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# ECONOMIC UPDATE
Number 66 • November 2025

## EXECUTIVE SUMMARY

**ECONOMY: U.S. MANUFACTURING ACTIVITY CONTRACTED AGAIN IN OCTOBER,** with the ISM Manufacturing PMI at 48.7% compared to 49.1% in September. **The New Orders Index rose slightly to 49.4%,** while Production slipped to 48.2%. **Prices remained elevated at 58.0%,** reflecting continued cost pressures tied to tariffs and supply disruptions. **Consumer confidence edged lower to 94.6 in October** from 95.6 in September, as optimism about future conditions weakened. **The Consumer Price Index increased 0.3% in September** and 3.0% year-over-year, driven by higher energy and shelter costs, **while core CPI rose 0.2%. Retail sales excluding autos advanced 0.5% in September,** though inflation-adjusted growth slowed to 0.2% as higher-income households sustained most spending. **Existing home sales rose 1.5%** to a seven-month high, supported by easing mortgage rates near 6.2%, though affordability and limited job growth continued to constrain demand. The ongoing federal government shutdown has delayed several major economic reports—including employment, construction spending, and trade data—creating uncertainty around broader economic momentum.

**STEEL: CAPITAL INVESTMENT AND STRATEGIC ALIGNMENT ACCELERATED,** as U.S. Steel advanced its $14B modernization under Nippon Steel, including a $75M premium-thread expansion in Alabama and new safety reforms at Clairton Coke Works. Cleveland-Cliffs deepened its role in domestic electrification through a $400M Defense Logistics contract and DOE-backed furnace upgrades, while also piloting defect-free stamping on aluminum lines. Ryerson and Olympic Steel announced a $6.5B merger to capture service-center synergies, and POSCO was reported to pursue a 10% stake in Cliffs.

**AUTOMOTIVE: PRODUCTION EXPANSION AND TRADE POLICY DOMINATED HEADLINES,** as Stellantis committed $13B to U.S. operations to boost domestic vehicle output by 50%. Toyota recalled over 1M vehicles for software defects, while major automakers urged the White House to reconsider tariffs on robotics and machinery. Lucid reduced its 2025 production forecast amid supply constraints, and BYD entered Argentina's EV market under temporary tariff exemptions. Volkswagen accelerated its in-house chip development in China, and Nissan restructured assets and forecasts in response to tariff-related losses.

**ENERGY: POLICY REVERSALS COLLIDED WITH NEW CAPITAL SPENDING,** with the EIA warning that sustaining U.S. production will require new drilling despite record output. Deloitte projected higher oil and gas project costs under new U.S. trade measures, while BP divested $1.5B in pipeline stakes as part of its debt-reduction plan. DOE advanced its nuclear fuel initiative to build HALEU capacity for next-generation reactors, and tungsten price spikes from China's export restrictions added cost pressures across drilling operations.

**MEDICAL: CAPITAL INFUSIONS AND REGULATORY MOMENTUM CONTINUED,** led by Merck's $70B U.S. expansion in manufacturing and R&D. Medline filed for an IPO valued near $50B, and Thermo Fisher prepared a $10B acquisition of Clario to grow its clinical research portfolio. The FDA granted accelerated approval to Stealth Biotherapeutics' Forzinity, while Ypsomed announced a $200M North Carolina facility to localize injector production. Novo Nordisk's oral semaglutide showed strong late-stage data ahead of FDA review.

**AEROSPACE: ELECTRONICS RECOVERY OUTPACED MATERIAL SUPPLY,** as Honeywell reported stabilization in avionics and satellite communication systems, offset by continued casting and forging shortages in engine production. The company maintained aerospace margins above 25%, reflecting steady demand and selective recovery across OEM programs.

**COMMODITIES: GOVERNMENTS DEEPENED RESOURCE SECURITY EFFORTS,** with Canada unveiling a C$6.4B plan for 25 critical mineral projects and new Defense Production Act stockpiles. In the U.S., Cleveland-Cliffs advanced electrical-steel capacity under federal programs, while tungsten prices surged on Chinese controls. Goldman Sachs warned that China's rare-earth dominance could disrupt $150B in global output under even modest supply shocks.

**OVERSEAS: INDUSTRIAL STRATEGY AND GEOPOLITICAL TENSIONS CONVERGED,** as the EU moved to curb Chinese influence in metals and technology, proposing steep tariff revisions and launching "RESourceEU" for critical raw materials. China's GDP steadied near 5% despite property weakness, while its export bans on Nexperia chips caused global auto disruptions. Indonesia opened debt talks with China over rail losses, and South Korea secured U.S. approval to pursue nuclear-powered submarines alongside a new trade deal cutting auto tariffs.

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**U.S. Steel has outlined a $14B growth plan,** detailing multi-year investments and efficiency projects under its integration with Nippon Steel. The program includes $11B in modernization spending through 2028, expected to generate $3B in added value across operations. Early initiatives include upgrades in Indiana, Pennsylvania, and Alabama, with about 50 Nippon professionals now deployed across U.S. Steel sites.

**USW has rejected a tentative pact with Metallus,** extending the current labor contract through January 29, 2026, as negotiations continue. The vote by Local 1123 members followed months of talks and an October tentative agreement that ultimately failed to gain approval. Both sides have pledged to return to the table in good faith, with Metallus emphasizing competitive wages, safety, and long-term sustainability for its approximately 1,200 Canton employees.

**U.S. Steel has announced a $75M investment,** adding a premium thread line at its Fairfield Tubular Operations in Alabama to expand capacity for seamless pipe and tube products. The project will create 44 permanent jobs, most union-represented, and about 250 construction roles. The upgrade supports growing energy-sector demand and aligns with Nippon Steel's broader $11B modernization plan for U.S. Steel facilities.

**POSCO has been reported to plan a 10% stake in Cleveland-Cliffs,** with an investment exceeding $700 million under a partnership outlined earlier this fall. The move follows a September MOU between the two steelmakers and is expected to culminate in a definitive agreement by early 2026. Neither company has commented on the reported details, though Cliffs has described the collaboration as "transformative" for future growth.

**Cleveland-Cliffs has completed a defect-free steel stamping trial,** demonstrating that exposed steel parts can be formed on aluminum-designed equipment without retooling. The success positions steel as a viable alternative amid soaring aluminum costs following Section 232 tariff hikes to 50%. Cliffs is now fulfilling customer orders and fielding additional interest from automakers seeking lower-cost material options.

**Ryerson and Olympic Steel have announced a merger,** creating a $6.5B metals service center network across the U.S., Canada, and Mexico. The deal, expected to close in Q1 2026, will deliver about $120M in annual synergies within two years and be immediately accretive to shareholders. Ryerson CEO Eddie Lehner will lead the combined company, with Olympic's Richard Marabito as president and COO, as both firms highlight expanded capabilities and stronger cash flow potential.

**Cleveland-Cliffs has strengthened its alignment with U.S. critical mineral goals,** securing a $400M Defense Logistics Agency contract for grain-oriented electrical steel and advancing DOE-backed modernization projects in Pennsylvania and Ohio. The company's Butler and Middletown mills will receive up to $575M in federal funding for furnace upgrades and process improvements under the IIJA. Cliffs is also exploring rare earth deposits in Michigan and Minnesota as part of a broader push for domestic resource independence, coinciding with a new U.S.–Australia framework on critical minerals.

**U.S. Steel has revised safety protocols at Clairton Coke Works,** following investigations into the August 11 explosion that killed one worker. An independent review by Environmental Design & Testing Corp. confirmed company findings that high-pressure water cleaning caused the valve rupture and gas explosion. USS has since banned the practice, begun overhauling its Management of Change program, and is updating governance documents and training to strengthen risk assessment and procedural oversight.

**Stellantis has announced a $13B U.S. investment plan,** aimed at boosting domestic vehicle production by 50% over the next four years and creating thousands of new union jobs. The automaker will reopen its plant in Belvidere, Illinois, expand facilities in Michigan, Ohio, and Indiana, and launch five new vehicles with 19 refreshes through 2029. CEO Antonio Filosa called it the largest U.S. investment in Stellantis' history, while the UAW hailed the move as proof that targeted tariffs are driving manufacturing and job growth back to the United States.

**U.S. Steel has filed suit against Algoma Steel,** alleging breach of a 2020 contract for iron ore pellet shipments worth tens of millions of dollars. The Pittsburgh-based producer claims Algoma refused recent deliveries and owes more than $22M for past shipments. Algoma blames U.S. tariffs for making its blast furnace operations uncompetitive and plans to seek a Canadian court ruling voiding the contract. The dispute unfolds as Algoma accelerates its transition to EAF production with new government support and as U.S. Steel continues major reinvestment under Nippon Steel.

**Canada has unveiled a C$6.4B ($4.6B) critical minerals plan,** announcing 25 projects and offtake partnerships to strengthen Western supply chains and counter China's dominance. The initiative includes a new Defence Production Act stockpiling program and major investments such as

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Vianode's graphite plant in Ontario and Rio Tinto's scandium facility in Quebec. Backed by G7 collaboration, the plan positions Canada as a key supplier to allied economies amid rising geopolitical competition over rare earth and battery materials.

**The U.S. has ordered a 10% flight reduction at major airports,** as the prolonged government shutdown continues to strain aviation safety and staffing levels. Transportation Secretary Sean Duffy said the cuts, impacting 40 major airports, will take effect as of November 5 and could be lifted once Congress reaches a funding agreement. The FAA cited widespread shortages of controllers and TSA agents working without pay, while airlines warned of growing delays, safety risks, and declining bookings amid the ongoing political standoff.

**Lucid has cut its 2025 production forecast to about 18,000 vehicles,** citing supply shortages, parts tariffs, and a fire at an aluminum supplier that disrupted output of its Air sedans and new Gravity SUVs. Interim CEO Marc Winterhoff said the company expects to finish at the low end of its prior guidance, while its largest shareholder, the Public Investment Fund, has expanded Lucid's credit facility to $2B from $750M. The EV maker anticipates partial relief from the 3.75% tariff offset for U.S.-built models as it works to stabilize production and margins.

**Toyota has recalled 1.02M U.S. vehicles,** citing a software flaw that can cause rear-view camera images to freeze or go blank, violating federal visibility standards. The recall spans 2022–2026 Toyota and Lexus models, including Camry, RAV4, Highlander, and RX, as well as the Subaru Solterra equipped with the Panoramic View Monitor. Dealers will update parking assist software at no cost. The move follows similar large-scale rear camera recalls by Ford and Stellantis in recent years.

**The U.S. Energy Information Administration has warned that producers must boost drilling,** as output from existing wells declines sharply despite record national production levels. Oil production reached 13.8M barrels per day in August but falling prices and higher costs have slowed new investment. The EIA said over 15,000 new wells were brought online in 2024, mostly horizontal, but efficiency gains are plateauing as prime acreage dwindles. Sustaining growth will require additional drilling and spending, even as OPEC+ scales back earlier production cuts.

**BP has agreed to sell minority stakes in its U.S. onshore pipeline assets for $1.5B,** transferring portions of its Permian and Eagle Ford holdings to investment firm Sixth Street. The sale supports BP's $20B divestment program through 2027, aimed at reducing debt and reshaping its portfolio amid investor pressure following weak renewable energy returns. Upon closing, BP's bpx energy unit will retain 51% of the Permian and 25% of the Eagle Ford assets.

**President Trump has signed orders imposing 25% tariffs on imported medium- and heavy-duty trucks and parts,** along with a 10% tariff on buses, effective November 1. The move, justified on national security grounds, is intended to boost domestic production but could significantly impact Mexico, the top exporter of these vehicles to the U.S. Automakers such as GM, Ford, and Toyota will receive expanded 3.75% credits through 2030 to offset import-related costs, while manufacturers like Paccar and Daimler Truck are expected to benefit from the protectionist measures.

**A new Deloitte report warns that U.S. tariffs will drive up costs and delay major oil and gas projects in 2026,** as President Trump's trade policies reshape the sector's cost structure. Tariffs of 10–25% on crude feedstocks and 50% on steel, aluminum, and copper could raise material and service costs by 4–40%, squeezing margins and disrupting supply chains. Deloitte estimates that inflation and uncertainty could push more than $50B in offshore and greenfield projects into 2026 or beyond. The report says companies may renegotiate contracts, pursue domestic sourcing, and reclassify imports to mitigate risks, with nearly 40% of U.S. tubular goods demand still dependent on foreign suppliers.

**China's BYD has launched electric vehicle sales in Argentina,** capitalizing on the government's decision to lift import tariffs for up to 50,000 EVs and hybrids through 2026. The automaker introduced three models—the Yuan Pro, Song Pro, and Dolphin Mini—each priced under $16,000 before taxes, with an import allocation of roughly 7,800 vehicles. Analysts say the policy could jumpstart Argentina's underdeveloped EV market, where just 486 electric cars were sold in the first eight months of 2025. BYD's expansion adds to its growing South American presence amid global competition from Geely and Leapmotor.

**Major automakers have urged the Trump administration not to impose tariffs on factory robots and machinery,** warning that higher equipment costs could raise vehicle prices, delay production, and stall investment in U.S. plants. The Alliance for Automotive Innovation—representing GM, Toyota, Volkswagen, Hyundai, and others—said 40% of new robots installed in 2024 were used in auto manufacturing. Tesla also opposed the tariffs, arguing they could slow construction of new factories. Several foreign governments and U.S. business groups echoed the concerns, citing risks to

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supply chains and semiconductor production.

**The U.S. FDA approved Stealth Biotherapeutics' $800K-a-year drug Forzinity for Barth syndrome,** despite internal reviewers concluding it was no more effective than a placebo. The agency granted accelerated approval in September, citing limited treatment options and modest motor gains seen in some patients. The decision followed heavy lobbying from lawmakers, doctors, and patient advocates for the ultra-rare mitochondrial disorder affecting about 150 Americans. Forzinity will launch in December under conditions requiring a four-year follow-up study to confirm efficacy.

**Merck has announced plans to invest more than $70B in U.S. expansion,** reinforcing its commitment to domestic manufacturing and R&D amid the Trump administration's push for pharmaceutical reshoring. The investment includes ongoing projects such as a $3B manufacturing facility in Elkton, Virginia, expected to create 500 jobs, plus $3B in additional biologics and small-molecule capacity and $3.5B at its New Jersey headquarters. Merck has also pledged $1B for a new Delaware plant to produce biologics and Keytruda, adding to recent billion-dollar expansions in North Carolina. The move aligns with a broader industry trend as global drugmakers bolster U.S. operations to offset tariff risks and strengthen supply chain resilience.

**Medline has publicly filed for a long-awaited U.S. IPO that could value the medical supply giant at up to $50B,** signaling renewed momentum in the listings market after years of slowdown. The Illinois-based manufacturer reported 9.7% revenue growth in the first half of 2025, reaching $13.53B, with profits rising to $655M. Backed by Blackstone, Carlyle, and Hellman & Friedman, Medline could raise around $5B in what is expected to be the year's largest IPO. Analysts say the offering will serve as a key test of investor confidence heading into 2026, with the company planning to trade on Nasdaq under the ticker MDLN.

**Thermo Fisher Scientific is reportedly close to acquiring U.S.-based Clario in a deal valued around $10B,** according to the Financial Times. The all-cash takeover would mark Thermo Fisher's largest acquisition since its $17.4B purchase of PPD in 2021. Clario, formed from the 2021 merger of ERT and Bioclinica, provides clinical trial data management software and is backed by Nordic Capital and Astorg. The move underscores Thermo Fisher's continued expansion into digital health and clinical research services, following its $4.1B deal for Solventum's purification and filtration business earlier this year.

**The Trump administration's new nuclear fuel initiative aims to jumpstart a domestic supply chain for advanced reactors,** with the Department of Energy expanding U.S. production of high-assay low-enriched uranium (HALEU), the key fuel for next-generation small modular reactors (SMRs). The DOE has selected firms including Standard Nuclear, Oklo, and Terrestrial Energy to participate in its Fuel Line Pilot Program, designed to establish U.S. capacity for TRISO fuel production. Standard Nuclear, based in Tennessee, plans to begin supplying fuel in 2026 through a joint venture with France's Framatome. The effort is intended to reduce dependence on Russian uranium and support deployment of SMRs by the 2030s.

**Rising tungsten prices are adding new inflationary pressure to U.S. shale drillers,** as Chinese export controls tighten supply of the critical metal used in oilfield drill bits. Tungsten prices have surged to over $600 per metric ton unit, up from roughly $335 in February, following China's restrictions on five key metals and U.S. tariffs on Chinese imports. The spike could add $3,000–$25,000 to the cost of a single drill bit, according to industry experts, straining margins already squeezed by tariffs on steel and aluminum. Analysts warn that service providers like SLB and Halliburton may have to absorb much of the cost as falling oil prices and flat drilling activity limit pricing power.

**Honeywell reports steady improvement in aerospace electronics manufacturing,** signaling progress in a supply chain still constrained by material and labor shortages. The company said avionics, navigation, and satellite communication systems, which depend less on raw materials, have seen the strongest recovery, while casting and forging bottlenecks continue to impact engine production. Aerospace Chief Commercial Officer Ben Driggs noted that electronics for aircraft from Boeing, Airbus, and COMAC are now among the most stable supply areas. Despite persistent shortages in aluminum, steel, and superalloys, Honeywell's aerospace division maintained strong profitability, with margins above 25% in Q2.

## EUROPE, AFRICA, & THE MIDDLE EAST:

**The EU has moved to launch a probe into Anglo American's $500M nickel sale to China-backed MMG,** citing concerns that the deal could deepen Beijing's control over critical metals vital to Europe's energy transition. MMG, majority-owned by China Minmetals, said it was "surprised and disappointed" by the decision but will cooperate with regulators to resolve issues. The review underscores rising trade and supply-chain

## EUROPE, AFRICA, & THE MIDDLE EAST:

tensions between China and the EU amid new export curbs on rare earths and semiconductors.

**Bulgaria-based EnduroSat has raised $104M in new funding,** led by Google Ventures and the European Investment Council Fund, to accelerate production of small and midsized satellites. The modular satellite maker plans to build up to two units a day at its new 188,000-square-foot Space Center in Bulgaria, serving growing demand for secure communications and Earth observation networks. The company, which also raised €43M ($50M) earlier this year, now supports 350 global customers, including 100 in the U.S.

**Airbus, Thales, and Leonardo have agreed to merge their satellite operations,** forming a $7B European space venture designed to challenge SpaceX, China's mega-constellations, and U.S. competitors. The deal, informally dubbed "Project FOMO," combines Thales Alenia Space, Telespazio, and Airbus' satellite units to restore Europe's competitiveness in commercial and defense satellite markets. The merger faces potential antitrust scrutiny and integration hurdles but is viewed as essential for Europe's sovereignty and survival in the rapidly consolidating global space industry.

**Chevron is nearing approval to expand Israel's Leviathan gas field,** though the project still awaits a government permit to export gas to Egypt under a $35B supply deal signed in August. Israel's energy minister has withheld approval pending a domestic pricing agreement, despite U.S. pressure to finalize the arrangement. The $2.4B expansion would boost production from Leviathan's 600 bcm reserves and extend output through 2064, supporting energy supplies to Israel and neighboring markets while easing Egypt's ongoing power shortages.

**Novo Nordisk has reported that its experimental oral weight-loss drug delivers cardiovascular and metabolic benefits comparable to its injectable Wegovy,** according to new OASIS 4 trial data presented at ObesityWeek 2025. The 25 mg oral semaglutide pill improved blood sugar, blood pressure, and inflammatory markers, with over 70% of participants with prediabetes returning to normal glucose levels. The FDA is expected to rule on approval by year-end, which would make it the first oral GLP-1 therapy for weight management. Novo plans to distribute the drug through telehealth partners once approved.

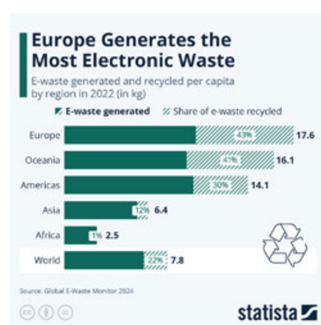
**EU leaders are preparing to endorse a 2040 climate target** but are pushing for stronger industrial safeguards to keep traditional sectors competitive during the transition. A draft of the October 23 summit conclusions calls for new support measures for automotive, shipping, aviation, steel, metals, and chemicals industries, urging a "technologically neutral" approach that avoids banning specific technologies like combustion engines. Germany, Poland, and France have led calls for flexibility, with ministers expected to finalize the 2040 emissions goal ahead of the U.N. COP30 summit in November.

**The European Union is developing a new initiative called RESourceEU to reduce its dependence on Chinese critical raw materials,** European Commission President Ursula von der Leyen announced. The plan will accelerate partnerships with nations including Australia, Canada, and Chile while boosting recycling and domestic processing capacity. Von der Leyen compared the effort to REPowerEU, launched after Russia's invasion of Ukraine, and warned that China's new export curbs on rare earth and battery materials, on which Europe relies for over 90% of its rare earth magnet supply, pose risks to industries from defense to EV manufacturing.

**European Commission President Ursula von der Leyen has urged a coordinated EU effort to accelerate AI-driven vehicle development,** calling self-driving technology key to revitalizing Europe's auto industry and improving road safety. Speaking at Italian Tech Week in Turin, she proposed an "AI first" strategy for mobility and a network of European cities to pilot autonomous cars, noting strong interest from Italian municipalities. Von der Leyen emphasized that the future of automotive innovation "must be made in Europe," as local automakers face rising competition from the U.S. and China.

**The European Commission has proposed cutting tariff-free steel import quotas by nearly half** and doubling out-of-quota duties to 50% in a move to protect EU steelmakers and boost plant utilization to around 80%. The new quota—18.3M metric tons, down 47% from 2024—would align imports with 2013 levels, when overcapacity began. EU steel producers welcomed the plan as vital to preserving jobs, while the U.K. voiced concern over trade impacts. The proposal, which requires EU approval, could also pave the way for a coordinated steel policy with the U.S. and other partners to curb Chinese overcapacity.

**Europe generates the most electronic waste, with each person producing about 17 kilograms annually,** more than twice the global average of 8 kilograms, according to the Global E-Waste Monitor 2024. Africa, by contrast, produces only 2.5 kilograms per



## EUROPE, AFRICA, & THE MIDDLE EAST:

person. Europe also leads in recycling, processing 43% of its e-waste, followed by Oceania at 41% and the Americas at 30%. Asia and Africa lag behind, recycling just 12% and 1%, respectively. Globally, less than one-fifth of electronic waste is officially collected and recycled, with much of it handled through informal or unregulated systems.

**Global automakers are scrambling to secure semiconductor supplies after China banned exports of Nexperia chips,** following the Dutch government's seizure of the company over security concerns tied to its Chinese parent, Wingtech. The restriction has triggered warnings of imminent factory disruptions across Europe and the Americas. Nissan, Mercedes-Benz, and Honda are adjusting production, with some plants already suspending operations. Industry groups say reserves are running low and new suppliers may take months to ramp up. Executives described the shortage as a politically driven crisis underscoring automakers' vulnerability to global trade tensions.

**Ypsomed has announced plans to build its first U.S. manufacturing facility in Holly Springs, North Carolina,** investing $200M to produce self-injection systems for the American market. The Swiss medical technology company expects to create around 100 jobs initially, with plans to double that as demand grows. The plant is slated to begin production by late 2027. The move comes as Swiss manufacturers face 39% U.S. tariffs, prompting firms like Ypsomed to localize operations. The company is also expanding globally, including a new site in China and a CHF 200M ($248M) investment to increase production in Solothurn, Switzerland.

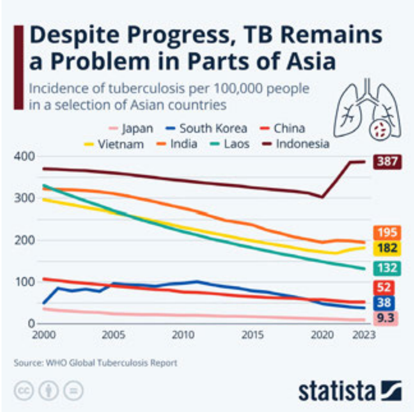
## ASIA/PACIFIC, JAPAN, AUSTRALIA, & INDIA:

**Indonesia has entered debt talks with China,** seeking to restructure $7.3B in loans tied to the underperforming "Whoosh" Jakarta–Bandung high-speed rail project. Passenger traffic has fallen to about one-third of forecasts as the service struggles with high fares and distant stations, leading to heavy losses for its Indonesian and Chinese state-owned backers. Officials say discussions cover loan terms, rates, and currency options, as Jakarta aims to prevent default while balancing domestic fiscal strain and continued Belt and Road cooperation.

**The U.S. and South Korea have finalized a trade deal,** cutting U.S. auto tariffs on South Korean vehicles from 25% to 15% in exchange for $350B in U.S. investment commitments. The pact includes $200B in cash investments and $150B in shipbuilding partnerships, with profits shared until repayment. The agreement, pending ratification by South Korea's legislature, aligns Seoul's auto sector with Japan's tariff terms and includes assurances that U.S. semiconductor duties will not disadvantage Korean chipmakers.

**President Trump has granted South Korea approval to build a nuclear-powered submarine,** marking a major policy shift that would admit Seoul into the small group of nations operating such vessels. Trump said the submarines will be built at a Philadelphia shipyard with South Korean investment, alongside expanded purchases of U.S. oil and gas. The announcement followed a bilateral summit and new trade deal but has raised concerns among experts and Beijing over nuclear nonproliferation and regional stability. South Korea's defense ministry said it plans to develop small modular reactors and build the vessels within a decade.

**Tuberculosis remains a major health challenge in India,** despite Prime Minister Narendra Modi's 2018 pledge to eliminate it by 2025, five years ahead of the WHO's global target. India accounts for 27% of global TB cases and reported about 323,200 deaths in 2023 (22 per 100,000 people). WHO data show progress, with incidence falling from 322 to 195 cases per 100,000 since 2000, though detection, funding, and care gaps persist. Laos reduced cases from 330 to 132, while Indonesia's rate has rebounded since 2021. TB caused an estimated 1.25 million deaths globally in 2023, remaining among the top 10 causes of death but both preventable and curable with timely treatment.




**Nissan has sold and leased back its Yokohama headquarters in a ¥97B ($643M) deal,** marking a key step in the automaker's ongoing restructuring plan. The 20-year lease agreement, arranged through Mizuho Trust & Banking, will generate about ¥73.9B in extraordinary income this fiscal year. The property was acquired by a KKR-led entity backed by Hong Kong-listed Minth Group, reflecting rising investor interest in Japan's commercial real estate market amid corporate balance-sheet reforms.

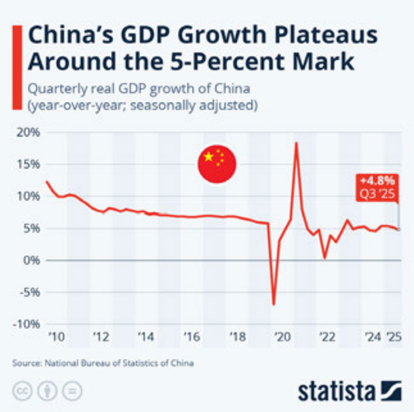
**Volkswagen has partnered with China's Horizon Robotics to develop its first in-house chip,** designed to power smart driving systems for next-generation vehicles in China. The chip, capable of processing 500–700 tera operations per

## ASIA/PACIFIC, JAPAN, AUSTRALIA, & INDIA:

second, will handle camera and sensor data and is expected within three to five years. The move expands VW's "in China, for China" R&D strategy as it works to regain market share from domestic competitors like BYD, with plans for the chip to feature in its third-generation China Electrical Architecture platform.

**Mitsubishi Power has announced plans to supply equipment for Vietnam's O Mon 1 fuel conversion project,** which will shift the 660MW oil-fired plant in Can Tho to natural gas. The upgrade, led by Power Generation Corp 2 under Vietnam Electricity, aims to cut emissions and meet future environmental standards. Mitsubishi Power, a unit of Mitsubishi Heavy Industries, is also providing gas turbines for the nearby 1,155MW O Mon 4 project, slated for completion in 2028.

**China's GDP growth has steadied around 5%, with third-quarter 2025 expansion reported at 4.8% year-over-year,** slightly below the 5.4% and 5.2% seen in Q1 and Q2.




The moderation reflects weak retail sales and a sharper decline in fixed-asset investment tied to the ongoing property slump. To offset the slowdown, Beijing has encouraged manufacturing and exports, though global tariff hikes, especially from the U.S., pose new headwinds. Before the pandemic, China's economy had stabilized near 6% annual growth after years of gradual deceleration from double-digit rates.

**A surge in global LNG supply is set to reshape the market,** shifting power from producers to buyers and driving prices lower, according to International Energy Agency chief Fatih Birol. Speaking in Singapore, Birol said new projects coming online through next year will ease tightness in global supply, particularly benefiting Asian importers. He added that power demand growth driven by data centers and air conditioning is at its highest in decades, while nuclear energy is seeing renewed momentum through plant extensions and small modular reactor development.

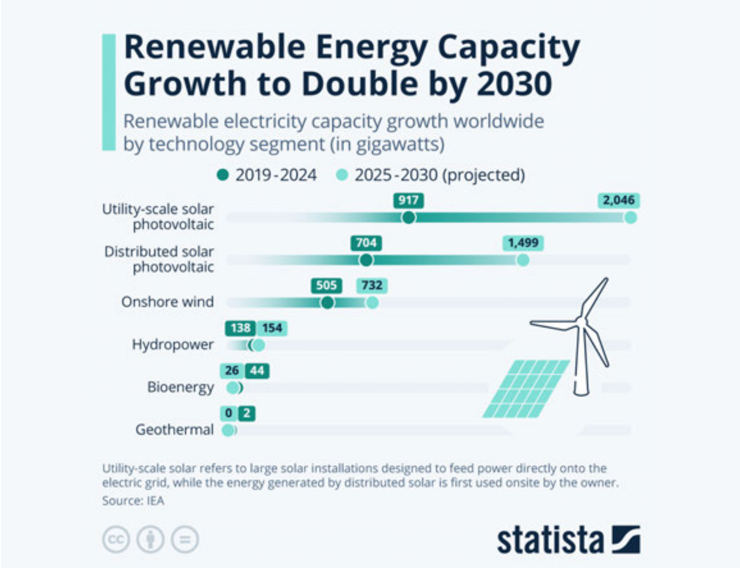
**Goldman Sachs warned that China's dominance over rare earths poses a major threat to global supply chains,** noting that even a 10% disruption could cut worldwide economic output by $150B. In a research note, the bank said China controls 69% of mining, 92% of refining, and 98% of magnet production for rare earth elements, materials vital for batteries, chips, defense systems, and AI hardware. Following China's October 9 expansion of export curbs, Goldman highlighted elements such as samarium, terbium, and lutetium as particularly at risk, adding that Western producers like Lynas and Solvay remain too small to offset dependence on Chinese supply.

**Nissan Motor has forecast an annual operating loss of ¥275B ($1.82B),** citing ongoing U.S. tariffs and escalating supply chain risks tied to chip and material shortages. The automaker said the tariff impact will ease slightly in the second half of FY2025 as Japan's trade deal with the U.S. lowers auto levies to 15%. However, CFO Jeremie Papin warned that free cash flow will remain negative amid disruptions linked to Dutch chipmaker Nexperia and a North American aluminum supplier fire. Nissan said its first-half loss will narrow significantly due to cost savings and regulatory efficiencies.

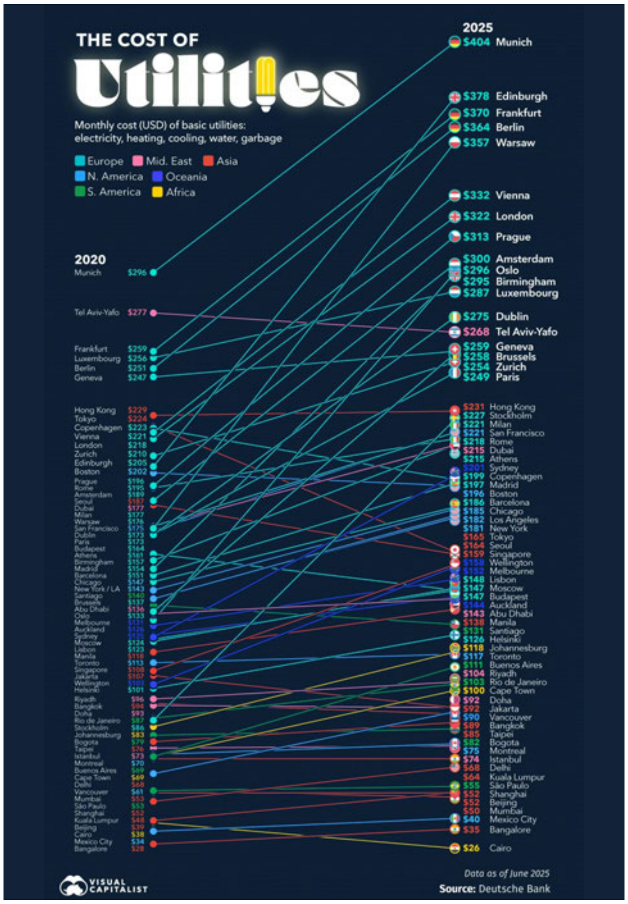
## ECONOMIC UPDATE: APPENDIX TO THE NOVEMBER 2025 ISSUE

### ENERGY: RENEWABLE POWER CAPACITY EXPECTED TO DOUBLE BY 2030

Global renewable power capacity is projected to rise by nearly 4,600 gigawatts between 2025 and 2030, according to a new report by the International Energy Agency (IEA). The increase equals the combined installed capacity of China, the European Union, and Japan, representing roughly twice the growth achieved between 2019 and 2024. Utility-scale and distributed solar photovoltaic systems are expected to account for close to 80 percent of this expansion, while onshore wind additions are forecast to grow by about 45 percent. Significant progress is anticipated in Africa, the Middle East, ASEAN countries, Latin America, Europe, and Asia. Despite the positive outlook, the IEA lowered its overall forecast by 5 percent compared to 2024, largely due to a 45 percent downward revision in the U.S. following the phase-out of renewable energy tax credits. In contrast, capacity expectations increased for the EU (+3 percent), ASEAN (+15 percent), and the Middle East and North Africa (+23 percent), highlighting uneven regional trends in the global energy transition.

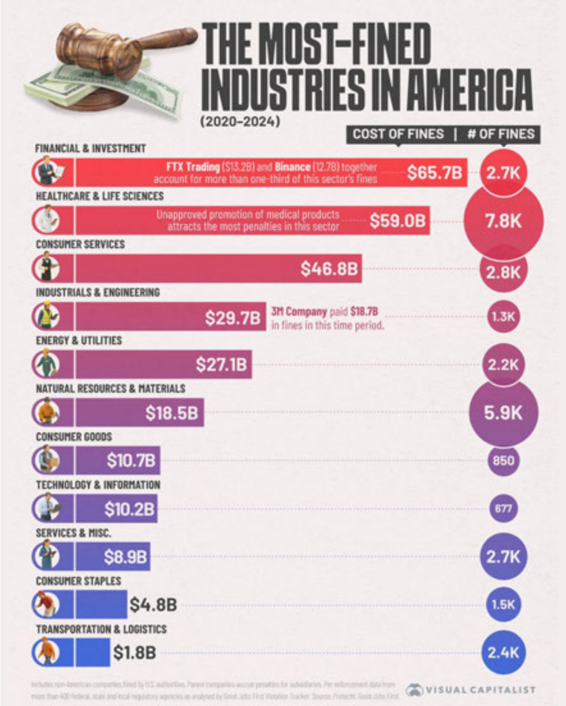



### ECONOMY: EUROPEAN CITIES FACE SURGING UTILITY COSTS SINCE 2020




Average monthly utility costs have risen sharply across Europe since 2020, with Munich, Germany, topping the global list at $404 per month, according to data from Deutsche Bank. Cities such as Edinburgh ($378), Frankfurt ($370), and Warsaw ($357) have seen costs soar between 40% and 100%, straining households and businesses already under pressure from energy shortages and inflation. The Russia–Ukraine conflict and resulting volatility in electricity and natural gas markets have been key drivers of the increases. In the U.K., high energy costs have contributed to widespread business closures, particularly among small manufacturers and retailers. Industrial firms in Germany have also faced mounting challenges, with power costs for energy-intensive sectors like aluminum production nearing triple the selling price of the final product. In contrast, utility costs have fallen in some regions; Cairo, Egypt, now averages just $26 per month following a steep currency devaluation, while Japan has seen modest declines due to a weaker yen.

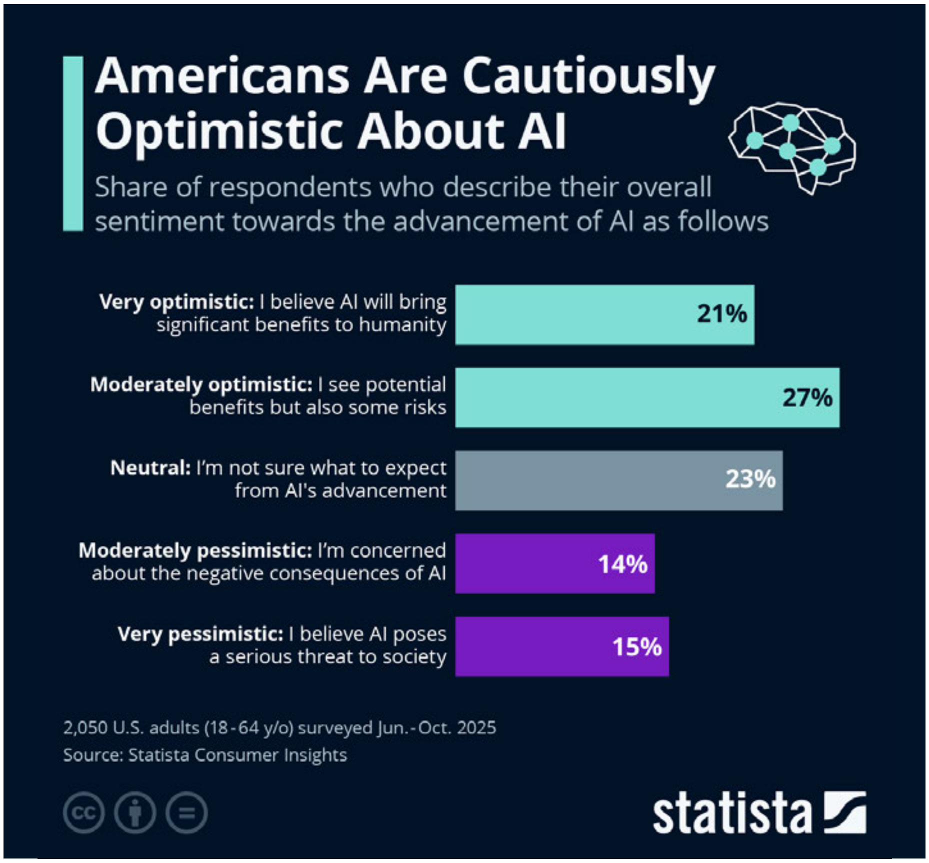
## ECONOMY: FINANCIAL AND HEALTHCARE SECTORS FACE HIGHEST U.S. INDUSTRY FINES (2020–2024)




Financial services and healthcare companies led all U.S. industries in fines between 2020 and 2024, with total penalties exceeding $283 billion across nearly 31,000 violations, according to data from the Protecht Group and Good Jobs First. The financial sector accounted for $65.7 billion in fines, largely driven by cryptocurrency-related settlements involving FTX ($13.2B) and Binance ($12.7B). The healthcare and life sciences sector followed with $59 billion across 7,800 cases—by far the most violations—stemming from opioid litigation and unapproved drug promotions. Consumer services ranked third at $46.8 billion, often tied to data breaches, misleading advertising, and customer service failures. Industrials and engineering firms paid $29.7 billion, with 3M alone responsible for $18.7 billion in environmental and product-related settlements. Energy, utilities, and natural resources companies also faced substantial fines linked to environmental and safety violations. Analysts note that for some corporations, penalties have become a recurring cost of doing business, underscoring questions about the deterrent effect of even multi-billion-dollar settlements.

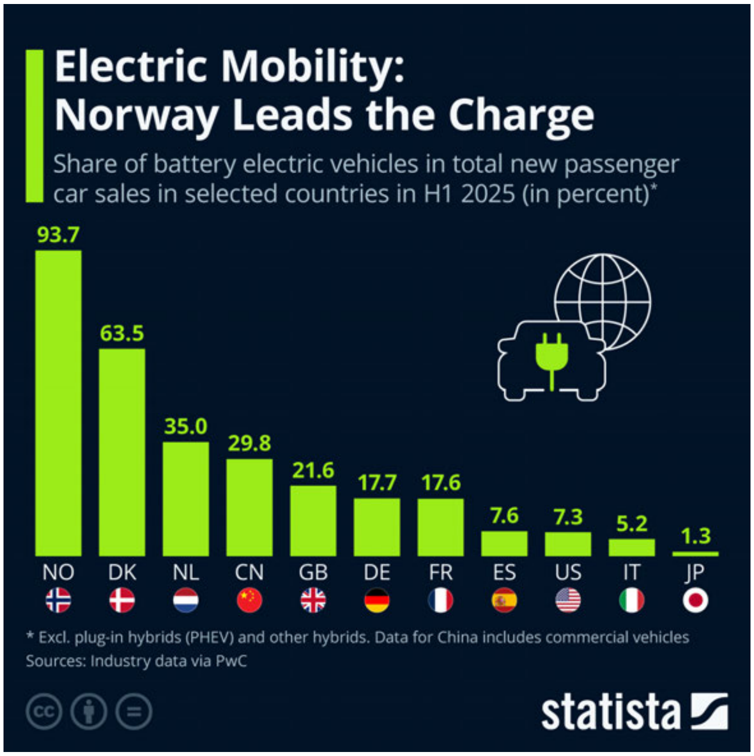
## TECHNOLOGY: AMERICANS REMAIN CAUTIOUSLY OPTIMISTIC ABOUT AI

Nearly half of U.S. adults describe their outlook on artificial intelligence (AI) as optimistic, though significant skepticism remains, according to Statista Consumer Insights. The survey of 2,050 adults conducted between June and October 2025 found that 48% of respondents were either “moderately” or “very” optimistic about AI’s advancement, while 29% said they were pessimistic and 23% remained neutral. Optimists believe AI will bring major benefits to humanity, including progress in climate mitigation, healthcare, and resource management. Pessimists, however, cite risks such as misinformation, job displacement, and misuse of autonomous technologies. The findings underscore a broader tension between excitement and unease surrounding rapid AI development since the release of ChatGPT in 2022. Experts say that growing public concern highlights the need for stronger transparency, ethical oversight, and education to ensure AI’s long-term benefits are shared safely and responsibly.

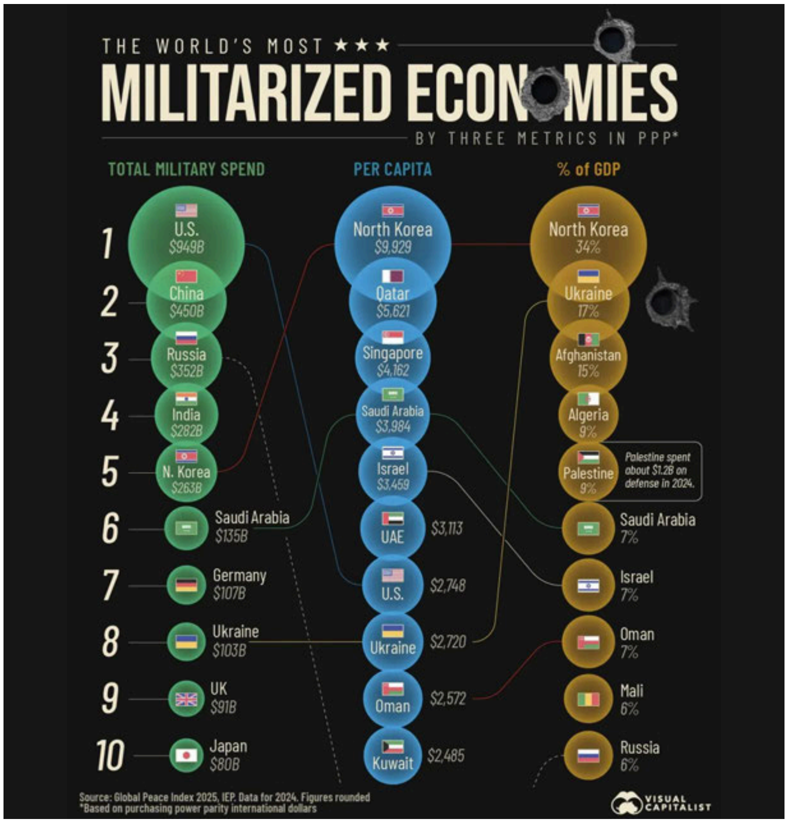


## AUTOMOTIVE: NORWAY MAINTAINS GLOBAL LEAD IN ELECTRIC VEHICLE ADOPTION

Battery electric vehicle (BEV) sales surpassed 10 million units worldwide in 2024—a 10% increase year-over-year—as the global shift toward electric mobility continues to accelerate, according to the International Council on Clean Transportation (ICCT). In the first half of 2025, Norway once again led the world in EV adoption, with electric cars accounting for an unprecedented 93.7% of new passenger vehicle sales. Denmark (63.5%) and the Netherlands (35%) followed, reflecting strong government incentives and growing consumer acceptance across Northern Europe. Outside Europe, China recorded a 29.8% BEV share, bolstered by record monthly sales exceeding one million vehicles in May 2025, while the U.S. lagged at just 7.3%. Analysts attribute Norway's dominance to aggressive tax exemptions, toll waivers, and import duty reductions that make EVs financially competitive, supported by a wealthy population and high fuel taxes. However, experts caution that replicating Norway's model on a larger scale would be economically challenging for bigger markets such as the United States.




## DEFENSE: GLOBAL MILITARY SPENDING REACHES RECORD $2.7 TRILLION IN 2024




Worldwide military expenditures climbed 9.4% in 2024 to an all-time high of $2.7 trillion, according to data from the Institute for Economics and Peace. The U.S., China, and Russia accounted for more than half of the total, spending $949 billion, $450 billion, and $352 billion, respectively. North Korea ranked fifth in total outlays at $263 billion but led the world in both per capita spending ($9,929) and share of GDP devoted to defense (34%). Ukraine, still engaged in conflict, followed at 17% of GDP, equivalent to $103 billion. Saudi Arabia ($135B) and India ($282B) also remained among the top spenders, while Germany ($107B), the U.K. ($91B), and Japan ($80B) rounded out the top ten. The U.S. maintained 1.5 million active-duty personnel across nearly 4,800 global sites, underscoring its extensive defense footprint. Analysts note that across all five world regions, rising geopolitical instability, from Eastern Europe to the Indo-Pacific, has fueled continued growth in defense budgets for a second consecutive year.

## ECONOMY: U.S., CHINA, AND GERMANY LEAD GLOBAL IMPORTS IN 2024

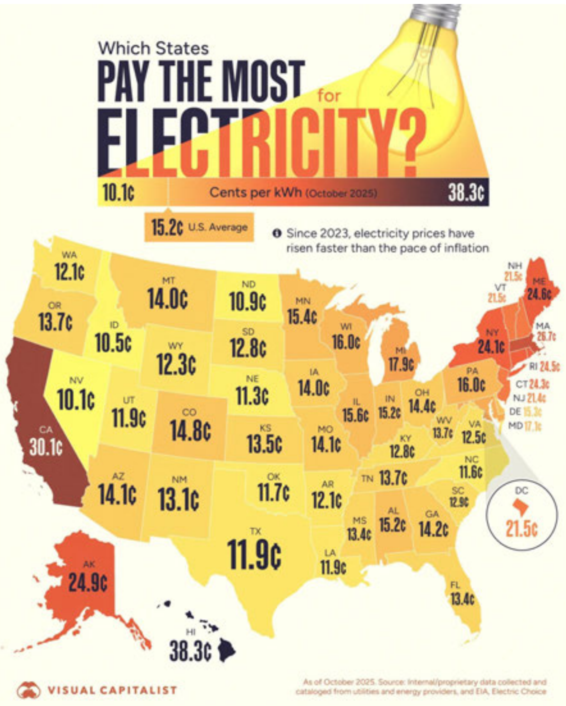

The United States remained the world's largest importer in 2024, purchasing $3.4 trillion worth of goods, equal to 13.6% of global imports, according to the World Trade Organization. China followed with $2.6 trillion, while Germany ranked third at $1.4 trillion. The top 30 importers collectively accounted for $20.4 trillion of the $24.8 trillion global total. Strong U.S. demand for industrial inputs, automotive products, and consumer goods underscored robust domestic and business activity, with Mexico and Canada supplying 28% of total imports. India climbed to eighth place with $718 billion in imports, rising 7% year-over-year amid rapid economic expansion. Meanwhile, Vietnam recorded the fastest growth among major importers, up 17% over 2023 as companies continued to diversify supply chains away from China. The UAE also saw imports rise 16%, fueled by increased demand for gold and vehicles as trade volumes surged across the Middle East.

## HEALTHCARE: AMERICA'S MOST EXPENSIVE DRUGS TOP $4 MILLION PER DOSE

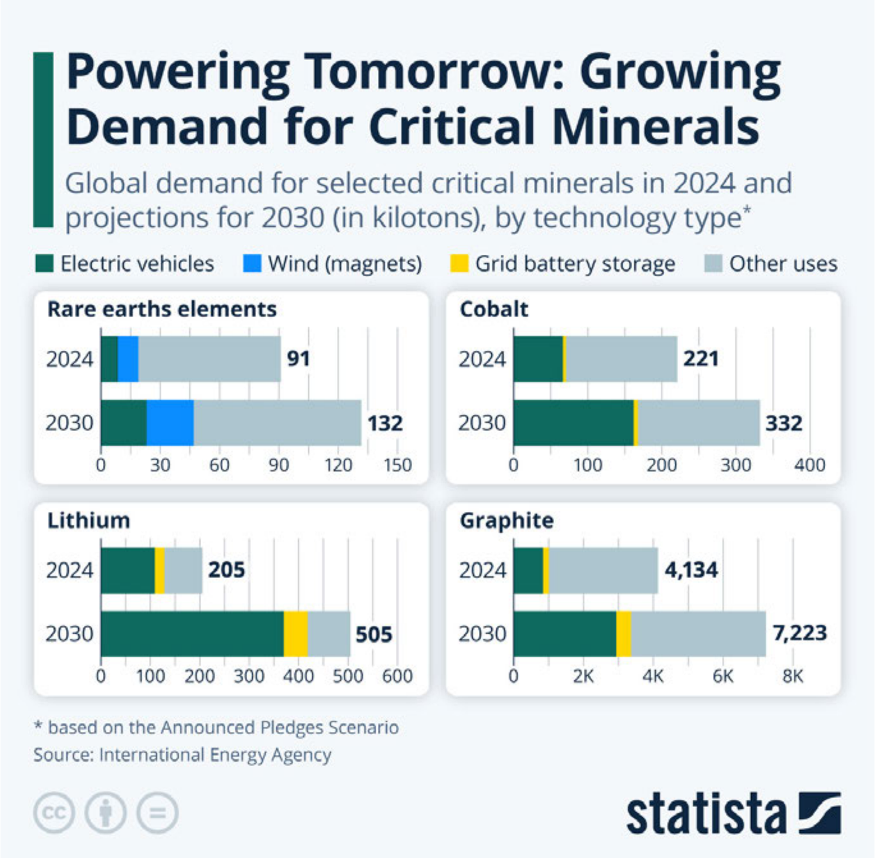
The cost of advanced gene therapies in the U.S. has reached new extremes in 2025, with all ten of the nation's priciest treatments exceeding $2 million per dose, according to data from Fierce Pharma. Leading the list is Kyowa Kirin's Lenmeldy, priced at $4.25 million per dose for treating metachromatic leukodystrophy (MLD), a rare inherited metabolic disorder, roughly equivalent to 12,500 doses of Ozempic before insurance. Following closely are Kebilidi ($3.95M) for AADC deficiency and Hemgenix ($3.5M) for hemophilia B. The ranking highlights the dominance of one-time, potentially curative gene and cell therapies aimed at treating ultra-rare and life-threatening diseases. While the prices appear staggering, payers often weigh them against lifelong treatment costs that can exceed $10–20 million for chronic care. Notably, Bluebird Bio, now rebranded as Genetix Biotherapeutics after its 2025 acquisition by Carlyle Group and SK Capital, accounts for three of the top ten drugs (Lyfgenia, Skysona, and Zynteglo), reflecting the company's leading role in gene therapy innovation despite production and regulatory hurdles.

## ENERGY: HAWAII, CALIFORNIA, AND MASSACHUSETTS LEAD U.S. IN ELECTRICITY COSTS

Electricity prices have continued to rise faster than inflation in 2025, with Hawaii maintaining its position as the most expensive state for power at an average of 38.3¢ per kWh, according to data from Electric Choice. The state's geographic isolation and reliance on imported petroleum drive both generation and delivery costs, with residential rates nearing 41¢ per kWh. California follows at 30.1¢, while Massachusetts ranks third at 26.7¢, both reflecting high infrastructure costs, stringent environmental standards, and heavy investment in renewable energy. Other New England states, including Maine, Rhode Island, and Connecticut, also fall within the top tier, with average rates between 24¢ and 25¢ per kWh. At the opposite end, Nevada (10.1¢), Idaho (10.5¢), and North Dakota (10.9¢) offer the nation's lowest electricity prices, benefiting from abundant local resources like hydro and coal and fewer transmission bottlenecks. Texas stands out for its wide gap between residential (15.2¢) and commercial (8.6¢) rates, a product of its deregulated market structure. The national average now sits at 15.2¢ per kWh, showing growing regional disparities driven by fuel mix, infrastructure age, and clean energy policy priorities.




## COMMODITIES: GLOBAL DEMAND FOR CRITICAL MINERALS TO SURGE THROUGH 2030




The International Energy Agency (IEA) projects a sharp rise in demand for critical minerals over the next decade, driven by the global push toward clean energy, electrification, and advanced technologies. Between 2024 and 2030, lithium demand is expected to rise 146 percent, while graphite and cobalt consumption could climb between 50 and 75 percent. Rare earth elements, vital for permanent magnets used in electric motors and wind turbines, are also forecast to increase by 45 percent. These minerals form the foundation of electric vehicles, grid storage, renewable power systems, and digital devices, positioning them as both economic and geopolitical priorities. However, China's dominance in refining and processing poses ongoing challenges to supply chain resilience. The IEA warns that without diversified sourcing and investment in mineral recycling, global energy transition goals may face rising costs and supply disruptions.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