ONI INSIGHT

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July Jobs Report Reveals Employers Added 73,000 Jobs; Unemployment Rises—Payroll growth slowed amid President Donald Trump's import tariffs, intensifying immigration crackdown and massive federal layoffs.

Even more concerning: Job gains for May and June were revised down by a whopping 258,000, portraying a much weaker labor market than believed in late spring and early summer and raising the odds the Federal Reserve will cut interest rates in September.

The unemployment rate rose from 4.1% to 4.2%, the Labor Department said. Before the report was released, economists had estimated that 105,000 jobs were added in July.

How's the job market right now? Economists believed the labor market has been remarkably resilient in recent months despite Trump's economic policies, adding well over 100,000 jobs per month from April through June. But payroll gains for May have now been revised from 144,000 to 19,000 and June's additions were downgraded from 147,000 to 14,000. Full Story
Source: USAToday, 08.01.2025

U.S. Consumer Confidence Rises Modestly in July—U.S. consumer confidence improved less than expected in July and households' perceptions of current job availability were the weakest in nearly 4-1/2 years, consistent with easing labor market conditions.

The Conference Board consumer confidence index increased 2.0 points to 97.2 this month. Economists polled by *Reuters* had forecast the index would increase to 95.0.

"Pessimism about the future receded somewhat, leading to a slight improvement in overall confidence," said Stephanie Guichard, senior economist, global indicators at the Conference Board. "However, their (consumers) appraisal of current job availability weakened for the seventh consecutive month, reaching its lowest level since March 2021."
Source: Yahoo Finance, 07.29.2025

The U.S. Economy Rebounds to 3% Growth in Second Quarter—But Tariffs Skew Picture

The U.S. economy grew this spring after a slowdown earlier in the year. The nation's gross domestic product — the broadest measure of economic activity — grew at an annual rate of 3% in April, May and June, according to a report July 30 from the Commerce Department. That's a turnaround from the three previous months when GDP contracted at a rate of 0.5%.

Both measures were somewhat distorted by big swings in international trade as businesses and consumers first braced for, then reacted to, President Trump's worldwide tariffs. Imports surged early in the year, as businesses tried to stockpile foreign goods before the tariffs took effect. That had the effect of depressing GDP in January, February and March, because imports are subtracted from the government's measure of economic activity.

Imports then dropped in the second quarter of the year as double-digit tariffs took effect, making the spring GDP figure look somewhat rosier. Exports also fell during the quarter. Growth is still slower overall than previous two years. Consumer spending, which is the biggest driver of economic activity, rose at an annual rate of 1.4% in the spring. Business and residential investment were down during the quarter, while spending by state and local governments rose.

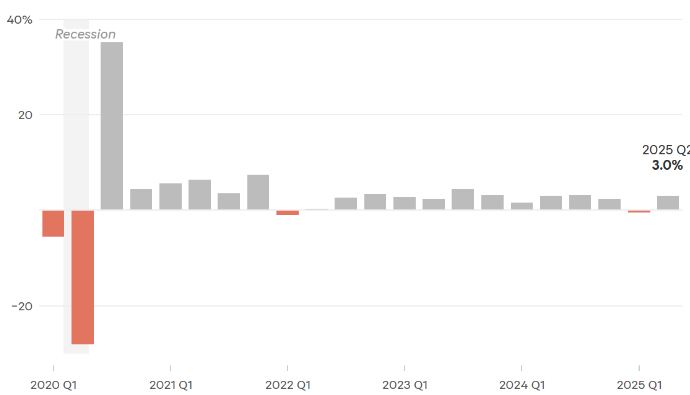
Averaging the first- and second-quarter GDP measures, the U.S. economy grew at an annual rate of about 1.25% during the first half of the year. That's a slowdown from each of the two previous years, when the economy grew nearly 3%.

"We expect the economy to lose more momentum," said Samuel Tombs of Pantheon Macroeconomics. He's projecting annualized GDP growth of only about 1% in the second half of the year, as consumers wrestle with increased prices for imported goods and businesses respond to uncertainty over the Trump administration's economic policies.

Real final sales to private domestic purchasers — which strips out trade and government spending — grew at an annual rate of 1.2% in the second quarter, compared to 1.9% in the first three months of the year. ***Source: NPR, 07.30.2025***

U.S. economy rebounded in the second quarter of 2025

Percentage change from the preceding period, seasonally adjusted annual rate.

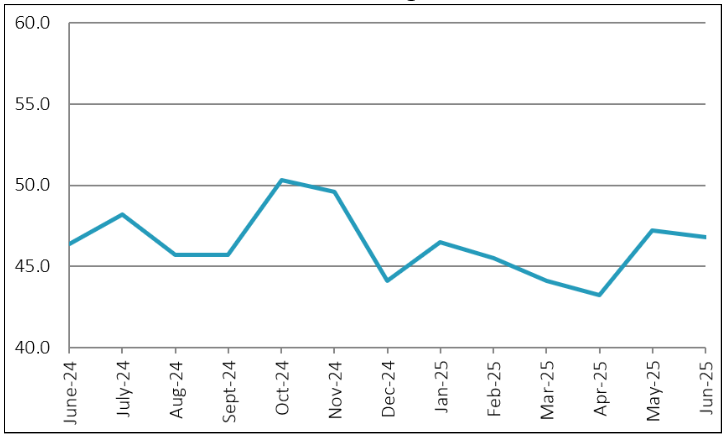


Source: Bureau of Economic Analysis

Credit: NPR

Key Economic Indicators

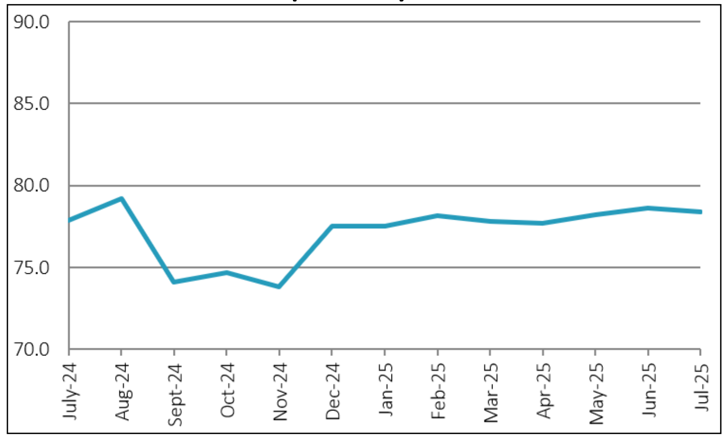
Architecture Billings Index (ABI)



The AIA/Deltek Architecture Billings Index score was 46.8 for the month, indicating that the majority of architecture firms are still experiencing a decline in their billings. However, inquiries into new projects increased for the second consecutive month and grew at the strongest pace since last fall. This means that clients are starting to send out RFPs and initiate conversations with architecture firms about potential projects after a lull since mid-winter.

The AIA/Deltek Architecture Billings Index (ABI) is a diffusion index derived from the monthly Work-on-the-Boards survey, conducted by the AIA Economics & Market Research Group. The ABI serves as a leading economic indicator that leads nonresidential construction activity by approximately 9-12 months. An index score of 50 represents no change in firm billings from the previous month, a score above 50 indicates an increase in firm billings from the previous month, and a score below 50 indicates a decline in firm billings from the previous month.
Source: American Institute for Architects, 07.23.2025

Steel Capability Utilization



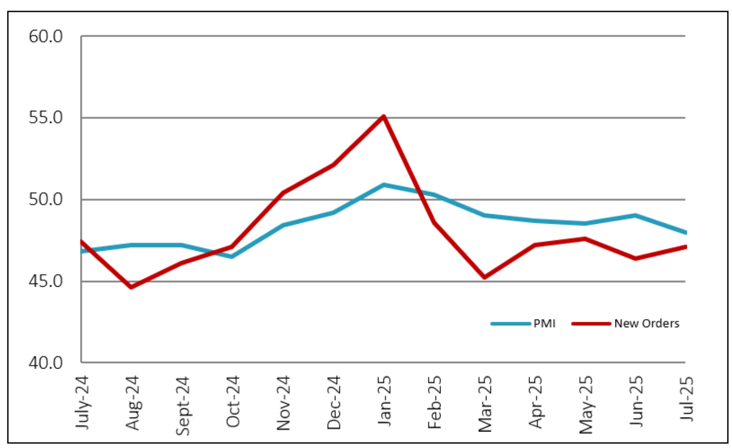
In the week ending on July 26, 2025, domestic raw steel production was 1,777,000 net tons while the capability utilization rate was 78.4%. Production was 1,696,000 net tons in the week ending July 26, 2024, while the capability utilization then was 76.4%. The current week production represents a 4.8% increase from the same period in the previous year. Production for the week ending July 26, 2025 is up 0.5% from the previous week ending July 19, 2025 when production was 1,768,000 net tons and the rate of capability utilization was 78.0%.

Adjusted year-to-date production through July 26, 2025, was 50,527,000 net tons, at a capability utilization rate of 76.3%. That is up 0.9% from the 50,061,000 net tons during the same period last year, when the capability utilization rate was 76.2%.

Steel Capability Utilization is a domestic report based on estimates from companies representing approximately 90% of the Industry's Raw Steel Capability as compiled by the American Iron and Steel Institute. *Source: AISI, 07.26.2025*

Purchasing Managers Index (PMI)®

The Manufacturing PMI® registered 48% in July, a 1-percentage point decrease compared to the 49% recorded in June. The overall economy continued in expansion for the 63rd month after one month of contraction in April 2020. (A Manufacturing PMI® above 42.3%, over a period of time, generally indicates an expansion of the overall economy.) The New Orders Index contracted for the sixth month in a row following a three-month period of expansion; the figure of 47.1% is 0.7 percentage point higher than the 46.4% recorded in June. The July reading of the Production Index (51.4%) is 1.1 percentage points higher than June's figure of 50.3%. The Prices Index remained in expansion (or 'increasing') territory, registering 64.8%, down 4.9 percentage points compared to the reading of 69.7% reported in June. The Backlog of Orders Index registered 46.8%, up 2.5 percentage points compared to the 44.3% recorded in June. The Employment Index registered 43.4%, down 1.6 percentage points from June's figure of 45%.



The seven manufacturing industries reporting growth in July are: Apparel, Leather & Allied Products; Plastics & Rubber Products; Nonmetallic Mineral Products; Textile Mills; Miscellaneous Manufacturing; Furniture & Related Products; and Primary Metals. The ten industries reporting contraction in July are: Printing & Related Support Activities; Paper Products; Chemical Products; Machinery; Wood Products; Fabricated Metal Products; Computer & Electronic Products; Transportation Equipment; Electrical Equipment, Appliances & Components; and Food, Beverage & Tobacco Products.
Source: Institute for Supply Management, 08.01.2025

Industry News

Aluminum Prices Continue to Hold Steady Amid Global Supply Constraints and Infrastructure Push

Recent movements in aluminum prices show the metal holding strong despite global economic shifts and region-specific challenges in extraction and refining operations. On July 25, aluminum prices on the London Metal Exchange climbed to a four-month high, ending the week at $2,656.5 and $2,657 per ton, an increase of $10.5 or 0.39%. According to reports, the uptick was primarily fueled by renewed optimism in Chinese demand and mounting pressure from global supply constraints.

On the same day, the three-month bid price and three-month offer price climbed $7.5 per ton or 0.28% to stop the march at $2,655.50 per ton and $2,656 per ton. The next week, aluminum spot prices were trading at $2,635.85 per metric ton, slightly down from the recent high of July 25. Still, prices remain on the higher side due to a mix of supply-side restrictions and renewed infrastructure demand from major economies.

Key Drivers Behind the Price Movement
According to market observers, the present aluminum bull run stems from several factors. High on that list is China's production cap. China is the world's largest aluminum producer, but it is nearing its 45 MT annual cap, a policy aimed at curbing carbon emissions. This has led to expectations of reduced output in the second half of the year.

The rising demand from fast-growing sectors like electric vehicles and renewable energy is another big reason for aluminum prices holding steady. This comes at a time when European Union nations are increasing their investments in defense manufacturing, thus boosting demand for industrial metals like aluminum. Added to that are the ongoing sanctions against Russia, a key aluminum exporter, which continue to limit supply to European markets.

Other factors include:

- Elevated energy costs due to the high energy demands of aluminum smelting
- Trade disruptions, including escalating tariffs, that are reshaping global aluminum flows
- Volatility in supply chains and surging demand from infrastructure projects

The Effect of Tariff Policies on Producers
For North America, tariff policies, most notably Section 232, continue to shape the dynamics of the U.S. aluminum sector. According to reports, while domestic output continues to hold firm, supply is being bolstered by imports, particularly from Canada and Middle Eastern countries.

The aluminum industry was jolted in June when the U.S. doubled its Section 232 tariffs to 50%, sparking dramatic cost shifts and forcing top producers to overhaul supply strategies. The move put producers under pressure, but according to analysts, they have pivoted well.

Market Outlook: Aluminum Prices
Industry leaders have warned that prolonged trade friction could weaken global aluminum consumption and curb growth. While some companies experience short-term benefits from tightened regional supply, many are bracing for deeper structural changes if tariffs persist, with others lobbying for relief.

However, there are some positives that the market can hold onto for the near term. The announcement of a ¥1.2 trillion hydroelectric dam has signaled Beijing's intent to stimulate its economy through infrastructure investment. This move is expected to bolster demand for aluminum in the construction, energy and transportation sectors.

That said, Beijing's stringent energy consumption policies, particularly in provinces such as Yunnan and Inner Mongolia, have triggered production curtailments, tightening global aluminum supply and driving price volatility.

Amid these disruptions, India is emerging as a key growth market. Backed by abundant bauxite reserves and an expanding network of downstream industries, the country's aluminum sector continues to gain momentum. Analysts expect domestic demand to surge in the coming years, propelled by rising infrastructure development and increased transportation activity.
Source: MetalMiner 07.30.2025

Image: Adobe Stock

Industry News

Global News of Note: Chinese Economy and Aluminum Production Slow

China's primary aluminum production totaled 3.81 million tons in June, down by 0.5% from May, but up by 3.4% from June 2024, according to the latest data released by the country's National Bureau of Statistics.

According to *Reuters*, China's economy slowed less than expected in the second quarter. Specifically, the country's growth improved 5.2% between April and June 2025 from the same period the year before. The growth rate was down from 5.4% in the first quarter, however.

As *MarketWatch* reported, Vietnam's government has imposed antidumping tariffs on certain Chinese steel products after an investigation by authorities into steel products imported from China and India found there was "significant injury" to the domestic steel industry as a result of dumping of hot-rolled steel products from both China. (The authorities determined the quantity originating from India was insignificant.) As a result of the findings, hot-rolled steel products imported from China now will be subject to a levy of between 23.10% and 27.83%. ***Source: MSCI, 07.27.2025***

EU, U.S. to Form Metals Alliance to Combat Chinese Overproduction

European trade commissioner Maroš Šefčovič said the European Union and U.S. will form a metals alliance as part of their upcoming trade deal to counter the effect of Chinese overproduction on global markets. "The agreement is clear prospect of joint action on steel, aluminum, copper and the derivatives in what I'd like to call a metals alliance," said Šefčovič. While the system is yet to be finalized, the possible agreement suggests that EU steel and aluminum makers will be given a quota system with minimal or zero tariffs, reported *Reuters*.

Šefčovič said that U.S. officials and the EU steel sectors realized they faced the same problem regarding Chinese steel. "It became very, very clear that if it comes to steel and metals we are not each other's problem," he said.

Reuters reported that finding a way to remove U.S. steel tariffs has become more urgent for Europe as its smelters lose scrap supplies to U.S. plants. The possible quota system follows the Group of Seven nations finance meeting in May where officials agreed to address "excessive imbalances" in the global economy.

While the EU met with its Chinese counterparts, the list of issues only grew longer. "Clearly the issue is [Chinese] overcapacity. The issue is linked with what we perceive as illegal subsidies," said Šefčovič.
Source: AIST, 07.29.2025

Countries Promise Trump to Buy U.S. Gas, and Leave the Details for Later

U.S. trading partners are committing to buy more gas than they need or than the U.S. can produce, at least in the short term. Trade negotiations have for years focused on the rules of the road for commerce between nations.

Under President Trump, the deal making has been more direct, especially when it comes to energy. Countries are now agreeing to purchase American fossil fuels, in specific amounts and often years into the future, whether or not their economies will demand it or whether the U.S. will have the ability to supply it.

That adds a layer of government sway over what are typically open market transactions. And it's not clear how—or whether—political leaders will get private companies to go along. "This is new, and generally that's because in trade agreements you want things that are clear and enforceable," said David Goldwyn, a former U.S. diplomat and U.S. Energy Department official. "These energy commitments are neither clear nor necessarily enforceable. They're more aspirational, political encouragements."

The European Union has been buying more American gas since Russia, previously a big supplier, attacked Ukraine in 2022, and there is appetite to buy more. But purchasing $250 billion a year would require the bloc to use the U.S. as essentially its only supplier.

"They would have to not buy from anybody else, and that would just be an enormous amount of dependency on one country, whether it's us or anybody else," said Jason Feer, an analyst at the energy and ship brokerage Poten & Partners. "And the whole premise of modern energy systems, energy supply, is you always want some diversity."

Conversely, $250 billion is around 80% of the total amount that the U.S. exported to the entire world in 2025, according to a ClearView Energy Partners analysis of federal data. Plants are coming online that will double the country's natural gas export capacity by 2030, and stocks in export companies like Cheniere and Venture Global climbed after the deal was announced.
Source: NYTimes, 07.31.2025

Trade

Trump Hits Dozens More Countries With Steep Tariffs

U.S. President Donald Trump imposed steep tariffs on exports from dozens of trading partners, including Canada, Brazil, India and Taiwan, ahead of a August 1 trade deal deadline, pressing ahead with plans to reorder the global economy.

- Mexico avoids 30% tariff on non-automotive, non-metals goods
- A 35% tariff on many Canadian goods
- Brazil hit with 50% tariff, some sectors excluded
- China trade deal not finalized, August 12 deadline looms

Trump administration teases additional trade deals.

Trump set rates including a 35% duty on many goods from Canada, 50% for Brazil, 25% for India, 20% for Taiwan and 39% for Switzerland, according to a presidential executive order.

The order, opens new tab listed higher import duty rates of 10% to 41% starting in seven days for 69 trading partners as the 12:01 a.m. EDT (0401 GMT) deadline approached.

Some of them had reached tariff-reducing deals while others had no opportunity to negotiate. Trump included an exception for some goods shipped within the coming week.

Goods from all other countries not listed would face a 10% U.S. import tax. Trump had previously said that rate might be higher.

The administration also teased that more trade deals were in the pipeline as it seeks to close trade deficits and boost domestic factories.

The Republican president has tapped emergency powers, pressured foreign leaders, and pressed ahead with trade policies that sparked a market sell-off when they were first announced in April.
Source: Reuters, 08.01.2025

Tracking Trump's Tariffs by Country and Sector

President Donald Trump's on-again, off-again approach to his signature tariff policy has taken global economies on a rollercoaster in just the first six months of his second presidential term. Trump slammed nearly every country in the world with tariffs as high as 50% on April 2, so-called "Liberation Day." A week later, he announced a temporary reduction that was meant to end July 9, during which time he said he'd negotiate "90 deals in 90 days" to re-balance U.S. trade relationships. But as that deadline neared, Trump announced a new deadline of August 1 and began unveiling a slate of new tariffs on more than a dozen countries. Throughout this all, Trump has also announced sectoral tariffs on cars, steel, aluminum, and copper, as well as threatened countries appearing to align against American interests, like members of the intergovernmental organization BRICS, with additional tariffs.

On the eve of Trump's August 1 trade deal deadline, the White House once again unveiled new tariff rates on much of the world, most of which will take effect August 7.

For countries with which the U.S. has a trade surplus—meaning that it exports more to those countries than it imports from them—the "universal" tariff is 10%, which remains unchanged from April 2. For countries with which the U.S. has a trade deficit, the new baseline rate is 15%, which will apply to around 40 countries. More than a dozen other countries will face higher tariff rates, either imposed by Trump in a more recent announcement or obtained through trade agreements with the U.S.

The U.S. has reached trade deals or framework agreements with a number of countries: the European Union, Indonesia, Japan, Pakistan, the Philippines, South Korea, the U.K., and Vietnam. The U.S. also reached an agreement with China, although the two sides are continuing to negotiate the details ahead of a later deadline of August 12, which the White House has indicated could be extended. And Trump has granted Mexico a 90-day extension to facilitate further trade talks.

The White House has bragged about raising more than $150 billion from tariffs over the past six months, while Trump has said "tariffs are making America GREAT & RICH Again." (A Monthly Treasury Statement from June shows that the government has collected around $108 billion in customs duties since October 1, 2024, while the Treasury Department reported the collection of upwards of $28 billion in duties in July.) Revenue from tariffs is likely to increase as higher tariffs for dozens of countries go into effect. Many economists, however, say tariffs are effectively a tax on American consumers and have warned that trade tensions could trigger a U.S.—or even global—recession.

For an interactive map/breakdown of all Trump's tariffs, follow the link below:

Trump's Tariffs by Country

Most new tariffs are set to take effect August 7, with the exception of Canada which takes effect August 1.
Source: Time, 08.01.2025