March 23, 2020

In order to help industry stakeholders stay better up-to-date on rapidly evolving economic developments, AISI will issue this update on the first business day of each week until further notice. It is intended to briefly summarize in one-place the latest steel-relevant industry and economic data. Please direct questions or comments to Tim Gill, AISI Chief Economist at tgid@steel.org.

Real GDP

Based on data available through March 18, the Federal Reserve Bank of Atlanta’s GDPNow model estimates first quarter 2020 real GDP growth is tracking at +3.1 percent at a seasonally adjusted annualized rate (SAAR.) Note the reference period for the data underlying the current GDPNow estimate is mostly prior to the acceleration of the COVID-19 crisis. It does, though, suggest the economy was in reasonably strong condition heading into the pandemic.

Jobless Claims

Initial jobless claims surged to 281,000 for the week ending March 14, up from 211,000 the previous week and 219,000 during the comparable week in 2019.
Crude Oil Prices

West Texas Intermediate (WTI) crude oil fell to $19.84 per barrel on March 20, down nearly $12.00 from March 13. WTI crude traded at $60.12 per barrel on March 20, 2019.

Rig Counts

Baker Hughes’ count of active drilling rigs measured 772 during the week ending March 20, down from 792 the prior week and 1,016 in the same week last year. The oil rig count averaged 664 during week ended March 20, down from 683 the prior week and 824 in the same week last year.

Weekly Raw Steel Production

Raw steel production declined 1.4 percent week-over-week during the week ending March 21, and was down 3.2 percent from the comparable week last year. Raw steelmaking capacity utilization measured 79.4 percent for the week ending March 21, compared to 80.5 percent in the previous week and 82.2 percent during the same week in 2019.
The data referred to below are for the month of February, prior to the acceleration of the COVID-19 outbreak in the United States. Data for the month of March, which will begin to become available within the next few weeks, will be the first monthly frequency data to show the initial impacts of the crisis on economic activity.

**Industrial Production**

Manufacturing sector industrial production (IP) increased 0.1 percent month-over-month in February but was down 0.2 percent from the same month in 2019.

**Light Vehicle Production**

Light vehicle output increased 5.6 percent month-over-month in February to an annualized pace of 10.997 million units. Output was up 1.2 percent compared to its February 2019 level. Auto output rose 2.8 percent month-over-month in February to an annualized 2.624 million units, while light truck and SUV production increased 6.5 percent to an annualized 8.373 million units. Automobile unit output was down 1.5 percent on a year-over-year basis in February, while light truck and SUV unit output was down 1.2 percent.
**Housing Starts**

Housing starts declined 1.5 percent on a month-over-month basis in February to an annualized 1.599 million units. Single-unit starts increased 6.7 percent while multi-unit starts declined 14.9 percent m/m.

Total housing start were 39.2 percent higher than their year-ago level in February, while single-unit and multi-unit starts were up 35.4 percent and 47.6 percent, respectively.