UNITED PERFORMANCE METALS
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Market Informer

JUNE 2026

U.S. payrolls rose by 172,000 in May, much more than expected; unemployment at 4.3%—U.S. Job growth unexpectedly surged in May as the U.S. labor market continued a solid year of expansion, the Bureau of Labor Statistics reported May 22.

Nonfarm payrolls jumped a seasonally adjusted 172,000 for the period, down slightly from the upwardly revised 179,000 in April and far above the Dow Jones consensus estimate for 80,000. The unemployment rate held steady at 4.3%, as expected.

"This is a labor market that is stronger than it was last year and is looking pretty darn solid, despite high energy prices and higher inflation generally," said Gus Faucher, chief economist at PNC. "There's no indication that the labor market needs support."

Breadth of job gains improved in May, with multiple sectors seeing solid advances.

Leisure and hospitality led all sectors with 70,000 jobs, well above the 14,000 per month average over the past year. Local government added 55,000.

Health care, which has been the leading sector, contributed 35,000 new hires, about in line with its average. Social assistance added 12,000.

Average hourly earnings rose 0.3% for the month and were up 3.4% over the past year, both in line with the Wall Street consensus.

Full Story *Source: CNBC, 6.5.2026*

U.S. consumer confidence remains weak as retail spending shifts—U.S. consumer confidence remains below pre-pandemic levels as households continue to limit discretionary spending and focus on essential purchases, according to the latest data from The Conference Board.

The findings are being closely watched across the global retail sector as brands assess demand trends ahead of the second half of 2026.

The Conference Board's Consumer Confidence Index rose slightly to 91.8 in March from 91.0 in February, showing a modest improvement in sentiment. However, the Expectations Index, which tracks short-term views on income, jobs and business conditions, remained below the threshold often associated with recession risks.

Consumer spending continues to support the U.S. economy, but shoppers are becoming more selective. Retailers, consumer brands and supply chain operators are responding by adjusting inventory, pricing and promotional strategies.

Spending moves towards essentials

The report showed that U.S. consumers are still spending on restaurants, take-away food, beauty products and streaming services, while demand for more expensive discretionary goods remains under pressure.

Full Story *Source: Yahoo!Finance, 5.26.2026*

U.S. manufacturing expands to highest level since May 2022: PMI

Economic activity in the U.S. manufacturing sector expanded in May for the fifth consecutive month to 54%, 1.3 percentage points higher than April and the highest reading since May 2022, according to the Institute for Supply Management's latest Purchasing Managers' Index.

The overall economy grew for the 19th month in a row, ISM reported. A PMI index below 50% indicates an industry in contraction.

The S&P Global U.S. Manufacturing PMI showed a slightly higher rate of expansion, registering 55.1, up from 54.5 in April.

"Not only are we in the fifth month of expansion, but the indices are all going in the right direction," Susan Spence, chair of ISM's Manufacturing Business Survey Committee, said during a media call on June 1.

"In May, 25% of the comments were positive and 69% negative, with a 1-to-2.7 ratio of positive to negative sentiment," Spence said in a news release. "Among comments, the Iran war was mentioned in 42% and tariffs in 18%." She added that 57% of panelists mentioned pricing volatility as an issue for their companies.

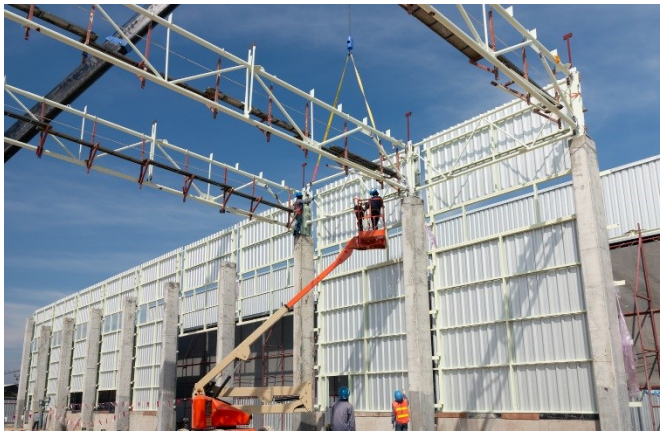


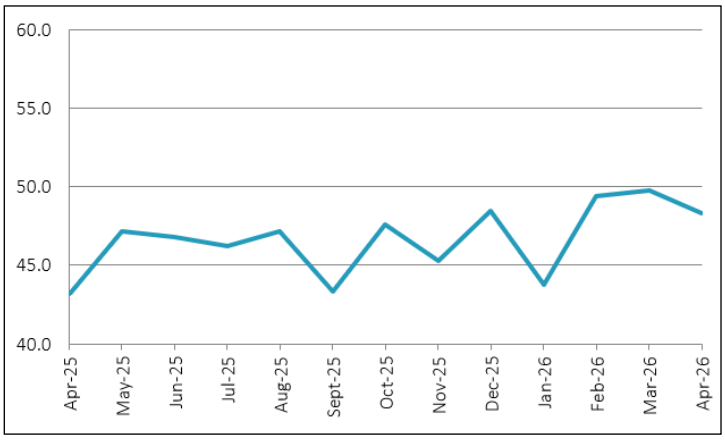
Image: Adobe Stock

The New Orders Index expanded for the fifth consecutive month after four straight readings in contraction, registering 56.8%, up 2.7 percentage points compared to April's figure of 54.1%. The Production Index registered 54.3%, 0.9 percentage point higher than April's reading of 53.4%.

Full Story *Source: Manufacturing Dive 6.1.2026*

Key Economic Indicators

Architecture Billings Index (ABI)

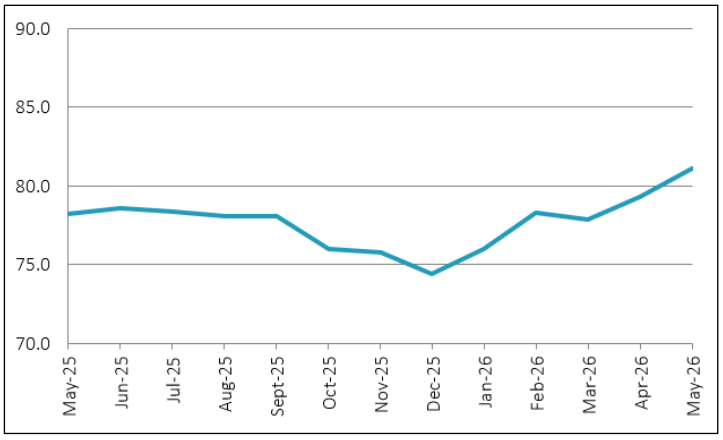


The AIA/Deltek Architecture Billings Index® (ABI) score declined from 49.8 in March (meaning that billings at firms were essentially flat) to 48.3 in April (indicating that the share of firms that reported a decline in billings was greater than the share that reported an increase). National architecture firm billings have not crossed the 50-point threshold, a development that would indicate growth, since January 2023. However, inquiries into new projects increased for the third consecutive month in April, and the value of new design contracts remained close to returning to growth.

Business conditions stayed soft at firms in all regions of the country in April, with none reporting growth. For the third consecutive month, firms located in the West were the least likely to report a decline in billings, while firms in the South reported that billings softened further after showing encouraging signs of growth at the beginning of the year.

Billings continued to decline at firms with a commercial/industrial specialization, which has been one of the weakest sectors for the last six months. However, firms with institutional and multifamily residential specializations reported modest growth in April, a promising sign that new projects are on the horizon.
Source: American Institute for Architects, 5.20.2026

Steel Capability Utilization



In the week ending on May 30, 2026, domestic raw steel production was 1,872,000 net tons while the capability utilization rate was 81.1%. Production was 1,720,000 net tons in the week ending May 30, 2025, while the capability utilization then was 76.6%. The current week production represents an 8.8% increase from the same period in the previous year. Production for the week ending May 30, 2026 is up 0.1% from the previous week ending May 23, 2026 when production was 1,870,000 net tons and the rate of capability utilization was 81.0%.

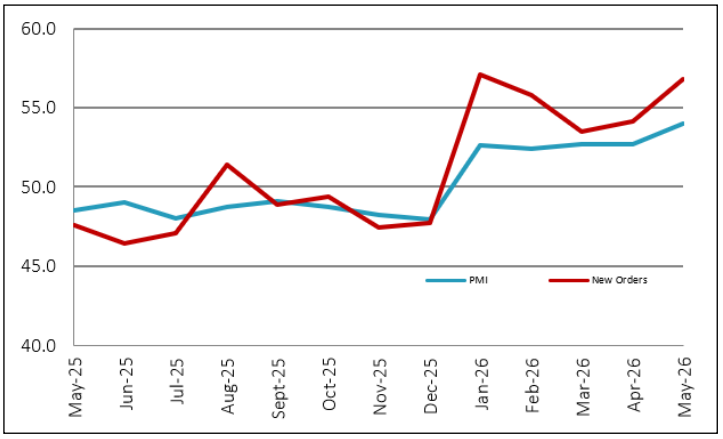
Adjusted year-to-date production through May 30, 2026, was 38,925,000 net tons, at a capability utilization rate of 78.6%. That is up 6.8% from the 36,461,000 net tons during the same period last year, when the capability utilization rate was 76.2%.

Broken down by districts, here's production for the week ending May 30, 2026, in thousands of net tons: North East: 137; Great Lakes: 495; Midwest: 321; Southern: 848; and Western: 71 for a total of 1872.

Source: AISI, 6.2.2026

Purchasing Managers Index (PMI)®

The Manufacturing PMI® registered 54% in May, 1.3 percentage points higher than in April and its highest reading since May 2022 (55.9%). The overall economy continued in expansion for the 19th 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 fifth consecutive month after four straight readings in contraction, registering 56.8%, up 2.7 percentage points compared to April's figure of 54.1%. The May reading of the Production Index (54.3%) is 0.9 percentage point higher than April's reading of 53.4%. The Prices Index remained in expansion (or 'increasing' territory), registering 82.1%, a 2.5-percentage point decrease from April's reading of 84.6%. The Backlog of Orders Index registered 52.2%, up 0.8 percentage point compared to the 51.4% recorded in April. The Employment Index registered 48.6%, up 2.2 percentage points from April's figure of 46.4%," says Spence.



The Supplier Deliveries Index indicated slowing performance for the sixth month in a row after one month in 'faster' territory. The reading of 60.6% repeated its April figure after the index increased in each of the previous five months. (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, 6.1.2026***

Industry Articles

June 2026 Data Center Report: Construction remains strong as costs rise

Image: Adobe Stock

In April 2026, total data center spending reached $2.4 billion, pushing the year-to-date (YTD) total to an impressive $49.5 billion. Sixteen new data center projects were initiated during the month, bringing the YTD project count to 74.

While April's spending figure is notably lower than recent months—reflected in the 3-month moving average of $8.0 billion—it still ranks as the twentieth-highest monthly total since January 2020.

The YTD total of nearly $50 billion in data center spending significantly outpaces the comparable figure from a year ago, when YTD starts amounted to just $13.6 billion in 2025.

Trailing 12-month metrics remain exceptionally strong, driven by a surge in data center spending between October 2025 and March 2026.

During this six-month period, $92.1 billion was invested in the construction of 140 new data centers. Each month during this stretch recorded spending levels high enough to rank within the top 10 for monthly dollar spending.

The 12-month moving average for Data Center construction starts spending through April 2026 was $9.8 billion. Average Data Center spending fell below $10 billion per month in April but remains more than 300 percent above year-ago levels.

Data Center Costs Continue Upward Trend

The relentless demand for data centers has driven both unit and square foot prices sharply higher in recent quarters. Over the trailing 12 months, the average cost of a data center has surged to $475 million, a significant increase from $177.9 million during the same period a year ago.

Similarly, the median cost per square foot in 2026—calculated after excluding the top and bottom 10% of projects by cost per square foot, as well as all projects under 2,000 square feet—has risen to $445 per square foot. This marks a 7.4% increase compared to full-year 2025 results.

Meanwhile, the average price per square foot in 2026 has climbed dramatically to $746, reflecting a 45% jump from the full-year 2025 average.

How Data Center Spending is Spread Across the U.S.

ConstructConnect Project Intelligence is currently tracking over 90 data center projects in various stages of preconstruction, with anticipated start dates before the end of the year. Collectively, 94 projects valued at $73.1 billion remain in the near-term project pipeline.

It is important to note, however, that these projects are still in the preconstruction phase and are not guaranteed to break ground.

Additionally, this total excludes Project Kestrel—a $100 billion data center development—which is being monitored by ConstructConnect due to its exceptionally large valuation.

Near-Term Data Center Construction Pipeline

The near-term data center pipeline remains heavily concentrated in the South, which accounts for well over half of the planned spending tracked. Texas continues to lead the region, with significant investments also planned in North Carolina, Virginia, and Arkansas.

Full Story *Source: ConstructConnect News 5.27.2026*

Industry Articles

U.S. needs 'transformed industrial base' to fully ramp up manufacturing: McKinsey

Over the past 50 years, manufacturing has become an increasingly smaller share of the U.S. economy, according to the report. Although the U.S. is the world's second largest manufacturer, it lost its top spot to China in 2000. In addition, U.S. factory value added fell from more than 21% as a share of its gross domestic product in the late 1970s to less than half that today, while employment has decreased from 22% of the workforce to 8%.

What to do about this remains contentious. However, many say that the U.S. should bolster or reshore more manufacturing capability in industries affecting national security or other vital interests, such as semiconductors and other advanced technologies.

Although current reshoring efforts are a start, the report found that "ramping up broad swaths" of U.S. manufacturing would be a "daunting prospect." This is because running all of the country's existing factories at peak capacity would only generate about $660 billion more in output — far short of the $1.2 trillion U.S. manufacturing trade deficit in 2025. Plus, critical industries such as electronics would remain exposed.

"Many thousands of new factories would need to be built. Workers with the right specific skills would need to be available at the right time and in the right places," the report said. "All of this would require funding, and that would in turn depend on compelling and concrete business rationales... and would need to be considered in the context of the policy and regulatory environment."

Image: Adobe Stock

The U.S. imported about $1.3 trillion in "critical manufactured goods," or goods that are "central to resilient supply chains and national security" in 2025, the report said. These included advanced semiconductors, pharmaceutical ingredients needed for life-saving drugs and high-capacity batteries, among other products.

In addition to being critical for the economy or national security, many of these goods are concentrated, meaning the U.S. relies on three or fewer countries to source them. Many are also "geopolitically distant," i.e. physically distant and/or located in countries with which the U.S. has poor relations.

Full Story *Source: Manufacturing Dive 6.2.2026*

Boeing ramps 737 MAX output as China order and defense wins build

Boeing sits at the intersection of global air travel and defense, with the 737 MAX as a core product in its commercial lineup. The decision to lift output on that program, together with a sizeable China order, highlights that airlines and governments are continuing to rely on Boeing for fleet and capacity planning. For investors tracking NYSE:BA, the mix of commercial and defense activity is central to how the company generates revenue across different economic and policy cycles.

The fresh defense wins, along with higher 737 MAX production, give Boeing more contracted work to execute in both segments. As these programs move from announcement to delivery, the focus for investors will likely be on how effectively the company manages its supply chain, regulatory interface, and execution risks across a larger workload.

The higher 737 MAX production rate, the 200 jet China commitment and the string of defense contracts all point to Boeing leaning on scale and a broader mix of programs to use its fixed cost base more efficiently.

At the same time, the China agreement reopens a large market where Airbus also competes heavily, while the multi year defense awards extend visibility in an area where Boeing competes with Lockheed Martin and Northrop Grumman. Investors also have ancillary initiatives to factor in, such as the Gilat inflight connectivity partnership and SkyGrid air mobility work, which indicate Boeing is trying to tie digital and connectivity services into its aircraft and airspace offerings rather than relying only on selling jets.

How This Fits Into The Boeing Narrative

- The planned lift in 737 MAX output and the 200 aircraft China order align with the narrative focus on production stabilization, a large backlog and strong air travel demand supporting higher unit volumes over time.
- The push to raise rates while the commercial division has been working through losses tests the narrative assumption that margin recovery follows higher volumes, because any quality or supply chain issues at these levels could limit that improvement.

Full Story *Source: Yahoo!Finance 5.30.2026*

Trade

Trump further tweaks steel, aluminum, copper tariffs

The U.S. is temporarily adjusting Section 232 tariffs on steel, aluminum and copper imports, namely reducing the rate charged for certain agricultural and industrial goods, according to a proclamation signed by President Donald Trump on June 1.

Starting June 8, agricultural equipment such as combines and harvesters will face a 15% tariff, down from a 25% rate Trump set for a slew of derivative steel and aluminum products in April. The 15% tariff rate will also apply to certain residential HVAC systems and components, per the proclamation.

"In my judgment, this modification appropriately accounts for these products' roles in productive economic activity in the U.S. and accounts for recent circumstances affecting the relevant industries and services that use these products," Trump said in the document.

Trump also added aluminum lithographic plates and steel racks to the list of derivative products that qualify for the 25% tariff rate he set in April.

Meanwhile, the U.S. is expanding the list of industrial goods that qualify for a reduced 15% tariff. Effective June 8, the rate will apply to mobile equipment such as bulldozers and forklifts imported from trading partners with which the U.S. has reached trade agreements since Trump returned to office, including the European Union, Japan and South Korea.

The changes to tariff treatment for agricultural equipment and industrial goods, as well as the derivative production expansion, will stay in effect until Dec. 31, 2027, per the proclamation.

Image: Adobe Stock

Beyond lowering tariffs directly, Trump also will tweak rules related to preferential tariff treatment for products made "entirely" with U.S. steel, aluminum and copper. Starting Jan. 1, 2028, imports will qualify for a 10% tariff if 85% of their content consists of steel, aluminum or copper produced in the U.S., per the proclamation. Currently, the threshold for goods to qualify as "entirely" made of U.S. metals is 95%.

In my judgment, this modification will incentivize increased use of American aluminum, steel, and copper in downstream derivative products," Trump said in the proclamation.

Full Story *Source: Supply Chain Dive 6.2.2026*

Ranked: the countries that produce the most steel

Steel remains one of the world's most important industrial materials, underpinning everything from construction and infrastructure to automobiles and manufacturing. As a result, the countries producing the most steel play an outsized role in the global economy and commodity markets.

China dominates global steel production, while Asian economies and established industrial powers like the U.S., Japan, and Germany remain major contributors.

China's Massive Lead in Steel Production

Global crude steel production totaled 1,849.4 Mt in 2025, with China alone producing 960.8 Mt.

That means China accounted for 52% of the world's steel output, more than the next 12 largest producers combined.

China's enormous domestic construction sector, export manufacturing base, and state-backed industrial capacity continue to support its leadership position.

China's steel industry also has broad implications for global commodity markets. Demand from Chinese steelmakers heavily influences iron ore and coking coal prices worldwide. At the same time, concerns around overcapacity and exports continue to shape international trade discussions.

India Continues to Rise

India ranked second globally with 164.9 Mt of steel production, representing 8.9% of world output.

The country has steadily expanded steel capacity over recent decades as infrastructure investment and urbanization accelerate. Government initiatives aimed at boosting manufacturing have also supported long-term growth in the sector.

India remains far behind China in absolute output, but its steel demand is being supported by major investments in roads, railways, housing, and energy infrastructure.

Advanced Economies Maintain Significant Output

The U.S. and Japan produced 82 Mt and 80.7 Mt of steel respectively, each contributing roughly 4.4% of global production.

South Korea, Germany, and Italy also remained among the world's top producers despite slower industrial growth in many developed economies.

Full Story *Source: Visual Capitalist 5.22.2026*

Trade

Aluminum price hits four-year high on renewed Middle East supply risks

Aluminum prices soared to their highest point in more than four years on June 1 as Middle East supply risks escalated after the U.S. and Iran traded military strikes, traders said.

Benchmark aluminum on the London Metal Exchange traded 0.5% higher at $3,685 a metric ton in official rings. Earlier, it touched $3,707.50 to match a level hit on May 26 for its highest point since March 2022.

The Middle East houses 9% of global smelting capacity for aluminum. The closure of the Strait of Hormuz has restricted aluminum exports from the region and limited imports of the raw materials needed to smelt the metal used to manufacture cars, aeroplanes, beer cans and building materials.

Analysts expect a large aluminum market deficit this year, with some floating numbers above 2 million tons.

“Aluminum remains the standout story,” Britannia Global Markets said in a note. “The extreme backwardation highlights the severity of the squeeze.”

Backwardation refers to the premium for nearby LME aluminum contracts against those along the maturity curve.

The premium for the cash aluminum contract over a three-month forward surged to 19-year highs above $100 a ton on May 29.

Elsewhere, copper prices are ticking up as markets price in tight markets outside the U.S., which has over the last year sucked in vast amounts of copper due to expectations for tariffs on imports.

Image: Adobe Stock

The U.S. is expected to decide by late June whether to impose tariffs on copper metal imports.

Total copper stocks in warehouses registered with Comex at 640,181 short tons or 580,762 metric tons are up more than 550% since U.S. President Donald Trump in February last year ordered an investigation of copper import tariffs.

Expectations of weak mine supply growth have also helped reinforce elevated copper prices.

Supporting industrial metals overall was expanding manufacturing activity in top consumer China for the sixth consecutive month.

Full Story *Source: Mining.com 6.1.2026*

U.S. to cut tariffs on agricultural equipment as costs bite

U.S. President Donald Trump signed an order June 1 to cut tariffs on agricultural equipment, the White House said, as farmers and manufacturers face pressure from surging costs over the Middle East war.

Trump's proclamation reduces the duty rate on machinery like harvesters, alongside certain other equipment, from 25% to 15%.

Foreign companies can also qualify for a 10% duty rate if their manufacturing equipment contains at least 85% U.S. steel or aluminum, the White House added in a fact sheet.

The changes take effect on June 8 and last until Dec. 31, 2027.

Farmers have raised concern over rising costs ahead of key midterm elections and face a further squeeze from the Middle East war as diesel and fertilizer prices have surged.

U.S.-Israeli strikes targeting Iran since the end of February sparked Tehran's retaliation that virtually blocked off the Strait of Hormuz.

Image: Adobe Stock

The critical waterway normally sees about a fifth of the world's oil and gas supplies pass through it and is also essential for the global fertilizer trade.

Full Story *Source: Industry Week 6.2.2026*

UPM Updates

The Future of Medical Manufacturing

Modern medical applications depend on precision, reliability, and performance—but that has not always been the case. The materials used in current-day medical applications have evolved significantly, driven by the need for improved safety, durability, and patient outcomes. Understanding where the medical industry started and how far it has come highlights the critical role that United Performance Metals plays in providing specialty metals and solutions for the medical industry.

Early Materials and Applications

Historically, medical tools and devices were made with readily available, general-purpose materials, including carbon steel, low-grade stainless steels, and iron alloys. These materials were strong enough for basic surgeries and were a cost-effective and accessible solution at the time. Because there were limited alternatives, even the best products had limitations including corrosion susceptibility, inconsistent quality, low durability, as well as hygiene challenges from surface imperfections. Due to material science limitations, the focus was only on function as opposed to long-term performance and quality.

The Shift Towards Stainless Steel

The development of modern stainless steel in the 20th century marked a major turning point in medical manufacturing. The introduction of chromium helped improve corrosion resistance, allowing stainless steel to provide a smoother surface finish and improved cleanliness. The addition of stainless steel as a tool for medical applications allowed for safer surgical environments, longer instrument life, and reduced contamination risks.

The Rise of Specialty Alloys

As medical technology continued to advance, particularly in areas like implant devices, imaging systems, and minimally invasive procedures, material demand increased drastically. This led to the development and adoption of specialty engineered alloys, including high-performance stainless steel, titanium, nickel, and cobalt-based alloys. To continue reading, please click here.

How Innovation is Reducing Risk in Metal Processing

In today's fast-evolving metal processing industry, safety is integrated in everything that we do, shaping a safer future through advanced equipment, real-time data insights, and a culture rooted in continuous improvement. By leveraging innovative technologies and making proactive decisions, UPM is not only reducing risk but redefining what it means to operate safely and efficiently in a modern manufacturing environment.

Advanced Equipment

The modern metal processing equipment that UPM has invested in has been engineered with safety as a core feature rather than an afterthought. Things like presence sensors, machine guarding and interlocks, as well as predictive shutdown systems are all in place to reduce incident severity and improve equipment reliability. These machines are able to integrate with UPM's monitoring system to provide real-time health diagnostics and allow operators to receive alerts before machine failure occurs, preventing dangerous breakdowns.

Data-Driven Safety Management

Digital transformation is enabling United Performance Metals to track, analyze, and improve safety outcomes more effectively than ever before. To continue reading, please click here.