese output and exports offsetting some Middle East supply disruption. Steel suppliers began November with 5%–10% price increases in several categories. PVC suppliers also announced November increases, and lead times for larger-diameter pipe and conduit remain extended at eight-to-12-weeks. Lumber moved lower, and crude oil eased from late-October highs, but diesel and freight costs remain elevated.
- **What we are watching:** We are tracking copper prices and inventories (COMEX and LME); aluminum production, imports and the U.S. Midwest Premium; hot-rolled steel prices, mill order books and lead times; resin and feedstock costs; PVC prices and larger-diameter availability; lumber demand, mill production and Canadian trade conditions; and crude oil, diesel and petroleum-product inventories. We are also watching how data center construction, utility investment, tariffs and global disruptions affect manufacturing capacity and total delivered cost.
- **Next 60–90 days:** Expect continued cost and lead-time pressure in metal-heavy and project-driven categories. Steel and PVC suppliers are entering year-end with higher prices, while copper remains vulnerable to mine disruptions and strong electrical demand. Customers should identify critical materials early, confirm lead times before finalizing project schedules, review quote-validity periods closely and keep approved alternates available where possible. Large-diameter conduit, steel-heavy products and copper-heavy projects need the earliest attention.

Sign up for the **Commodity Update** for a monthly overview on what's affecting the prices of copper, aluminum, steel and PVC.

Copper: The October average price was about $6.59 per pound, nearly 35% higher than a year ago. Strong demand and supply concerns continue to support prices. Mine disruptions, limited new supply and demand from utilities, grid projects and data centers remain key risks. The year-to-date average is about $6.15 per pound, compared with $4.51 in 2025. Suppliers made one copper-wire price increase in October, and copper opened near $6.25 per pound on COMEX in early November. Wire, cable and other copper-heavy products remain exposed to higher costs, so early planning and quote validity matter.

Aluminum: Aluminum opened near $2.50 per pound in early November and is nearly 9% above last year. Higher Chinese production is helping offset Middle East

supply disruptions, which could ease some pressure on the global market. U.S. costs, however, are still affected by tariffs, the Midwest Premium (the regional charge added to the base price), freight and regional availability. Customers buying aluminum cable, enclosures, fittings and utility products should look at total delivered cost, not the aluminum price alone.

Steel: Steel prices are still rising, with 3/4-inch steel 31% higher than a year ago. Suppliers began November with 5%–10% price increases, and strong data center and infrastructure demand keeps capacity and lead times tight. Larger-diameter conduit and other project-driven products need close watching. Customers should plan larger steel needs early and confirm pricing and lead times before setting project schedules.

Resins: Resin prices are expected to stay high through the year and vary by type and application. Feedstock, energy and transportation costs still influence supplier pricing, even when resin supply is adequate. Polyethylene, polypropylene and other resin-based products may not all move in the same direction. Customers should watch supplier price changes, freight costs and availability, not crude oil prices alone.

PVC: PVC remains a key area to watch, with four-inch PVC about 21% higher than a year ago. Suppliers announced more November increases as resin costs and strong data center and infrastructure demand support pricing. Lead times are about 2–4 weeks for two-inch and smaller products and 8–12 weeks for three-inch and larger. Customers needing larger conduit should plan early and confirm availability before setting project schedules.

Lumber: Lumber remains relatively stable compared with copper, steel and PVC. Softer housing and residential construction demand help limit price pressure, while mill production cuts and Canadian trade costs support prices. Customers should still monitor regional availability and freight; however, lumber currently carries less cost risk than the major metals.

Crude oil: Crude oil prices remain volatile because of Middle East supply risks, inventories and global production. For customers, diesel and transportation costs matter more than crude oil itself. Fuel surcharges, freight costs and petroleum-based resin inputs can stay high even when crude prices fall. Transportation-heavy projects should include realistic fuel and freight costs in their budgets.

Labor

The U.S. labor market strengthened in October, but gains were uneven across industries. Hiring rose in manufacturing and transportation, while construction employment was nearly unchanged. The stronger national report does not mean skilled labor is easier to find. Electricians, utility crews, construction workers, field service technicians, installers and other specialized workers may still be hard to secure, which can affect contractor availability, project schedules and labor costs.

Key labor indicators (October data released November 6):

- **Nonfarm payrolls**: +165,000 jobs in October. September and August were revised up by a combined 84,000 jobs.
- **Unemployment rate:** 4.1%, down from 4.2% in September and within a 4.1%–4.3% range since March.
- **Labor force participation:** 61.9%, up from 61.8% in September.
- **Average hourly earnings:** +0.4% for the month and +3.1% over the past year.
- **Sector trends:** Manufacturing +19,000 jobs; transportation and warehousing +25,000; construction -3,000, though nonresidential specialty trades added 7,900.

What changed vs. last month: October was a clear improvement from September, and the upward revisions show late-summer hiring was stronger than first reported. Gains were uneven. Manufacturing and transportation grew, while construction was mixed, with continued nonresidential and infrastructure hiring offset by weaker residential activity. Construction employment is still 1.5% above a year ago. For customers, experienced project labor may stay hard to find even as the broader job market improves.

What we are watching: We are monitoring construction and manufacturing hiring, trucking employment, wage growth, labor force participation and demand for technical and field workers. Challenger reported 43,994 announced job cuts in October, up 2% from September but down 71% from a year ago. These cuts do not appear to be freeing up skilled trades workers.

Next 60–90 days: We expect labor conditions to stay stable but selective through year-end and into early 2027. Customers should confirm contractor and crew availability early, set realistic schedules and line up labor with material delivery dates. Projects that need electricians, utility crews, technicians, drivers or specialized installers are the most exposed to schedule and cost pressure.

Conclusion

While our supply chain continues to improve, we anticipate seeing ongoing challenges and pressures across all core markets we serve through 2026 and likely will never return to a prepandemic state.

Even in the face of these ongoing supply chain resiliency challenges, we understand our customers' work cannot stop — you are unstoppable businesses, and we understand the importance of maintaining your operations while managing your costs.

At Border States, we continue to invest in working inventories, maintaining emergency and storm response inventories in core markets and working diligently to justify all price increases align with current market conditions. We are focused on more tightly integrating supply chains, improved forecasting and planning with customers and vendors and delivering better insights through technology to ensure your long-term success. Communication and partnership remain key in continuing to navigate the challenges.

Although we cannot control the global supply chain issues, we will continue to be transparent and straightforward with you about the challenges and work closely with our best customers and vendors to navigate these challenges together. If you have additional questions, please reach out to your Border States Account Manager for more information.





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