

Economy Adds 22,000 Jobs in August.

Unemployment Rises—Employers added a disappointing 22,000 jobs and the unemployment rate rose from 4.2% to 4.3%, the highest level since October 2021, the Bureau of Labor Statistics said September 5.

Also worrisome: Payroll gains for June and July were revised down by a total 21,000 and now reveal the economy shed 13,000 jobs in June—the first job losses since the depths of the pandemic in December 2020.

The report would appear to cement a widely expected interest rate cut - the first since December - at the Federal Reserve's September 16-17 meeting, economists said.

Ahead of the report, economists surveyed by *Bloomberg* estimated that 75,000 jobs were added last month.

[Full Story](#) *Source: USAToday, 09.01.2025*

Core Inflation Rose to 2.9% in July, Highest Since February

—Inflation edged higher in July, according to the Federal Reserve's preferred inflation measure, indicating that President Donald Trump's tariffs are working their way through the U.S. economy.

The personal consumption expenditures price index showed that core inflation, which excludes food and energy costs, ran at a 2.9% seasonally adjusted annual rate, according to a Commerce Department report September 5. That

was up 0.1 percentage point from the June level and the highest annual rate since February, though in line with the *Dow Jones* consensus forecast.

On a monthly basis, the core PCE index increased 0.3%, also in line with expectations. The all-items index showed the annual rate at 2.6% and the monthly gain at 0.2%, also hitting the consensus outlook.

The Fed uses the PCE price index as its primary forecasting tool. Though it watches both numbers, policymakers consider core inflation to be a better indicator of longer-term trends as it excludes the volatile gas and groceries figures. [Full Story](#)
Source: CNBC, 08.29.2025

U.S. Manufacturing Activity Contracts for Sixth Straight Month in August

Data out from the Institute for Supply Management showed the ISM's manufacturing PMI came in at 48.7 last month, an increase from the reading of 48 seen in July but below estimates for a reading of 48.9, according to Bloomberg data. Readings of less than 50 on the index indicate a contraction in activity in the sector.

This marked the sixth straight month of contraction in the U.S. manufacturing sector, according to the ISM's reading.

The new orders index within the ISM's report, however, rose to 51.4, indicating expansion, and marked a strong uptick from the 47.1 seen in July. The production index fell to 47.8 in August from 51.4 in July.

"In August, U.S. manufacturing activity contracted at a slightly slower rate, with new orders growth the biggest factor in the 0.7-percentage point gain of the Manufacturing PMI," said Susan Spence, chair of the ISM's survey committee. "However, since production contracted at a rate nearly equal to the expansion in new orders, the Manufacturing PMI increase was nominal."

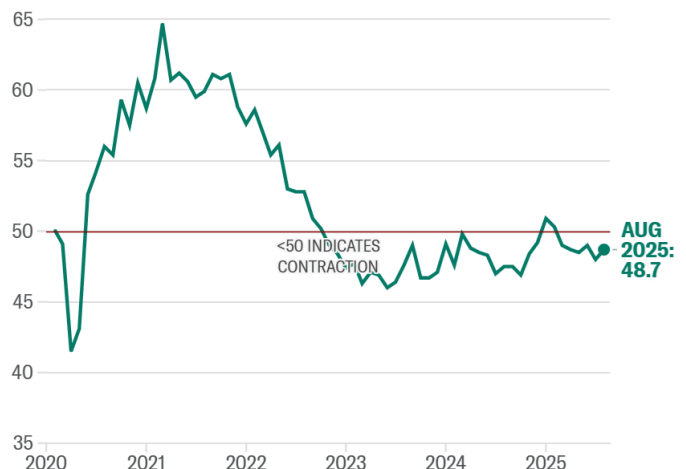
Respondents to the ISM's survey widely cited tariffs as putting pressure on their planning, sales, and costs.

Data from S&P Global published the morning of September 2, however, painted a more positive picture of the sector, with the firm's U.S. manufacturing PMI showing the strongest monthly increase since May 2022.

S&P Global's U.S. manufacturing PMI came in at 53, above the 49.8 seen in July. [Full Story](#) *Source: Yahoo!Finance, 09.02.2025*

U.S. MANUFACTURING ACTIVITY REMAINS SLUGGISH IN AUGUST

U.S. ISM® Manufacturing PMI

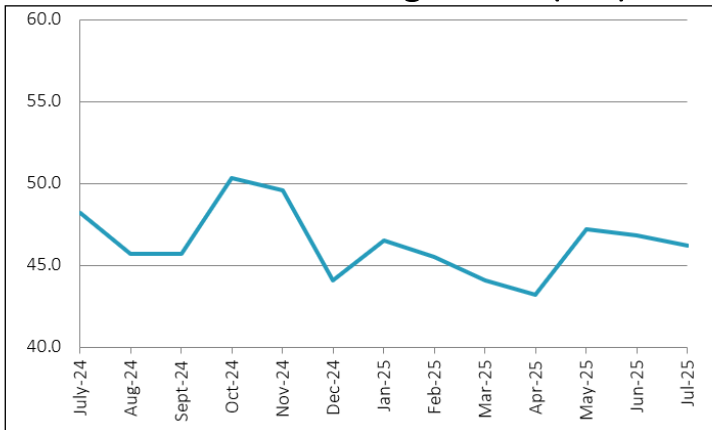


SOURCE: INSTITUTE FOR SUPPLY MANAGEMENT

yahoo!finance

Key Economic Indicators

Architecture Billings Index (ABI)



The AIA/Deltek Architecture Billings Index (ABI) score for the month was below 50 for 31 out of the last 34 months, with a score of 46.2, as a majority of firms are still seeing declining billings. There are signs of hope ahead, as inquiries into new work grew slowly but steadily this month, following a brief three-month pause earlier this year. However, the value of newly signed design contracts at firms declined again in July, as firms continue to struggle to convert inquiries into contracts for new projects. This has been an issue for nearly as long as billings have been declining and reflects how soft business has been at many firms over the last two and a half years.

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.

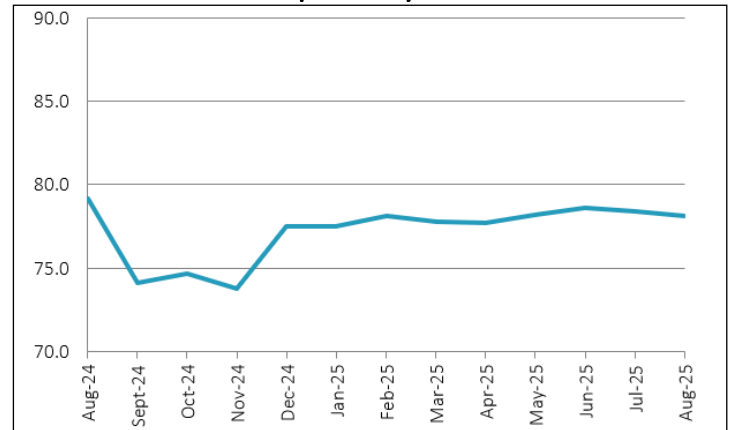
Source: American Institute for Architects, 08.19.2025

Purchasing Managers Index (PMI)®

The Manufacturing PMI® registered 48.7% in August, a 0.7-percentage point increase compared to the 48% recorded in July. The overall economy continued in expansion for the 64th 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 indicated growth in August following a six-month period of contraction; the figure of 51.4% is 4.3 percentage points higher than the 47.1% recorded in July. The August reading of the Production Index (47.8%) is 3.6 percentage points lower than July's figure of 51.4%. The Prices Index remained in expansion (or 'increasing') territory, registering 63.7%, down 1.1 percentage points compared to the reading of 64.8% reported in July. The Backlog of Orders Index registered 44.7%, down 2.1 percentage points compared to the 46.8% recorded in July. The Employment Index registered 43.8%, up 0.4 percentage point from July's figure of 43.4%.

The seven manufacturing industries reporting growth in August, listed in order: Textile Mills; Apparel, Leather & Allied Products; Nonmetallic Mineral Products; Food, Beverage & Tobacco Products; Petroleum & Coal Products; Miscellaneous Manufacturing; and Primary Metals. The 10 industries reporting contraction in August, listed in order: Paper Products; Wood Products; Plastics & Rubber Products; Transportation Equipment; Furniture & Related Products; Machinery; Electrical Equipment, Appliances & Components; Computer & Electronic Products; Chemical Products; and Fabricated Metal Products. *Source: Institute for Supply Management, 09.01.2025*

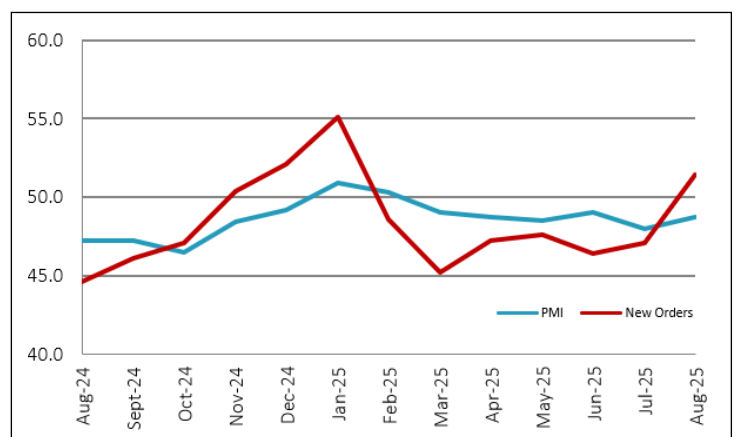
Steel Capability Utilization



In the week ending on August 30, 2025, domestic raw steel production was 1,769,000 net tons while the capability utilization rate was 78.1%. Production was 1,726,000 net tons in the week ending August 30, 2024, while the capability utilization then was 77.7%. The current week production represents a 2.5% increase from the same period in the previous year. Production for the week ending August 30, 2025 is down 0.6% from the previous week ending August 23, 2025 when production was 1,780,000 net tons and the rate of capability utilization was 78.6%.

Adjusted year-to-date production through August 30, 2025 was 59,469,000 net tons, at a capability utilization rate of 76.7%. That is up 1.4% from the 58,672,000 net tons during the same period last year, when the capability utilization rate was 76.4%.

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, 08.30.2025*



Industry News

Stainless MMI: Suppliers Note Weak Q2 Despite Firm Stainless Prices



Image: Adobe Stock

The Stainless Monthly Metals Index (MMI) moved sideways, with a modest 0.32% increase from July to August. Though it also remained flat for the month, the nickel price continued on an overall downtrend.

Stainless Mills Note Weak Demand—

Despite a round of price hikes in recent months, the stainless market remains weak, with no evidence of a turnaround. Supplier financial results from Q2 indicate that while tariffs improved pricing conditions for mills, U.S. service centers struggled amid lackluster market conditions.

For example, Acerinox saw its EBITDA increase 10% from Q1 to Q2. This was largely supported by U.S. tariff policy, which helped insulate the mill from competitive global prices. The firm noted the “poor performance of the European market,” while “the order book in the U.S. remained stable.”

Outokumpu, whose results are more heavily influenced by conditions in Europe, saw EBITDA decrease 17% during the same period. That firm noted that Europe’s “stainless steel industry faces persistent challenges, including subdued demand, low-priced imports from Asia and elevated energy costs.” Outokumpu called for increased safeguard measures through the Carbon Border Adjustment Mechanism to support the industry, particularly as U.S. tariffs have shifted stainless trade flows to other regions like Europe.

U.S. Deliveries Increase, But Demand Yet to Recover—In the U.S., Outokumpu’s stainless deliveries increased 7%, a fact that the mill attributed to “higher demand for domestically produced stainless steel.” While Acerinox saw U.S. capacity increase at North American Stainless, its global output fell 2.34% quarter over quarter.

Meanwhile, Outokumpu’s Q3 outlook showed little optimism, noting “group stainless steel deliveries in the third quarter are expected to decrease by 5–15% compared to the second quarter, mainly in business area Europe, due to seasonality and market weakness.” While Q2 saw efforts among U.S. manufacturers to nearshore supply, the U.S. showed no “signs of demand recovery yet.” This may serve to temper results during the third quarter relative to the first half.

Service Centers Showed Softer Results—

Amid soft demand, U.S. service centers did not witness the same benefits as mills. Ryerson’s quarterly results showed average selling prices for stainless steel decreased 2% quarter over quarter. This suggests the firm was forced to offer discounts to move material, which came at the expense of its margins. Stainless steel shipments fell 1.6% during the

Continued...

Industry News

Stainless MMI: Suppliers Note Weak Q2 Despite Firm Stainless Prices (continued)

same period, a tell-tale sign that buyers continue to hold back from the market. Meanwhile, Reliance showed a 0.7% decline in stainless steel tonnage sold as well as a 2.8% drop in overall sales. Like Ryerson, lower stainless steel prices dragged the company's results for the category. However, Reliance suggested that stainless steel prices may improve in Q3 due to recent mill base price increases. The firm's optimism will likely face headwinds as reports from service centers throughout July indicated no such improvement during the month, with buying activity remaining soft.

Tariffs Support Base Prices—As recently covered in MetalMiner's weekly newsletter, tariffs have allowed mills to increase capacity in the U.S. This has translated into tighter conditions for the ferritics category as mills continue to prioritize more common grades like 304. Mill price hikes throughout Q2 have largely held stable, despite soft overall demand conditions. Moreover, cold rolled stainless steel imports into the U.S. appear notably slow throughout 2025 compared to 2024, which has helped mills gain market share over foreign competitors.

For now, steel tariffs are being held at 50%. However, trade deals with some countries, including the UK and EU, suggested that quota arrangements could come to fruition in the months to come, though none have been announced as of yet. Meanwhile, in mid-August, Trump told the press that the U.S. may face another tariff disruption.

More Tariffs to Come?—On August 15, President Trump stated, "I'll be setting tariffs next week and the week after on steel and on, I would say, chips. Chips and semiconductors...we'll be setting sometime next week, week after." While the president offered no ballpark as to how high or broad the upcoming tariffs would be, he suggested implementation may be gradual, continuing, "I haven't set some of the tariffs yet. The rate will be

low in the beginning. That gives them a chance to come in and build...a very high rate after a certain period of time."

The president's comments appeared notably vague. Therefore, it remains unclear whether tariff rates will increase or whether he plans to expand the list of derivative products impacted by tariffs. This may or may not result in higher duties for the stainless steel category.

While part of Trump's overall tariff strategy has been to support domestic metal producers, manufacturing conditions remain notably weak, which may see him exercise caution with regard to tariff adjustments. Higher tariffs are unlikely to shift demand conditions. Instead, they could translate to demand destruction. This comes as manufacturers are already witnessing compressed margins as they struggle to pass along the full cost of the existing tariff hikes.

Nickel Prices Unlikely to Mount

Recovery—While base prices remain firm for now, nickel prices overall remain soft, which has helped tether the stainless steel surcharge. And while nickel prices have held sideways over recent months, the multi-year trend points to the downside.

Meanwhile, nickel stocks remain exceptionally high. Indonesia continued to boast strong output, with nickel surpassing coal as Indonesia's leading export in 2025. That said, Indonesia's

nickel demand has reportedly reached a peak. This has forced certain smelters to idle as nickel prices languished.

While a slowdown from Indonesia could serve to support prices, the overall global nickel supply glut remains exceptionally high. As such, smelters would need to curtail output for an extended period of time before it would significantly impact prices.

Biggest Stainless Steel and Nickel Price Moves—We know what you should be paying for metals. MetalMiner should-cost models are the ultimate savings hack, showing you the "should-cost" price for gauge, width, polish and finish adders. Explore what value they can add for your organization.

Chinese ferromolybdenum prices witnessed a significant jump, rising 10.95% to \$35,924 per metric ton as of August 1.

The Allegheny Ludlum Surcharge for 316L cold rolled stainless coil prices increased 3.57% to \$1.45 per pound.

Meanwhile, Chinese primary nickel prices fell 1.16% to \$16,756 per metric ton. LME primary three-month nickel prices slid 1.13% to \$15,025 per metric ton.

Indian primary nickel prices experienced the largest decline of the overall index, falling by a modest 1.56% to \$15.20 per kilogram. **Source: MetalMiner 08.20.2025**

Nickel (in US Dollar per ton)



Source:
[Westmetall](#)

Trade

Trump Expands 50% Steel and Aluminum, Tariffs to Include 407 Additional Product Types

The Trump administration has quietly expanded its 50% steel and aluminum tariffs to include more than 400 additional product categories, vastly increasing the reach and impact of this arm of its trade agenda. The new tariffs, which took effect August 18, expand the scope of the levies that President Donald Trump previously announced on the valuable commodities.

The tariff list now covers products such as fire extinguishers, machinery, construction materials and specialty chemicals that either contain, or are contained in, aluminum or steel.

“Auto parts, chemicals, plastics, furniture components—basically, if it’s shiny, metallic, or remotely related to steel or aluminum, it’s probably on the list,” Brian Baldwin, vice president of customs at Kuehne + Nagel International AG wrote on LinkedIn of the expanded list.

“This isn’t just another tariff—it’s a strategic shift in how steel and aluminum derivatives are regulated,” he wrote. The levies extend to 407 new product

categories, the Department of Commerce said August 19.

“Today’s action expands the reach of the steel and aluminum tariffs and shuts down avenues for circumvention – supporting the continued revitalization of the American steel and aluminum industries,” Jeffrey Kessler, the Commerce Department’s under secretary for industry and security, said in a statement.

The release from the agency links out to a [list that identifies](#) the newly included product types only by the specific customs codes that apply to them, not by what the products are actually called.

For example, the Commerce Department identifies the product category of fire extinguishers only as “8424.10.0000,” a 10-digit code buried among hundreds of other 10-digit codes.

This format makes it very difficult for the public to get a full picture of all the products that are affected by August 19 expanded tariffs.

But experts say the impact will be enormous.

“By my count, the steel and aluminum tariffs now affect at least \$320 billion of imports based on 2024’s general customs value of imports,” Jason Miller, a professor of supply chain management at Michigan State University, wrote on LinkedIn. That is a substantial increase from his prior estimate of roughly \$190 billion.

“This will add more inflationary cost-push pressures to already climbing prices that domestic producers are charging as picked up by July’s PPI data,” he continued.

Trump has repeatedly relied on sector-specific tariffs to enact his sweeping trade agenda.

The White House said that the tariffs on additional products should “not come as a surprise.”

“The President called for a new steel and aluminum product inclusions process in February,” White House spokesperson Kush Desai said in a statement.

Source: CNBC, 08.19.2025

U.S. Subjects Hundreds of New Derivative Products To Section 232 Metals Tariffs

As Reuters reported, on August 15 the Trump administration “widened the reach” of its Section 232 50% tariffs on steel and aluminum imports “by adding hundreds of derivative products to the list of goods subject to the levies.” Indeed, the U.S. Department of Commerce has added 407 product codes to the Harmonized Tariff Schedule.

The tariffs are now in effect for products that were entered or withdrawn from warehouse for consumption on or after 12:01 a.m. EDT on August 18, 2025. (According to the Commerce Department, there is no exception for goods already in transit as of that date.) The notice, linked to below, says non-steel and non-aluminum content will be subject to the tariff rates President Donald Trump has imposed on the goods originating from specific countries.

Read the Commerce Department’s Federal Register notice at this [link](#). (The full list of products newly subject to the Section 232 tariffs is available in the annexes to this notice.) Read U.S. Customs and Border Protection’s guidance at this [link](#).

As a reminder, when it comes to Section 232 tariffs, Connecting the Dots reports developments for members’ information only. MSCI consistently has argued that global overcapacity and other unfair trading practices, particularly by China, have harmed the U.S. steel and aluminum markets. To address this circumvention, MSCI has advised federal officials to provide relief for producers up and down the supply chain and to consider the consequences of any new trade policy, including: the economic impact of global overcapacity on the entire domestic metals supply chain; transition times and implementation rules to any new policy; availability of domestic metals to meet U.S. national security needs, as well as general industrial and consumer demand; and trade flows under current free trade agreements, including the U.S. Mexico Canada Agreement (USMCA). MSCI also asked that Canada and Mexico be excluded from any trade penalties.

Source: MSCI, 08.17.2025