

Fastener Distributor Index – Report #172 April 2026

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Key Takeaway:

This month, the seasonally adjusted Fastener Distributor Index (FDI) moderated sequentially but stayed in expansionary territory for the twelfth consecutive month, coming in at **56.3** vs. March 59.7. This reflected deceleration in employment, supplier deliveries, and customer inventories, but an impressive improvement in sales. This month’s Forward-Looking Indicator (FLI) also inched lower m/m, **57.4** vs. 58.7 the previous month, though still signals expectations for growth ahead. Respondent commentary in April remained broadly constructive, with many participants reporting continued solid sales momentum following a strong 1Q. With the FLI still expansionary and the ISM PMI holding at 52.7 in April (its fourth consecutive reading above 50), we believe the fastener market and broader industrial economy continue to demonstrate underlying resilience, even as visibility remains somewhat uneven beneath the surface.

Fastener Distribution Trends: April 2026

FASTENER DISTRIBUTION AT A GLANCE												
April 2026												
	----- Index Values -----											
	Apr	Mar	Feb	Jan	Dec	Nov	Oct	Sep	Aug	Direction	Rate of Change	
ISM PMI (Manufacturing)	52.7	52.7	52.4	52.6	47.9	48.2	48.7	49.1	48.7	Growing	Same	
FDI	56.3	59.7	52.7	52.0	56.4	50.0	54.7	55.0	51.2	Growing	Slower	
FLI	57.4	58.7	52.2	54.0	51.2	55.4	51.4	49.0	54.3	Growing	Slower	
(Other Metrics)												
Sales	77.1	67.5	63.2	51.6	58.7	49.6	60.9	68.3	53.1	Growing	Faster	
Employment	56.5	66.1	53.3	60.3	52.9	54.8	54.7	51.6	54.5	Growing	Slower	
Supplier Deliveries	50.0	62.5	48.3	52.9	60.0	54.8	54.7	53.2	54.5	Declining	Same	
Respondent Inventories	58.1	55.4	56.7	60.3	62.9	61.3	65.6	64.5	59.1	Growing	Faster	
Customer Inventories	41.9	42.9	46.7	44.1	51.4	40.3	46.9	45.2	40.9	Declining	Faster	
Pricing, month-to-month	74.2	67.9	73.3	70.6	72.9	71.0	75.0	72.6	80.3	Growing	Faster	
Pricing, year-to-year	93.5	91.1	95.0	88.2	92.9	85.5	85.9	93.5	95.5	Growing	Faster	
6-Month Outlook - April				Higher	Same	Lower						
				55%	42%	3%						

FDI and Pricing are diffusion indexes. At 50, the performance of the category listed met expectations. A reading above 50 suggests the category outperformed expectations, while a reading below 50 suggests the category underperformed expectations.

Source: Baird, FCH Sourcing Network, Institute for Supply Management

¹Historical data has been rolled forward and updated to reflect full year-end information. These modest restatements do not change the directional interpretation or m/m trends discussed in this/prior reports.

About the Fastener Distributor Index (FDI). The FDI is a monthly survey of North American fastener distributors, conducted with the **FCH Sourcing Network** and **Baird**. It offers insights into current fastener industry trends/outlooks. Similarly, the Forward-Looking Indicator (FLI) is based on a weighted average of four forward-looking inputs. This indicator is designed to provide directional perspective on future expectations for fastener market conditions. As diffusion indexes, values above 50.0 signal strength, while readings below 50.0 signal weakness. Over time, results should be directly relevant to **Fastenal (FAST)** and broadly relevant to other industrial distributors such as **W.W. Grainger (GWW)**, **MSC Industrial (MSM)**, and **Applied Industrial (AIT)**.

Key Points:

The FDI shows continued growth in April, although at a slower pace than March. This month, the index slightly moderated m/m to 56.3 from March's 59.7, indicating continued, but slower expansion. Despite three of the four underlying factors (employment, customer inventory, and supplier delivery levels) seeing m/m contraction, April's FDI reading still marks the second-highest monthly FDI reading in 2026 thus far and second consecutive 55+ reading. Notably, the seasonally adjusted sales index reached 77.1 in April, up from a strong 67.5 March reading and signaling improving demand momentum. Demonstrating the improvement in underlying demand conditions, 68% of respondents indicated sales came in above seasonal expectations, which is higher than the 47% average registered over the past year. Year-over-year pricing increased for 87% of participants, and pricing remained stable y/y for 13% of respondents (vs. 86% and 11% in March, respectively). Meanwhile, on a monthly basis, a little more than half of respondents this month (52%) said pricing was stable m/m (vs. 64% in March); the remaining 48% of respondents in April saw higher sequential pricing (0% saw lower m/m pricing, for a third consecutive month – in other words, pricing has either improved or remained stable m/m for three consecutive months). Consistent with the US jobs report in April (payroll growth decelerated sharply from an unusually strong March), employment levels moderated a bit, with the 56.5 FDI employment index a step down from last month's 66.1 reading; the share of participants noting levels "higher than seasonal norms" decreased to 16% from 36% (overwhelming majority – 81% – still report employment is in line). Customer inventory levels again acted as a drag on the index (fourth consecutive sub-50 reading), though the overwhelming majority (71%) continue to say customer inventories are in line, and only 6% of respondents said customer inventories were "too high" (compared to 11% last month). Lastly, 13% of participants reported slower supplier lead times/deliveries this month (down from 29% in March), though the majority (74%) continue to indicate similar levels.

FLI also moves lower m/m. The Forward-Looking Indicator (FLI) declined slightly to 57.4 in April (from 58.7 in March), suggesting just a touch less optimistic forward view for respondents, although still points to solid near-term momentum. Factors driving this moderation included lower employment levels and faster supplier deliveries, not a more measured six-month outlook. In fact, a slightly greater percentage of respondents are now anticipating higher six-month activity levels vs. today than were last month (April 55% vs. March 54%), while only 3% of the survey anticipate lower levels (down from 18%/21% in March/February). A larger percentage of participants also foresee similar levels (42% in April vs. 29% last month), consistent with the ISM PMI remaining expansionary for a fourth consecutive month (April 52.7; March 52.7; February 52.4; January 52.6). Coupled with this continued momentum in the broader industrial economy, we believe that, although some caution persists due to ongoing macroeconomic/inflation/tariff uncertainties, overall sentiment among participants continues to lean cautiously optimistic on the 2026 outlook overall.

April commentary suggests continued solid momentum following a strong 1Q, though visibility appears incrementally more mixed beneath the surface. Several respondents pointed to sustained strength in April. One participant noted, *"All customer sectors of ours show strong growth with bookings, and more customers than not are still accepting their orders early. Positive signs for our business, overall."* Another stated simply, *"Another strong month. Fingers crossed..."* Strength was echoed elsewhere as, *"In spite of the media reported headwinds, the customer build rates and volumes have remained remarkably consistent."* While revenue momentum remains intact, some signs of moderation in activity were flagged, with one respondent noting, *"We've had a really good month of sales but quoting activity did slow down toward the last half of the month."* Even so, expansion efforts continue, as one participant shared, *"We are continuing to roll out new business throughout the remainder of 2026."*

End-market trends remain constructive but uneven. One respondent observed, *“Certain end user markets stronger, trailer, heavy truck, general industrial while auto is flat,”* consistent with prior months’ divergence. The steel construction backdrop also appears supportive, with one participant stating, *“While expected levels six months out remain the same, we are currently operating at a record level. The steel construction market continues to remain strong.”* That said, broader sentiment remains mixed in pockets, as one respondent noted, *“STILL HARD TO GAUGE. THE MARKET HAS SEEN A STRONG Q1 PLUS APRIL BUT THAT IS NOT SHARED BY THE CUSTOMERS. SOME STRONG, FLAT, AND DOWN.”*

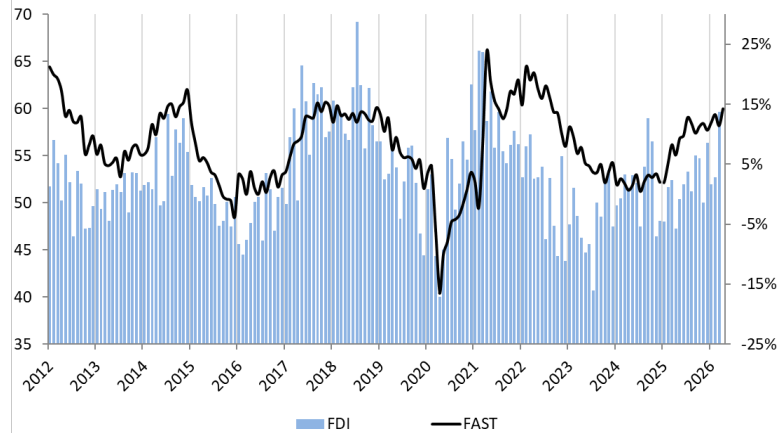
One respondent highlighted the administrative burden tied to trade policy, stating, *“\$300 in documents for a \$50 box of bolts, this is why prices are going up.”* Another noted, *“YEAR OVER YEAR COST IMPACTED MAINLY BY TARIFF (ORGANIC COST INCREASE 5%).”* Policy shifts continue to create friction, as *“Recent policy changes driven by GM and others for USA melt and production are troublesome.”* Meanwhile, one participant cautioned, *“Concern how gas prices will affect future sales.”*

On top-line trends, some participants noted continued divergence between dollar growth and underlying units, with one stating, *“Sales continue to grow, unit sales remain level. Inflation continues to provide a false narrative against growth.”* Even so, competitive dynamics may be creating opportunity, as one respondent shared, *“The market remains resilient with opportunities to gain market share from competitors that are struggling.”*

Net, April reflects another solid month of revenue performance for many participants, supported by resilient end markets and continued new business rollout, though quoting trends, cost pressures, and mixed customer sentiment suggest visibility remain uneven.

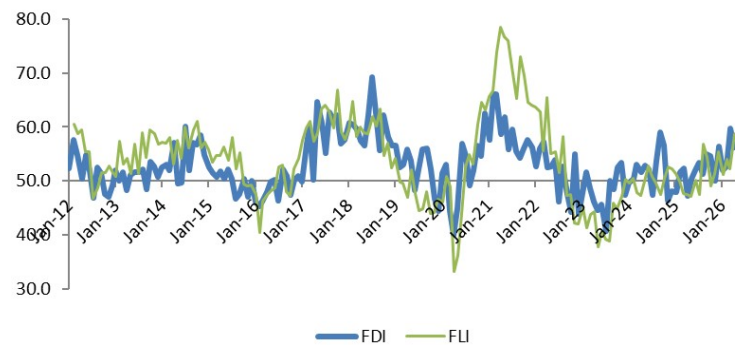
Fastenal reported April day sales growth of +14.3% y/y vs. our +12.1% estimate. Coming off a slightly below-trend March, growth accelerated to the highest rate since August 2022 and was +110bps better than what normal seasonality/benchmark growth would have implied (+13.0%). Direct materials (production-related; 39% of sales) grew +16.2% (March +12.8%) and indirect materials (MRO-related; 61% of sales) were +13.7% (compared to +11.7% last month). Specifically, direct fasteners/hardware sales (~21% of overall April sales) grew +18.4% y/y (vs. +13.9% prior month) and indirect fasteners/hardware sales (~10% of sales) increased +19.0% (vs. +15.6% in March). Looking forward, we model May ADS and total sales of +13.7%, +60bps ahead of FAST's benchmark given 20 days this May vs. typical 21+ in the reference range, despite the strong result this month, which can have a dampening effect on subsequent m/m growth. Beyond the near term, we estimate FAST will grow daily sales +LDD over 2026-27 against an improving industrial backdrop.

Fastener Distributor Index (FDI); Seasonally Adjusted



*FAST March 2020 – December 2021 Monthly Sales Presented as ex. Safety Products
Source: Baird, FCH Sourcing Network, Company reports

1-Month Lagged FDI vs. FLI (Both Seasonally Adjusted)



Source: Baird, FCH Sourcing Network

Risk Synopsis

Fastenal: Risks include economic sensitivity, pricing power, relatively high valuation, secular gross margin pressures, success of vending and on-site initiatives, and ability to sustain historical growth.

Grainger: Risks include ability to maintain margins, internet-only industrial supply sources, ability to sustain secular growth, cyclicality, and international operations.

MSC Industrial: Risks include cyclicality, maintaining and managing growth, success of Mission Critical initiative, and poor investor sentiment.

Applied Industrial Technologies: Risks include general economic conditions, international operations, acquisition integration, potential loss of key supplier authorizations, internet-only industrial supply sources, leverage, and significant goodwill and intangible assets, among other factors.

Industrial Distribution: Risks include economic sensitivity, pricing power, online pressure/competitive threats, global sourcing, and exposure to durable goods manufacturing.

Appendix – Important Disclosures and Analyst Certification

Covered Companies Mentioned

All stock prices below are as of 5/10/2026.

Fastenal Company (FAST-\$44.17-Outperform)
 W.W. Grainger Inc. (GWW-\$1,233.71-Outperform)
 MSC Industrial Direct Co. Inc (MSM-\$104.28-Neutral)
 Applied Industrial Technologies Inc. (AIT-\$308.87-Outperform)
 (See recent research reports for more information)





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