ONI INSIGHT

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**Economy added 50,000 jobs in December while unemployment fell slightly**—American employers added 50,000 jobs in December, nearly in line with some analysts' expectations and capping off a volatile year for the U.S. job market.

Last year was marked by relatively strong and steady job growth in the first few months of 2025, followed by noticeable cooling starting in May, with multiple months showing net job losses after revisions.

In December, the unemployment rate declined to 4.4%, down from 4.6% in November. November's rate was the highest rate since September 2021.

Payroll gains for October were revised down by 68,000, from -105,000 to -173,000. Payroll gains for November were also revised down by 8,000, indicating the labor market was weaker at the end of 2025 than initially estimated.

The data provides "a mixed but concerning close to 2025," according to Dustin Thackeray, a CFA, partner, and head of portfolio management at Crewe Advisors.

"The labor market's resilience is being tested, and the coming months will be critical in determining whether this is a late-cycle slowdown or the prelude to something more persistent," Thackeray told USA TODAY.

Full Story *Source: USA Today, 1.9.2026*

**UN forecasts global economic growth of 2.7% this year, down slightly from 2025**—The United Nations is forecasting that the global economy will grow by 2.7% this year, slightly lower than last year's estimate, citing the impact of higher U.S. tariffs, economic uncertainties and geopolitical tensions.

U.N. economists predicted that growth would edge up to 2.9% in 2027. That's still well below the average 3.2% growth between 2010 and 2019, before the COVID-19 pandemic hurt economies around the globe. The estimate for 2025 is 2.8%.

"A combination of economic, geopolitical and technological tensions is reshaping the global landscape," U.N. Secretary-General Antonio Guterres said Thursday in a statement, "generating new economic uncertainty and social vulnerabilities."

But the U.N. economists said there was "unexpected resilience" to the sharp increases in U.S. tariffs last year. This was supported by solid consumer spending and easing inflation, which helped sustain growth, but they cautioned that underlying weaknesses persist.

According to the U.N.'s World Economic Situation and Prospects report, growth in Europe, Japan and the United States is projected to hold broadly steady.

Full Story *Source: AP, 1.8.2026*

## US manufacturing activity drops to lowest point of 2025: PMI

U.S. manufacturing activity decreased to its lowest point of 2025 last month, affected by continued tariff uncertainty and weak demand, according to the Institute for Supply Management's latest Purchasing Managers' Index.

ISM's index registered 47.9% in December, down 0.3 percentage points compared with November. A PMI index below 50% shows an industry in contraction.

Despite improvements in three of the four main demand areas — including new orders, backlog of orders and new export orders — the indexes continued to be in contraction as they have been for months. Meanwhile, production slipped 0.4 percentage points, but was in expansion for the second month in a row.

Susan Spence, chair of ISM's Manufacturing Business Survey Committee, said on a call with reporters Jan. 5 that the demand improvements are good, but the question remains if this could be the start of a turnaround or "just another blip." She also noted that production expansion is likely in a "bubble" following four months of new orders in contraction.

"When new orders start turning around and expand for more than a month at a time — one, two, three, four, five months — then you're going to see it flow to production and backlog, and then everything should follow," Spence said.

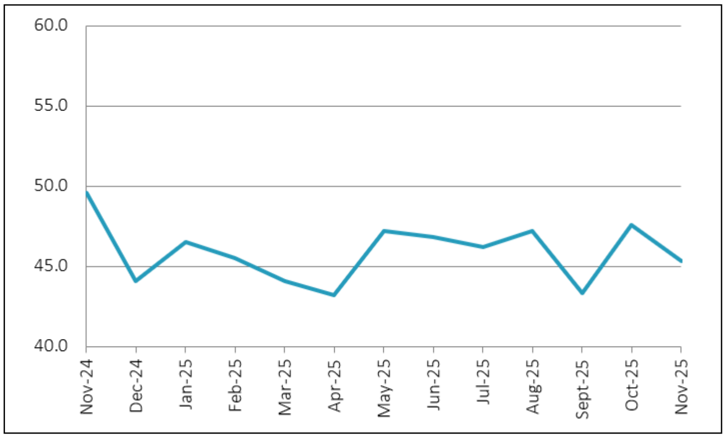
*Image: Adobe Stock*

Last month, new orders expanded in two of the 18 manufacturing sectors that ISM tracks, and only one of them was in computer and electronic products, which has seen major growth last year driven by data center buildouts to accommodate artificial intelligence demand..

Full Story *Source: Manufacturing Dive, 1.6.2026*

# Key Economic Indicators

## Architecture Billings Index (ABI)

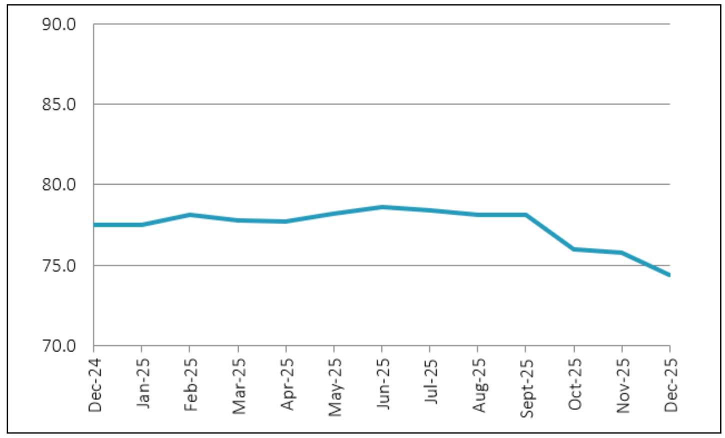



The AIA/Deltek Architecture Billings Index (ABI) score for the month remained well below the 50 level at 45.3 (a score over 50 indicates billings growth). This marked the 13th consecutive month of declining billings at architecture firms, and the 35th month of a score below 50 out of the last 38. Inquiries into new projects only increased modestly this month, and the value of newly signed design contracts continued to soften. Until work in the pipeline starts to pick back up, firms are unlikely to see a significant increase in their billings.

While business conditions at architecture firms have been soft in most sectors this year, the Midwest remained a bright spot in November. Billings increased at firms located in that region for the third consecutive month, and more firms reported growth this month than last month. However, billings continued to decline at firms located in all other regions of the country, particularly at firms located in the Northeast and the West. Firms of all specializations also saw billings continue to contract in November, although fewer firms with multifamily residential and institutional specializations reported declines than last month.

*Source: American Institute for Architects, 12.17.2025*

## Steel Capability Utilization




In the week ending on January 3, 2026, domestic raw steel production was 1,704,000 net tons while the capability utilization rate was 74.4 %. Production was 1,680,000 net tons in the week ending January 3, 2025, while the capability utilization then was 75.6%. The current week production represents a 1.4% increase from the same period in the previous year. Production for the week ending January 3, 2026 is up 0.5% from the previous week ending December 27, 2025 when production was 1,695,000 net tons and the rate of capability utilization was 74.0%.

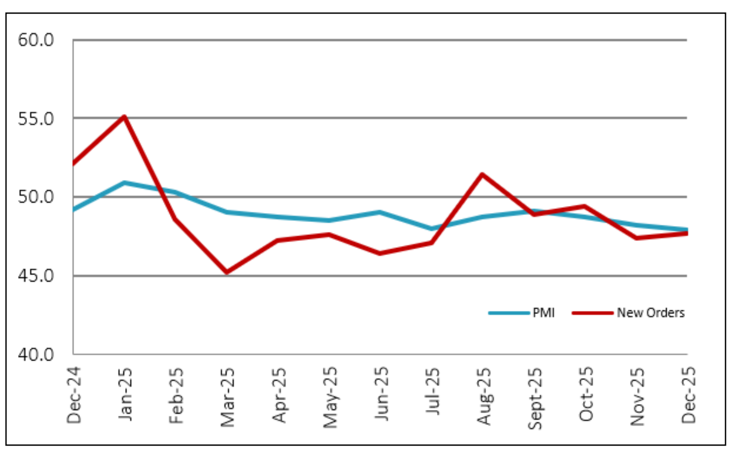
Adjusted year-to-date production through January 3, 2026 was 1,704,000 net tons, at a capability utilization rate of 74.4%. That is up 1.4% from the 1,680,000 net tons during the same period last year, when the capability utilization rate was 75.6%.

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, 1.7.2026*

## Purchasing Managers Index (PMI)®

The Manufacturing PMI® registered 47.9% in December, a 0.3-percentage point decrease compared to the reading of 48.2% in November and the lowest reading of 2025. The overall economy continued in expansion for the 68th 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 a fourth straight month in December following one month of growth; the figure of 47.7% is 0.3 percentage point higher than the 47.4% recorded in November. The December reading of the Production Index (51%) is 0.4 percentage point lower than November's figure of 51.4%. The Prices Index remained in expansion (or 'increasing' territory), registering 58.5%, the same as November's reading. The Backlog of Orders Index registered 45.8%, up 1.8 percentage points compared to the 44% recorded in November. The Employment Index registered 44.9%, up 0.9 percentage point from November's figure of 44%.




The Supplier Deliveries Index indicated slower delivery performance after one month in 'faster' territory. The reading of 50.8% is up 1.5 percentage points from the 49.3% recorded in November. (Supplier Deliveries is the only ISM® PMI® Reports index that is inversed; a reading of above 50% indicates slower deliveries, which is typical as the economy improves and customer demand increases.) The Inventories Index registered 45.2% , down 3.7 percentage points compared to November's reading of 48.9% .

*Source: Institute for Supply Management, 1.1.2026*

ONI INSIGHT
O'NEAL INDUSTRIES

# Industry News

## Five construction trends to watch in 2026

Image: Adobe Stock

Contractors will need to depend on a familiar formula in 2026.

Over the past 12 months, construction activity leaned heavily on a narrow group of winning sectors. Tech giants pledged billions to expand the buildouts of their data center footprints. Public infrastructure construction, such as highways and water works, hummed along despite overarching funding pressures.

Without these megaprojects, however, expect construction activity as a whole to slow, as it did in November. Still, demand in those areas remains strong despite common headwinds around labor and building costs.

But for firms unable to absorb that, those factors could ultimately sideline work. For that reason, awards in the right sectors will again separate contractors gaining ground from those just treading water.

Below are five construction industry trends contractors will be keeping tabs on in 2026.

**On material costs**

Material prices are unlikely to deliver either a shock or reset in 2026, construction pros say.

Forecasts suggest material costs will inflate roughly 2% to 4% this year, with labor costs still exerting far greater pressure on project budgets than materials, said Brad Werner, partner and national leader of the construction and real estate practice at Wipfli, a Milwaukee-based advisory firm. Cement and concrete prices appear largely flat, though steel and aluminum remain elevated due to tariff-related impacts.

Electrical equipment prices tied to grid upgrades and the artificial intelligence boom should also continue to swing, said Eric Schmitz, senior vice president at Turelk, a Long Beach, California-based general contractor.

"Prices rose sharply on tariffs and are now in a bit of a give back," Schmitz told Construction Dive. "We continue to advise our clients that tariffs can increase volatility and we as contractors are including stronger escalation language."

That view aligns with other contractors' experience on the ground. Alexis Leal, head of Florida operations at Shawmut, a Boston-based general contractor, said tariffs had minimal impact in Florida in 2025, comprising about 1% of the overall material costs. But the firm remains proactive in sourcing products domestically when possible, or where the tariff rate is reasonable, Leal said.

"Notwithstanding any unforeseen geopolitical or international crises, I expect construction commodity prices to remain relatively stable through 2026, although the full effect of tariffs has yet to rear its final impact," Leal said in an email to Construction Dive. "We identify early on in the preconstruction phase which materials or products may be impacted allowing for the maximum amount of time to pivot if necessary."

*Full Story  Source: Construction  Dive 1.7.2026*

# Industry News

## Aerospace outlook: Prepared for takeoff

The turbulence of the recent past is not quite finished, but the commercial aviation industry is expecting better flying ahead.

The pieces for an ascendancy in the aerospace market are there. Now, it's just up to the supply chain to do its part.

In 2025, commercial travel finally returned to its pre-COVID activity levels. Barring another catastrophic event like that, the miles traveled will only increase for the foreseeable future.

Alas, the problem for the sector in the recent past has not been demand levels, but the ability of the major airframe makers to get out of their own way. Boeing experienced a miserable few years, filled with malfunctions, labor issues and internal strife, though the U.S.-based manufacturer seems to have righted the ship.

However, its primary competitor, Airbus, is having its own issues, most recently evidenced in its third-quarter report. A fuselage quality issue in some of its A320 series planes hampered deliveries, putting into question its ability to meet its year-end target of 820 new planes shipped.

The challenges of the commercial aerospace sector were addressed by several high-level executives at this fall's Titanium USA event in Boston.

"It may not feel like you're participating in a ramp-up quite yet. Don't worry, we're going to get there. The machine parts guys have to consume the metal and they are. It's coming, I promise," said Jeff Carpenter, vice president, Supply Chain Structures for Boeing.

"We are on our trajectory. We are fixing the issues we've been facing so far," Vice President HO Metallic Raw Material & Fasteners Procurement at Airbus Olivier Maillard said before the company's most recent troubles came to light.

"The problem is we're back but we're now underserving the market to the tune of 1,500 aircraft, us and our friends across the pond," Carpenter said, also referring to Airbus. "We all should have done better. Of the current flying fleet, 11 percent should have already been retired. That's double the long-term average of 6 percent. I have a feeling we'll get there."

*Full Story Source: Metal Center News 1.7.2026*

## Nucor continues to hold steel price at $950/Ton: What Q1 2026 holds for steel prices,

The American steel market enters 2026 at a critical inflection point. Nucor Corporation, the largest steelmaker in the United States by capacity, announced on January 5, 2026, that it would hold its hot-rolled coil (HRC) consumer spot price (CSP)

**Introduction: The Shifting Landscape of American Steel Pricing in 2026**

The American steel market enters 2026 at a critical inflection point. Nucor Corporation, the largest steelmaker in the United States by capacity, announced on January 5, 2026, that it would hold its hot-rolled coil (HRC) consumer spot price (CSP) at $950 per short ton for all producing mills except California Steel Industries (CSI), where pricing remained at $1,000 per ton. This decision marked a pause-the first in nine weeks-following a remarkable run of consecutive price increases that had lifted prices by $65 per ton since mid-October 2025.

This pause raises critical questions for steel buyers, industry analysts, and downstream manufacturers: Are we witnessing a temporary consolidation before another rally, or are price gains reaching their ceiling as macroeconomic headwinds intensify? What will drive steel demand and pricing in the first quarter of 2026? And how will the intersection of tariffs, China's new export controls, and data center construction reshape the market in the coming months?

This comprehensive analysis examines the forces shaping Nucor steel prices, explores the evidence supporting or refuting further price increases in Q1 2026, and provides actionable insights for stakeholders navigating this complex period of elevated trade protectionism and uneven demand recovery.

**The Recent Price Run and Strategic Pause** Between early November and late December 2025, Nucor executed one of the most aggressive pricing campaigns in recent years. The company raised its HRC consumer spot price by $10 per short ton in each of nine consecutive weeks, accumulating a total gain of $65 per ton. The price trajectory unfolded as follows: starting from approximately $875-$880 per ton in October, prices climbed steadily to $950 per ton by late December.

*Full Story Source: Steel Industry News, 1.5.2026*

*Image: Adobe Stock*

# Trade

## Supreme Court holds off on Trump tariff ruling for now — what's at stake for economy

The Supreme Court did not rule on Jan. 9 on the legality of broad tariffs imposed by President Donald Trump, leaving markets still awaiting a decision poised to have far-reaching impacts on trade policy and the U.S. fiscal situation.

There had been speculation that the tariff ruling would be issued on Jan. 9 but the Supreme Court released just one opinion for the day, and it was unrelated to tariffs.

It is unclear when the tariff ruling will be released. The court will release its next rulings Jan. 14

When it does come, the decision will address two issues: whether the administration can use provisions under the International Emergency Economic Powers Act to levy the tariffs, and if it isn't proper, if the U.S. will have to reimburse those importers who already have paid the duties.

However, the final decision could also fall somewhere in between.

The court has the option to grant limited powers under the IEEPA and require only limited repayment, along with multiple other options for how it handles a touchy matter that is being closely watched on Wall Street.

Moreover, even should the White House lose the case, it has other tools in its chest to implement tariffs that don't require the emergency powers cited under the act.

Treasury Secretary Scott Bessent himself said Thursday he expects a "mishmash" ruling.

"What is not in doubt is our ability to continue collecting tariffs at roughly the same level, in terms of overall revenues," Bessent said during an appearance in Minneapolis. "What is in doubt, and it's a real shame for the American people, was the president loses flexibility to use tariffs both for national security, for negotiating leverage."

Trump used the IEEPA in part as an emergency measure to stop the inflow of fentanyl to the U.S.

*Image: Adobe Stock*

### The impact of losing

Losing the tariffs would have multiple ramifications, said Jose Torres, senior economist at Interactive Brokers.

"If the court blocks the tariffs, the administration is going to find workarounds," Torres said. "President Trump is very ambitious in getting this agenda through despite potential controversies that could surround such a decision."

*Full Story Source: CNBC, 1.8.2026*

## Tariffs and low stocks propel aluminum costs to records for U.S. consumers

Aluminum consumers in the U.S. are paying record high prices, significantly above the level import levies and transport costs would warrant, as tight supplies globally aggravate the impact of tariffs and low U.S. inventories.

Needed by industries such as automotive, aerospace, packaging and construction, aluminum prices have knock-on effects for the wider economy as they raise manufacturing costs, squeeze margins and ultimately drive inflation.

President Donald Trump doubled tariffs on U.S. aluminum imports to 50% in June to encourage investment in local production. Since then, aluminum costs for U.S. consumers have risen by 40% to above $5,200 a metric ton.

Apart from the disruption of U.S. tariffs, aluminum traders have been monitoring supply shortfalls elsewhere.

The potential for shortages has driven prices on the London Metal Exchange up by more than 20% over the last 12 months to the highest since April 2022, a few weeks after Russia invaded Ukraine and consumers started to shun Russian aluminum.

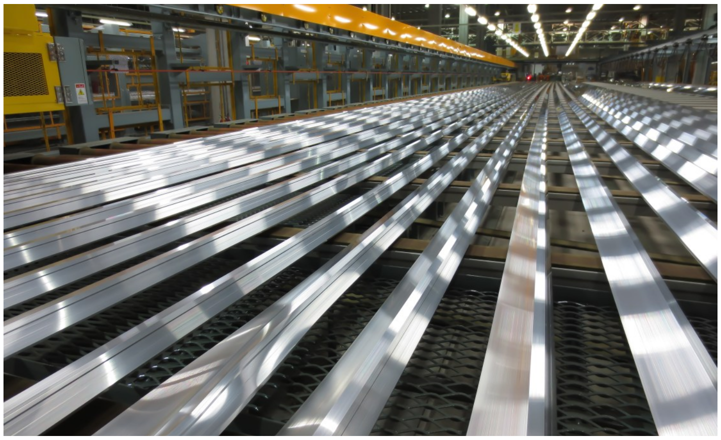


*Image: Adobe Stock*

### US ALUMINUM STOCKS SHRINK

Buyers on the U.S. physical market typically pay the LME aluminum price plus a premium that covers costs such as freight, handling, insurance and taxes.

*Full Story Source: The Daily Reporter 1.8.2026*