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 tgill@steel.org.

**Real GDP**

Based on data available through March 27, the Federal Reserve Bank of Atlanta’s GDPNow model estimates *first quarter 2020 real GDP growth* is tracking at +2.7 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. The Bureau of Economic Analysis’ final estimate of real GDP for the fourth quarter of 2019 showed an increase of 2.1 percent SAAR, unrevised from the previous estimate.

**Jobless Claims**

Initial jobless claims posted a surge of historic proportions during the week ending March 21, surging to nearly 3.3 million, an order of magnitude shift up from 282,000 the previous week. New jobless claims averaged 216,000 per week in the year prior to the last two weeks.
The University of Michigan Consumer Sentiment Index declined to 89.1 in March from 101.0 in February, the lowest reading since April 2016.

The dollar value of durable goods orders increased for a third straight month in February, prior to the acceleration of the COVID-19 crisis, rising 1.2 percent on a month-to-month basis. February orders, though, lagged their year-ago level by 0.1 percent. Non-defense, non-aircraft durable goods orders, or “core” capital goods orders, were down 0.8 percent month-over-month and 0.6 percent year-over-year.

IHS Markit Manufacturing PMI

The IHS Markit flash, or preliminary, U.S. manufacturing purchasing managers’ index slipped into contractionary territory in March at 49.2, down from 50.7 in February. Index values above 50 points are associated with expansion in manufacturing activity and values below 50 points indicate contraction.
**Crude Oil Prices**

West Texas Intermediate (WTI) crude oil fell to $20.28 per barrel on March 30, down more than $3.00 from March 23. WTI crude traded at $60.19 per barrel on March 29, 2019.

**Rig Counts**

Baker Hughes’ count of active drilling rigs measured 728 during the week ending March 27, down from 772 the prior week and 792 two weeks prior. The total rig count was 1,006 in the same week last year. The oil rig count averaged 624 during the week ending March 27, down from 664 the prior week and 683 two weeks prior. The oil rig count averaged 824 in the comparable week last year.

**Weekly Raw Steel Production**

Raw steel production declined 9.8 percent week-over-week during the week ending March 28, and was down 12.7 percent from the comparable week last year. Raw steelmaking capacity utilization measured 71.6 percent for the week ending March 28, compared to 79.4 percent in the previous week and 82.2 percent during the same week in 2019.

**Preliminary Steel Imports**

Total steel mill product imports measured 1.505 million net tons in February, according to preliminary Census Bureau data, while finished steel mill product imports measured 1.344 million net tons. Through the first two months of 2020, imports
are down 21.3 percent and 28.7 percent, respectively, compared to the same period in 2019. The estimated finished steel import market share was 15 percent in February and 16 percent over the first two months of 2020.