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JULY 2026

U.S. economy added 57,000 jobs in June, less than expected; unemployment rate at 4.2%—The U.S. economy saw job creation cool sharply heading into the summer, the Bureau of Labor Statistics reported June 2.

Nonfarm payrolls for June increased by a seasonally adjusted 57,000 for the month, slower than the downwardly revised 129,000 added in May and worse than the 115,000 Dow Jones consensus forecast.

The unemployment rate, however, dropped to 4.2%, and slightly ahead of the 4.1% where it was a year ago.

The move lower was largely due to a slump in the labor force participation rate, which dropped 0.3 percentage point to 61.5%, the lowest since March 2021. Household employment plummeted during the month, with 507,000 fewer people reported at work. A broader unemployment measure that includes discouraged workers and those holding part-time jobs for economic reasons declined by 0.2 percentage point to 7.9%.

Prior months also saw significant downward revisions — the May total, which had been much stronger than economists had anticipated, was cut by 43,000, while April's figure came down 31,000 to 148,000 as the report showed labor market growth significantly slower than previously thought.
Full Story *Source: CNBC 7.2.2026*

U.S. manufacturing expands again in June, but at slower rate than in May—Economic activity in the U.S. manufacturing sector expanded in June for the sixth consecutive month to 53.3%, or 0.7 percentage point lower than May, according to the Institute for Supply Management's latest Purchasing Managers' Index.

The overall economy grew for the 20th month in a row, ISM reported. A figure below 50% indicates an industry in contraction.

The S&P Global U.S. Manufacturing PMI showed a slightly higher rate of expansion, registering 53.9, down from 55.1 in May.

Although "the ongoing war and price volatility" remain a concern, "the badness is better than May" Susan Spence, chair of ISM's Manufacturing Business Survey Committee, said during a media call July 1.

"In June, 34% of the comments were positive and 66% negative, with a 1-to-1.9 ratio of positive to negative sentiment," she said in a news release.

Spence added that the Iran war was mentioned in 31% and tariffs in 17% of the negative comments, while 50% of the panelists mentioned pricing volatility as an issue for their companies. Five of the six largest manufacturing industries — computer and electronic products, machinery, transportation equipment, chemical products, and food, beverage and tobacco products, in that order — expanded in June. Petroleum and coal products was the only exception.
Full Story *Source: Manufacturing Dive 7.1.2026*

Manufacturing grows at fastest rate since 2021 amid big job cuts: S&P

Overall U.S. business activity rose in June for the third consecutive month, S&P Global said, noting that its composite index increased to 52.2 — a five-month high — from 51.5 in May.

Still, the rate of growth remained below the level before the start of the war with Iran on Feb. 28, according to S&P Global.

Also, the June survey "pointed to an ongoing bifurcation of the economy, with sluggish service sector growth contrasting with an increasingly solid manufacturing expansion," S&P Global said.

"Service providers often cited elevated prices, higher interest rates and low confidence among both business and consumer customers," S&P Global said. The service sector fuels more than 75% of U.S. economic growth.

Amid signs of weakness, several economists have trimmed their estimates for growth this year.

The National Association for Business Economics on June 22 said a panel of association economists trimmed its median forecast for GDP growth this year to 2% from 2.4% in March.

The economists echoed findings of the S&P Global survey, noting the harm to the outlook from persistent war, according to NABE.


Image: Adobe Stock

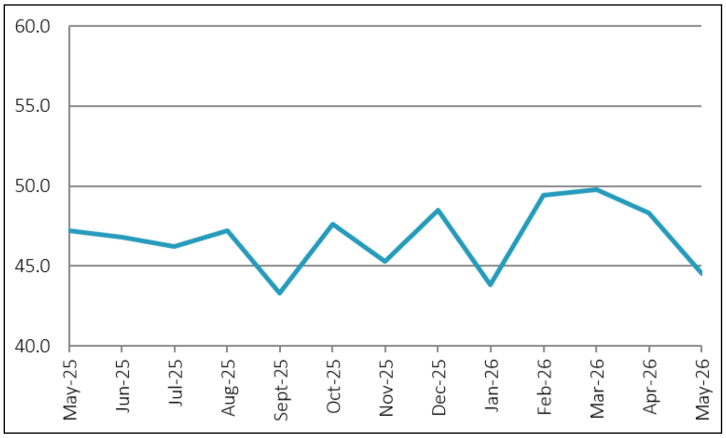
"Geopolitical conflict remains the top downside concern," KPMG Senior Economist Yelena Maleyev said in a statement.

Yet "for the first time in over a year, an end to the wars in Ukraine and the Middle East outranked productivity gains as the leading upside risk," said Maleyev, chair of the NABE survey.

Full Story *Source: CFO Dive 6.23.2026*

Key Economic Indicators

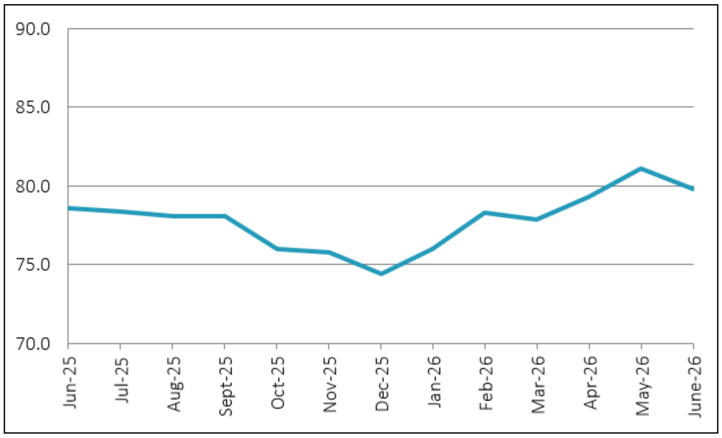
Architecture Billings Index (ABI)



The AIA/Deltek Architecture Billings Index® (ABI) score for May declined to its lowest level since January, with a score of 44.5. This is likely a reflection of the softness in the economy due to the ongoing Iran conflict, as higher gas prices and inflation have led some clients to pause new projects. This is also reflected in the inquiries index, which slipped below 50 for the first time in four months. The value of newly signed design contracts also weakened to its lowest level since January.

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. The survey panel asks participants whether their billings increased, decreased, or stayed the same in the month that just ended. According to the proportion of respondents choosing each option, a score is generated, which represents an index value for each month. 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, 6.24.2026

Steel Capability Utilization



In the week ending on June 27, 2026, domestic raw steel production was 1,842,000 net tons while the capability utilization rate was 79.8%. Production was 1,792,000 net tons in the week ending June 27, 2025, while the capability utilization then was 79.8%. The current week production represents a 2.8% increase from the same period in the previous year. Production for the week ending June 27, 2026 is down 0.5% from the previous week ending June 20, 2026 when production was 1,851,000 net tons and the rate of capability utilization was 80.2%.

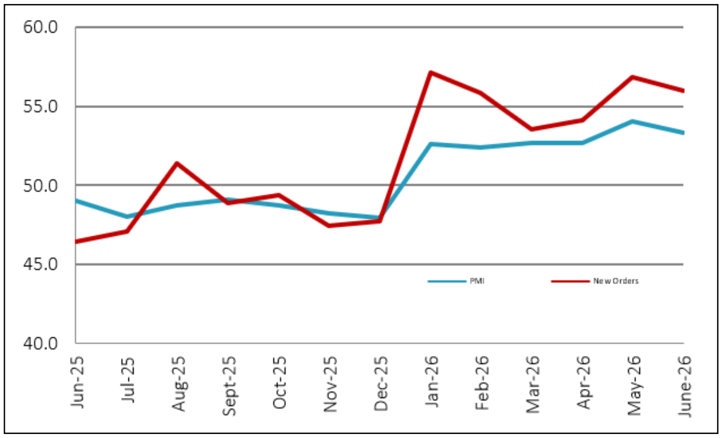
Adjusted year-to-date production through June 27, 2026, was 46,237,000 net tons, at a capability utilization rate of 78.7%. That is up 6.0% from the 43,620,000 net tons during the same period last year, when the capability utilization rate was 76.8%.

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, 6.30.2026

Purchasing Managers Index (PMI)®

The Manufacturing PMI® registered 53.3% in June, 0.7 percentage point lower than in May. The overall economy continued in expansion for the 20th month in a row. (A Manufacturing PMI® above 47.5%, over a period of time, generally indicates an expansion of the overall economy.) The New Orders Index expanded for the sixth consecutive month after four straight readings in contraction, registering 56%, down 0.8 percentage point compared to May's figure of 56.8%. The June reading of the Production Index (52.2%) is 2.1 percentage points lower than May's reading of 54.3%. The Prices Index remained in expansion (or 'increasing' territory), registering 73%, a 9.1-percentage point decrease from May's reading of 82.1%. The Backlog of Orders Index registered 50.5%, down 1.7 percentage points compared to the 52.2% recorded in May. The Employment Index registered 49.7%, up 1.1 percentage points from May's figure of 48.6%," says Spence.



"The Supplier Deliveries Index indicated slowing performance for the seventh month in a row after one month in 'faster' territory. The reading of 57.4% is down 3.2 percentage points from its May reading of 60.6%. (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.)
Source: Institute for Supply Management, 7.1.2026

Industry Articles

Simonson says: data centers carrying construction

Image: Adobe Stock

Construction, as is often the case, is a mixed bag of growth markets, downturns and the status quo. That's certainly the case this year, with perhaps even greater distance between the winners and the losers.

Ken Simonson, chief economist for the Association of General Contractors, delivered an outlook on the construction market during a recent chat with Steel Market Update's Michael Cowden.

The leading market, in both the recent past and year to come, is no surprise. Data centers have been almost singlehandedly propping up the industrial economy for the past 12 months. Data center builds grew 31% year over year. Compared with six years earlier, the market has grown more than 600%.

The trend will continue this year. In a survey of construction industry participants, the degree of optimism heading into 2026 about growth was higher than any category since Simonson launched the survey, with two-thirds of contractors anticipating further growth.

The flip side of that is the market category the Census Bureau mistakenly lumps data centers in with, office construction. Office building is down 13% year over year and 38% in the last six years, reflecting both the trend toward work from home and a general aging out of the workforce by the Baby Boomer generation.

The data center gains have propped up what has otherwise been, and will continue to be, a relatively flat to down market. Simonson said total construction spending had been tailing off for a while before enjoying a modest rebound. Total nonresidential spending has been shrinking since 2024, while private residential recently enjoyed a modest uptick and public spending has largely held steady.

Looking at a few individual markets, Simonson sees:

Manufacturing Down Modestly

Manufacturing construction experienced a steep decline recently, though Simonson believes it's a bit of an anomaly based on the wrapping up of one major project and the pause on a second. Looking ahead, he believes the market will turn back to growth conditions before year's end.

It won't, however, be driven by a massive surge in reshoring. "Yes, there's been some dramatic announcements, but they usually lack specificity about the date or location or project type. Manufacturers are holding back, waiting to see how long tariffs last and how much costs will rise because of tariffs and the war and if export markets will be affected," he said.

"On the whole, manufacturing is likely to be negative, but not severely."

Education Up, Surprisingly

Education space spending increased in 2025, though not by conventional means. Primary, secondary and higher ed spending was down, though that was overcome by growth in areas such as pre-K, museums and libraries.

However, there is one major development in the space that does not bode well for the sector. Higher education is poised to fall off precipitously, with some colleges already announcing plans to shutter operations due to the combination of a loss of full-pay foreign students and smaller high school graduating classes in their areas.

Full Story ***Source: Metal Center News 6.29.2026***

Industry Articles

Pentagon awards another billion for missiles

Raytheon Co. has drawn a $1.1-billion update to an earlier U.S. Navy contract, to produce AIM-9X Block II missiles to expand the U.S. military inventory, and to address demand from allied nations. The order covers approximately 1,989 tactical missiles for U.S. military branches and 336 missiles for the Pentagon's Foreign Military Sales customers.

Production will continue through September 2029, with manufacturing activity mainly in Arizona but also in 10 other states.

The AIM-9X Sidewinder is an infrared tracking, short-range air-to-air and surface-to-air missile for use with various combat aircraft, and also used as a ground launched missile.

In recent months U.S. defense manufacturers have been tasked by the Pentagon to increase missile production, including longer-term contracts that will provide assurance for their capital investments. Lockheed Martin was awarded a seven-year, $35-billion contract to increase THAAD interceptor missile production to 400 per year by 2032.

Raytheon reports it is expanding its Sidewinder missile production capacity to 2,500 units per year.

The Pentagon announcement itemizes thousands of missiles of different functionalities, launch hardware and software, optical target detectors, guidance units, as well as spare systems and hardware.

Image: Adobe Stock

"Our teams have streamlined production, shortened lead times and ramped up deliveries of AIM-9X missiles to keep pace with growing demand," stated Barbara Borgonovi, president of naval power for Raytheon. "This contract, along with our close partnership with the U.S. Navy, allows us to sustain that momentum and ensure U.S. and allied forces have this advanced, combat-proven capability they depend on in high threat environments."

Full Story *Source: American Machinist 6.29.2026*

New U.S. manufacturing operations announced in June 2026

In April and May, the manufacturing investment surge accelerated across pharmaceuticals, defense, and critical technology.

June matched that energy with a different character. Aerospace dominated the month in an extraordinary way, with JetZero breaking ground on what will be the largest commercial aircraft factory in North Carolina history, Northrop Grumman opening a new spacecraft production facility in Maryland, and Lockheed Martin inaugurating a purpose-built missile assembly plant in Alabama.

The critical minerals supply chain took a major step toward independence from Chinese sources, with USA Rare Earth announcing a $1.2 billion rare earth magnet factory in South Carolina and Röhm bringing North America's first C2-based methyl methacrylate plant to full industrial scale in Texas. Semiconductor manufacturing continued to attract CHIPS Act investment, and the defense industrial base expanded across multiple states.

Spanning more than twelve states and representing billions in investment, here are the latest new plants and expansions announced across the U.S. in June 2026.

Aerospace, Defense, And Advanced Manufacturing

JetZero broke ground on June 15 on its first manufacturing and final assembly campus, an 8 million-square-foot factory on more than 600 acres at Piedmont Triad International Airport in Greensboro, NC. The $4.7 billion project, the largest economic development commitment in North Carolina history based on job creation, is expected to generate more than 14,500 high-wage aerospace manufacturing positions over the next decade, with an average wage of more than $89,000. The facility will produce JetZero's Z4, an all-wing commercial aircraft designed for 50% greater fuel efficiency than conventional tube-and-wing aircraft, with production of up to 20 aircraft per month once fully ramped. The company is incorporating AI-native and digital twin manufacturing platforms developed in collaboration with Siemens and Deloitte.

Tom O'Leary, CEO and co-founder of JetZero, said, "North Carolina has a vision for its future as a global aerospace hub, and JetZero shares that vision. We believe the time has come for an all-wing airplane, to support the industry's need for more efficient airplanes that also deliver an incredible experience. We intend to reshape aviation, from right here in North Carolina."

Full Story *Source: Industry Select 6.24.2026*

Trade

Steel, aluminum makers face records gauntlet for new U.S. tariff exemptions

Image: Adobe Stock

Steel and aluminum producers seeking to qualify for reduced Section 232 tariffs must navigate an intensive record-keeping process to demonstrate ongoing compliance, trade lawyers said.

In May, the Commerce Department introduced a process for Canada and Mexico steel and aluminum makers that feed the U.S. auto and truck industry's supply chain to cut the current 50% tariff in half. Qualifying for the 25% rate requires producers to commit to building or expanding their primary metal production in the U.S.

Metal producers have to commit to specific capacity expansion projects and submit extensive certified documentation on those projects, according to a Federal Register document. They must then meet milestones set and monitored by the Commerce Department and provide regular, detailed reports showing how shipments tie back to the approved projects.

If the Commerce Department determines the supplier has fallen short of the requirements, the agency can revoke the reduced tariff and require full payment.

Hence, ongoing documentation and traceability are critical to proving continued compliance, trade lawyers told Supply Chain Dive.

Meticulous record-keeping is essential because the program is in its early stages and still needs to be fleshed out, Daniel Pickard, international trade and national security practice lead at Buchanan Ingersoll & Rooney, said.

"There's obviously going to be a significant amount of discretion at the Department of Commerce in regard to the implementation of this," Pickard said.

Qualifying facilities

The Commerce Department does not define the types of facilities producers must build or expand to qualify for the tariff reduction. However, eligible facilities could include mills, smelters, electric arc furnaces used to melt scrap steel or casting lines that shape molten metal into semi-finished products, according to Micah Burbanks-Ivey, an associate in Holland & Knight's public policy and regulation group.

Companies can also use qualifying production in Canada and Mexico, Burbanks-Ivey said, noting those with integrated supply chains across the two countries and the U.S. have a strong opportunity to lower tariffs.

Once projects are chosen, producers must show they are financially, contractually and operationally committed to expanding production capacity in a verifiable, enforceable way, Burbanks-Ivey said. Binding commitments can include capital expenditure plans, executed construction or equipment contracts, and related financing agreements.

Proving ongoing compliance

Another critical element is setting and meeting milestones — such as buying land, starting construction and installing equipment — that demonstrate progress in building U.S. steel and aluminum capacity, trade lawyers said.

"Suppliers should expect the government to evaluate milestones the same way lenders' investment and project managers would evaluate whether a major industrial project is progressing," Burbanks-Ivey said.

Full Story *Source: Yahoo!Finance 6.23.2026*

Analysis - Ferrari and BMW join Tesla, China in switch from copper to cheaper aluminum

Ferrari and BMW are rolling out new models featuring lightweight, cost-effective aluminum wiring, accelerating a shift away from copper, the dominant material in electric wiring since the invention of the electric battery two centuries ago.

The decisions follow similar moves by Tesla and Chinese EV makers and reflect a broader industry trend forecast to affect around 2% of global copper demand this year, according to JPMorgan.

Even more copper could be switched to aluminum in the coming years because of a structural rise in copper prices, driven by shortages of the metal and with increased demand from the green-energy sector and data centers.

Companies across several sectors are migrating to aluminum because of far lower prices and comparable performance, according to Reuters interviews with 18 carmakers, cable and air conditioning companies, metals producers and consultants. Ferrari and BMW said they chose aluminum in part because of its lighter weight.

Substitution of aluminum for copper has come in waves over two decades, but record copper prices in late January, peaking close to $15,000 per metric ton, added weight to the case for switching to aluminum. Forecasts for global supply fall short of those for demand for more than the next decade.

LIGHTER AND FASTER

Ferrari, which already uses aluminum for its bodies, engines and chassis, told Reuters it started using the lightweight metal for power cables on its 296 hybrid sports car last year. Ferrari has


Image: Adobe Stock

since introduced aluminum wiring into other models, including the Luce, its first ever EV launched last month.

The move saves up to 20% of the total wiring weight, said Ferrari communications executive Dario Esposito.

"We are not choosing aluminum because it's cheaper, we choose the material that has better performance," he said.

But the metal is, in fact, much cheaper — currently about $3,100 a ton, or about a quarter the price of copper.

Germany's BMW said it first used aluminum conductors in 2011 in its subcompact 1 series and progressively expanded substitution in hybrids and EVs. Currently, it uses a large number of aluminum cables in both high and low-voltage systems in its latest eDrive EV technology, launched last year.
Full Story *Source: MSN 6.30.2026*

Ocean shipping recovery still a ways off despite U.S.-Iran ceasefire pact

The U.S. and Iran reached an agreement to reopen the Strait of Hormuz, but ocean supply chain networks are not expected to recover until mid-September 2026, according to a June 19 Xeneta report.

Beyond its regionalized impact, the Iran war's broader effect on the ocean shipping market has led to oil volatility and upward pressure on fuel prices and ocean spot rates. In turn, the rising cost of fuel has prompted some ocean carriers to implement surcharges.

While full details and the timeline of the agreement are still unclear, the memorandum of understanding signed last week by the U.S. and Iran, per the Associated Press, sets a 60-day window to negotiate a final deal, which would include the reopening of the strait. The agreement also calls for minesweeping operations, which may require an extended timeline, according to Xeneta.

In a June 20 Truth Social Post, President Donald Trump confirmed that there would be no tolls in the Strait of Hormuz for 60 days during the ceasefire period. After the 60-period expires, the U.S. would only impose tolls if the deal isn't completed.

"Even if the ceasefire holds, around 10% of global container shipping capacity is impacted by the blockade and freight rates are spiraling across major trades," Peter Sand, Xeneta chief analyst, said in the report. "This scale of disruption and market volatility cannot be reversed overnight."

Spot rate hikes to continue

Looking ahead, Xeneta reported that spot rates are expected to continue to rise for at least another four weeks before the market peaks. Sand said spot rates will climb as long as the waterway isn't fully open, which depends on how complex the de-mining operations are.

"Shippers should plan for a peak around the point the strait formally reopens, followed by a gradual easing," per the analyst.

Since the start of the Iran war in February to June 19, ocean spot rates from the Far East to the U.S. West Coast and East Coast have spiked 192% and 158%, respectively, per Xeneta data.

Full Story *Source: Supply Chain Dive 6.24.2026*

UPM Updates

UPM Set to Showcase Global Solutions at Farnborough International Airshow 2026

United Performance Metals is proud to announce our participation in the Farnborough International Airshow June 20 -24, 2026. This is one of the world's premier aerospace events that unites the top industry leaders across the globe. UPM will be bringing expertise, innovation, and integrated solutions to the international stage with two key locations in U.S. Pavilion Hall 3, Stand #3742 and Northern Ireland Pavilion Hall 1, Stand #1321.

With a robust international footprint and deep technical experience, UPM supports mission-critical programs across aerospace, defense, and next-generation space initiatives. Our approach is grounded in delivering reliable, scalable, and high-performance solutions that are streamlined and collaborative for the evolving needs of global customers. From complex assemblies to precision-engineered components, UPM's capabilities span diverse applications—helping customers improve efficiency and performance. Our ability to seamlessly connect materials, processing, and logistics makes UPM a trusted partner for navigating increasingly complex programs.

The Farnborough International Airshow offers a unique opportunity for United Performance Metals to engage with industry leaders, explore new technologies, and build strategic partnerships. UPM invites attendees to visit our booths to learn more about how we can support your aerospace, defense, and space applications. Whether you are looking to enhance performance, optimize your supply chain, or collaborate on future-forward projects, our team is ready to connect! Learn more about our presence and request a meeting here.

Welcome 2026 Summer Interns

Braden Greer – Advanced Solutions: Braden Greer is an incoming junior at the University of Kentucky when he is studying mechanical engineering. Braden will be working with the UPM Advanced Solutions team where he is excited to gain experience and make valuable contributions to the company. Braden loves sports, especially basketball, football, and golf.

Dimitri Garrett – Operations: Dimitri Garrett will be working in Operations for UPM this summer. He is going to be a freshman in the fall studying computer science at Miami University in Oxford, Ohio. During his internship, Dimitri will be working on the shear and is excited to learn more about the metals industry as a whole. In his free time, he enjoys programming, playing soccer, and spending time with his friends and family.

Ethan Smearsoll – Advanced Solutions: Ethan Smearsoll is a returning intern who will be going into his junior year at the University of Cincinnati where he is studying aerospace engineering. During Ethan's last internship with the UPM Advanced Solutions team, he learned about engineering processes, excel, and practical organizational skills. This summer, Ethan is hoping to see some of the results of his work last year and looks forward to gaining more software

experience in an engineering environment. In his free time, Ethan likes to run, play intramural volleyball, snowboard, hang out with friends, and read.

Ian Ellis – Sales: Ian Ellis is an incoming junior at The Ohio State University where he studies finance and accounting. Ian will be working within the UPM Sales department and looks forward to gaining valuable hands-on experience while building relationships and learning how different fields contribute to businesses. Outside of work, Ian enjoys playing lacrosse, working out, and spending time with his friends and family.

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