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ECONOMIC UPDATE

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EXECUTIVE SUMMARY

ECONOMY: U.S. ECONOMIC DATA SHOWED CONTINUED GROWTH, but inflation, supply-chain pressure, and softer confidence pointed to a more fragile outlook. The **ISM Manufacturing PMI rose to 54.0** in May from 52.7 in April, its highest reading since May 2022, signaling a fifth straight month of factory-sector expansion. **Manufacturing output increased 0.6% in April**, the strongest gain in 14 months, led by a 3.7% rise in motor vehicles and 1.0% growth in high-technology industries, while industrial production rose 0.7% and manufacturing capacity utilization increased to 75.8%. **Retail sales rose 0.5% in April**, with core retail sales also up 0.5%, and **construction spending increased 0.4%**, supported by residential construction and single-family housing. The labor market remained resilient, with **nonfarm payrolls rising by 172,000 in May**, March and April gains revised up by 93,000, and unemployment holding at 4.3%. **Consumer confidence edged down to 93.1** from 93.8, as views of current conditions weakened. Inflation pressures intensified, with **CPI up 0.6% in April** and 3.8% year-over-year, while PPI rose 1.4% for the month and 6.0% annually. **The Leading Economic Index inched up 0.1% to 97.4** but remained down 0.7% over six months. **Durable goods orders rose 7.9%**, helped by aircraft, though **core capital goods orders fell 1.1%**.

STEEL: TARIFFS, TRADE ENFORCEMENT, AND NORTH AMERICAN SUPPLY STRATEGY KEPT STEEL IN FOCUS, as the U.S., Canada, and Mexico moved through new tariff rules, anti-dumping actions, USMCA discussions, and possible stacked Section 301 duties. At the same time, producers and processors advanced strategic investments and partnerships, including Algoma's tariff-response strategy, Tenaris' CA$306M ($221.6M USD) Ontario expansion, and Hyundai-POSCO's planned $5.8B Louisiana EAF mill.

AUTOMOTIVE: CONTENT RULES, EV COMPETITION, RECALLS, AND SUPPLIER RISK SHAPED THE AUTO STORY, as U.S.-Mexico trade talks opened with tougher proposed USMCA requirements for autos, steel, and electronics. GM, Stellantis, Tata, and Chinese automakers pushed ahead with production and EV strategies, while Uber's Nuro investment and Tesla's robotaxi rollout pointed to continued momentum in autonomous mobility.

ENERGY: THE IRAN WAR, HORMUZ DISRUPTION, AND LNG REALIGNMENT DOMINATED ENERGY DEVELOPMENTS, as the IEA warned global oil supply would fall below demand and U.S. crude exports hit a record 5.6M barrels per day. Strategic Petroleum Reserve lending, OPEC+ quota moves, and depleted inventories underscored the urgency of supply management, while LNG trade shifted through renewed U.S.-China cargoes, Russia's costly pivot to Asia, Australia's domestic reservation debate, and QatarEnergy's Eastern Mediterranean gas study with ExxonMobil and Egypt.

MEDICAL: DRUG APPROVALS, OBESITY PIPELINES, BIOTECH DEALMAKING, AND PUBLIC HEALTH RESPONSE DROVE MEDICAL NEWSFLOW, as Gilead, AstraZeneca, and Guardant advanced new U.S. treatment or screening options. Lilly, Pfizer, Innovent, Travere, Roche, and Isomorphic kept dealmaking and drug development active across vaccines, oncology, kidney disease, obesity, and AI-driven discovery. Public health also remained in focus through Ebola travel measures, WHO's $518M outbreak response plan, EU hantavirus treatment efforts, and HHS' AI-led fraud oversight initiative.

AEROSPACE: AIRCRAFT OUTPUT, FLEET ORDERS, SAFETY OVERSIGHT, AND SPACE INVESTMENT KEPT AEROSPACE ACTIVE, as Boeing studied a possible 737 MAX production increase while China confirmed plans to buy 200 Boeing jets and Singapore Airlines explored a major widebody order. Airbus moved to cut costs as supply-chain pressure continued, while India's Boeing fuel-switch review and the FAA's airport vehicle transponder plan highlighted safety oversight. SpaceX's latest Starship test added momentum ahead of a potential IPO, though full reusability remains a key hurdle.

COMMODITIES: METALS TIGHTNESS, CRITICAL MINERALS POLICY, AND FOOD-SUPPLY RISK MOVED COMMODITY MARKETS, as aluminum hit a four-year high on Middle East supply risks and copper markets braced for a possible U.S. tariff decision. Governments continued investing in critical minerals and supply-chain security, while analysts warned poorly coordinated support could create oversupply. Food and agricultural pressure also built through India's sugar export ban, Ivory Coast's cocoa caution tied to El Niño risk, and higher fertilizer costs linked to the Iran war.

OVERSEAS: TECHNOLOGY SOVEREIGNTY, AI INFRASTRUCTURE, AND SUPPLY-CHAIN DIVERSIFICATION RESHAPED GLOBAL STRATEGY, as the EU advanced proposals to reduce dependence on U.S. Big Tech and single-source suppliers. Asia remained central to semiconductor and AI activity through Taiwan, China, and South Korea's chip materials dominance, Nvidia's South Korea partnerships, Foxconn and Intel's AI infrastructure work, and Nvidia's RTX Spark launch in Taiwan. AI investment also expanded through Amazon's €10B ($11.6B USD) European automation push, Saudi-backed Humain's SAR20B ($5.33B USD) data center financing effort, and Anthropic's move toward a U.S. IPO.

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The Association of Cold Rolled Specialty Steel has responded to Mexico's anti-dumping investigation into cold-rolled steel imports from the U.S., China, and Malaysia, arguing that the specialized cold-rolled strip products at issue are not produced domestically in Mexico. ACRSS said these products require precise manufacturing processes, tight dimensional tolerances, controlled surface conditions, and specific metallurgical properties for end-use applications in the Mexican market. The group said it supports fair and transparent trade practices and will continue helping member companies engage in the legal process as Mexico evaluates the case.

Atlas Tube has agreed to form a joint venture with Maruichi USA that will combine the companies' steel tube and pipe operations under Atlas Tube's management. Maruichi USA manufactures steel tubular products, pipes, and stainless-steel tubing for automotive, construction, and infrastructure markets, with six locations across the U.S. and Mexico. Terms were not disclosed, and the deal is expected to close in late June following due diligence and final legal documentation.

Canada plans to extend tariffs on certain steel and aluminum products for one year as part of an effort to protect domestic metals producers from global excess capacity and trade diversion. Subject to cabinet approval, the extension would continue Canada's steel tariff-rate quota regime for imports from non-USMCA partners, existing tariff relief for eligible U.S. steel and aluminum products, and relief for eligible steel products subject to derivative tariffs through late June 2027. Imports above quota limits would remain subject to a 50% tariff, while current quota levels would continue to be based on 20% of 2024 import volumes for non-FTA partners and 75% for FTA partners.

Prime Minister Mark Carney said Canada and the U.S. should cooperate more closely on autos, steel, critical minerals, and aluminum ahead of the joint review of the U.S.-Mexico-Canada Agreement. Speaking at the Economic Club of New York, Carney emphasized the importance of integrated North American supply chains, noting Canada's role as a major supplier of aluminum, energy, and critical minerals including potash, nickel, copper, uranium, lithium, and cobalt. Canada has formally notified the U.S. and Mexico that it wants the trilateral trade agreement renewed, with additional talks planned in June and July.

Algoma Steel is raising prices on coil and plate products effective immediately, with the Ontario-based steelmaker seeking a minimum CA$50/st ($36/st USD) increase on all new non-contract coil transactions and a CA$80/st ($58/st USD) increase on plate products. The move follows Algoma's previous plate price increase in early April. SMU's average plate price stood at $1,260/st as of June 2, flat from the prior week but up $35/st from four weeks earlier.

Worthington Steel has completed its acquisition of Kloeckner & Co. after securing about 62% of the Germany-based service center group's outstanding shares. The Columbus, Ohio-based company said the deal will broaden its product portfolio, diversify end-market exposure, and strengthen its geographic footprint across North America and Europe. Worthington also plans to launch a public delisting tender offer for remaining Kloeckner shares at €11.00 ($12.67 USD) per share, after which Kloeckner would no longer trade on regulated markets in Germany or comparable markets abroad.

President Trump has modified Section 232 tariffs on steel, aluminum, and copper, temporarily lowering duties to 15% for agricultural equipment and certain residential HVAC systems. Mobile industrial equipment and machinery, including bulldozers and forklifts, will also receive temporary tariff relief through Dec. 31, 2027, while steel racks and aluminum lithographic plates are being added to the derivative tariff program to prevent circumvention. The proclamation also lowers the threshold for products to qualify as made "entirely" from U.S. steel, aluminum, or copper from 95% to 85% by weight, allowing more downstream goods to access a 10% duty rate for high-U.S.-content imports.

UAW workers have gone on strike at Dauch Corp.'s Three Rivers, Michigan, facility after failing to reach a new labor agreement with the GM supplier. The plant produces automotive components and axles used in GM pickup trucks, raising the possibility of supply-chain disruption if the strike continues. UAW members said they are seeking to restore wage and benefit concessions made during the 2008 financial crisis, while GM said it is monitoring the situation and assessing any potential impact.

Catherine Cobden will step down as president and CEO of the Canadian Steel Producers Association on July 31 after leading the organization since 2019. CSPA said it has begun the process of finding a replacement, while Cobden will continue supporting the board and advancing the association's agenda until her departure. Her tenure included active advocacy for Canada's steel sector and support for the USMCA/CUSMA framework as a way to strengthen North American steel competitiveness, fairness, and economic security.

Steel imports could face higher landed costs if the Trump administration allows Section 301 tariffs tied to global

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excess capacity to stack on top of existing 50% Section 232 duties. The investigation targets China most directly, but also includes the EU, Mexico, Japan, South Korea, Vietnam, Taiwan, India, and several other economies, raising the possibility of additional tariffs on all steel products or selected categories. U.S. steel producers and trade groups urged strong action during public hearings, while Mexican producers argued that new measures would disrupt integrated North American supply chains under USMCA. Analysts warned that further restrictions could tighten an already constrained domestic market, lifting import costs and supporting higher U.S. steel prices.

The United Steelworkers and U.S. Steel will begin master contract negotiations on July 20 in Pittsburgh, following local bargaining scheduled for late June and early July. The current labor agreement expires Sept. 1, and talks are expected to focus first on setting initial proposals and gathering information before a two-week recess and a planned return to bargaining on Aug. 10. USW said its Cleveland-Cliffs bargaining committee is also preparing for local union meetings and plant tours in June, with more updates expected in July.

Worthington Steel plans to raise $900M through a senior secured notes offering to help fund its acquisition of Germany-based metal distributor Kloeckner & Co. The Columbus, Ohio-based service center group said the notes, due in 2033, would be issued through a wholly owned subsidiary and may be held in escrow unless the transaction is expected to close within three business days of the offering. Worthington previously said its offer for Kloeckner implies an enterprise value of $2.4B, and the notes would be subject to early redemption if the deal is not completed by March 12, 2027.

Tenaris and Canadian government officials announced a CA$306M ($221.6M USD) investment to modernize and expand the company's industrial center in Sault Ste. Marie, Ontario. The project includes CA$72M ($52.1M USD) from Ontario and CA$76M ($55M USD) from the federal government, with plans to add modernized equipment and a new threading line for semi-premium and API connections. Tenaris said the upgrades will expand production, broaden its product range, improve productivity, and strengthen Canada's domestic supply chain for OCTG and line pipe.

Two Ontario-based steel importers and their president have agreed to pay $19M to settle U.S. allegations that they evaded customs duties by falsely declaring the origin of flat-rolled steel. The Department of Justice alleged Farjess Inc., Royal Canadian Steel Inc., and Feroz Jessani claimed the steel came from Canada or the U.S. when it was actually produced in China, Indonesia, Italy, Turkey, or Vietnam. The case began with a whistleblower complaint, and the settlement resolves the allegations without any determination of liability.

General Motors will add new vehicle assembly operations at its Ramos Arizpe Complex as part of a previously announced $1B investment in Mexico. The project will begin supplying the domestic market in 2027 with the Chevrolet Groove, followed by the Chevrolet Aveo, and is expected to reach 80,000 units per year by 2030. GM said the program will use existing infrastructure and workforce expertise at Ramos Arizpe while strengthening Mexico's industrial capacity and reducing reliance on imported vehicles.

Algoma Steel's CEO said the company is forging a new strategy as U.S. Section 232 tariffs continue to weigh on the Ontario-based steelmaker. CEO Rajat Marwah said Algoma is more exposed to tariffs than almost any steel company in North America, but pointed to the company's completed transition to electric arc furnace steelmaking and modernization of Canada's only discrete plate mill as key to its future. Algoma is also tying its growth strategy to Canadian industrial and defense priorities through its Roshel Algoma Defence joint venture and a memorandum of understanding with South Korea's Hanwha Ocean that includes up to $250M in potential value tied to structural steel development and submarine-program supply.

FabArc Steel Supply is expanding in Alabama with a leased 60,000-square-foot fabrication facility on 29 acres in Decatur. The Alabama-based steel subcontractor and fabricator said the move will help it scale operations to meet rising demand, with an option to purchase the facility at the end of its lease agreement with Turner Industries. FabArc has onboarded 35 employees who will support fabrication operations at the site.

CFC Recycling has acquired Goolsby & Sons Recycling in Gallatin, Tennessee, expanding its scrap and recycling presence in a growing regional market. Terms of the deal were not disclosed. CFC said the acquisition will help it serve a wider range of customers, including manufacturers, contractors handling job-site scrap, and individuals dropping off household metals.

Hyundai and POSCO have selected Danieli for key equipment at their proposed Louisiana steel mill, including two electric-arc furnaces, two thick slab casters, and two slab reheating furnaces. The ENERGIRON consortium, led by Tenova and Danieli, was also chosen to supply a direct

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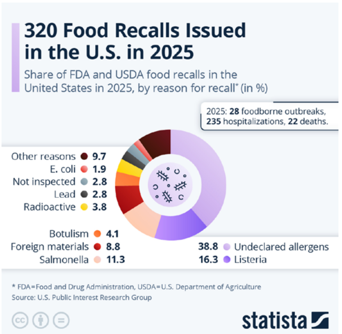
reduction plant with 2.5M metric tons per year of hot and cold DRI capacity. The proposed Ascension Parish facility represents an investment of about $5.8B and is expected to produce 650,000 metric tons of hot-rolled coil and 2.05M metric tons of cold-rolled coil annually when operations begin in 2029.

Southeast Recycling Group will acquire NuCycle's assets including an automobile shredder and auto parts yard in Rock Hill, South Carolina, while Morris Scrap Metal in Kings Mountain, North Carolina, will merge into SRG as a new partner. Once the transactions close, SRG will operate seven locations with more than 200 employees and an annual production of 300,000 gross tons of ferrous scrap and 150M pounds of nonferrous scrap. The moves continue SRG's expansion after its formation in 2025 through the merger of Carolina Metals Group and Spartan Recycling Group.

The Trump administration is seeking tougher North American auto-content rules that would require vehicles to contain 82% regional content to qualify for preferential USMCA treatment, with 50% of that value produced in the U.S. The proposal would raise the current 75% regional-content threshold and does not include a Canada-specific content provision, raising concerns that Canada could be presented with a completed U.S.-Mexico framework later in the process. U.S. and Mexican officials are expected to continue talks in June and July, with autos, steel, aluminum, agriculture, and economic security among the major issues shaping the USMCA review.

The U.S. and Mexico have begun formal talks to revise USMCA with Washington seeking stricter automotive rules of origin, including a U.S.-specific content requirement for cars and trucks built in Mexico. Current USMCA rules require 75% North American content, but U.S. negotiators are pushing for changes aimed at increasing U.S. manufacturing and potentially expanding the core parts list to include major electronics modules now largely produced in Asia. The talks are also expected to address steel protections, including a possible requirement that Mexican and Canadian steel receiving preferential U.S. tariff treatment be melted and poured in North America.

A total of 320 food recalls were issued in the U.S. in 2025, with undeclared allergens accounting for the largest share at 38.8%, according to U.S. Public Interest Research Group data. Listeria was the second-largest driver at 16.3% of recalls and was linked to 21 of the 22 food recall-related deaths recorded during the year. PIRG also reported 28 foodborne illness outbreaks, 235 hospitalizations, and 22 deaths in 2025, while warning that delayed recalls, incomplete public alerts, and FDA and USDA staffing concerns could raise food safety risks.



Automakers, retailers, and other U.S. industry groups are warning of a memory-chip shortage as AI data centers consume a growing share of available chip capacity. In a letter to the Treasury and Commerce departments, groups representing automakers, retailers, medical device manufacturers, telecom, electronics, and internet providers said the imbalance could drive sustained price increases for consumer goods and disrupt critical supply chains. The groups said impacts are already appearing in everyday electronics, telecommunications infrastructure, automobiles, medical devices, and other manufactured products as chipmakers shift more capacity toward AI-related demand.

Major automakers are backing a two-year delay in U.S. vehicle pollution rules while urging the EPA to move quickly on a broader rewrite of long-term emissions standards. The Alliance for Automotive Innovation, which represents automakers including GM, Toyota, Volkswagen, Ford, Stellantis, and Hyundai, said the delay is needed as slower EV sales have made the current rules harder for manufacturers to meet. The EPA estimated the delay would save automakers $1.7B, while environmental groups warned it could increase health harms tied to vehicle emissions.

Uber has committed close to $500M to self-driving startup Nuro as part of its push to become a platform for commercial robotaxis. The funding includes prior participation in Nuro's $203M round, a larger follow-on investment, and additional milestone-based commitments tied to driverless testing, passenger rides, and service expansion. Uber's partnership with Nuro and Lucid aims to roll out 35,000 robotaxis using Lucid vehicles, Nuro's autonomous technology, and Uber's ride-hailing platform.

A strike at Dauch Corp.'s Michigan axle plant could affect GM truck production if the work stoppage continues beyond the automaker's available axle inventory. The Three Rivers facility supplies driveline parts used in GM pickup trucks, including the Chevrolet Silverado and GMC Sierra, which account for nearly one-third of GM's U.S. vehicle sales. Sources said GM has about two weeks of axle inventory on hand, while UAW workers are seeking wage increases after earlier concessions tied to keeping the plant open during the 2008 downturn.

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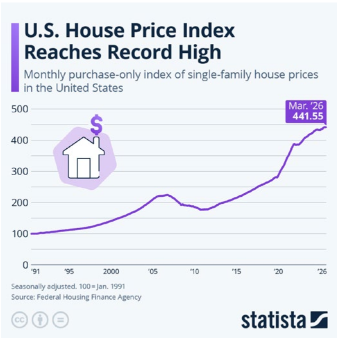
Ford will recall nearly 420,000 U.S. vehicles because seat belts may not retract or extend properly, potentially increasing injury risk in a crash. The recall covers certain 2018-2022 Ford Expedition and Lincoln Navigator vehicles, according to the National Highway Traffic Safety Administration. Dealers will inspect the driver and front passenger seat belt retractors and replace them if necessary at no cost.

Hyundai is recalling more than 421,000 U.S. vehicles because a software error may cause the forward collision avoidance system to activate prematurely and apply the brakes unexpectedly. The recall covers certain 2025-2026 Santa Cruz, Tucson, Tucson Hybrid, and Tucson Plug-In Hybrid Electric vehicles. Dealers will update the front camera software at no cost, according to the National Highway Traffic Safety Administration.

Stellantis is recalling more than 419,000 U.S. vehicles because a software error could delay side air bag deployment during a crash. The recall affects certain Jeep Grand Cherokee and Jeep Grand Cherokee L models and leaves the vehicles non-compliant with U.S. Federal Motor Vehicle Safety Standards, according to the National Highway Traffic Safety Administration. Dealers will update the occupant restraint controller module software at no cost.

Eli Lilly will buy three vaccine developers in deals worth up to $3.8B combined, expanding the U.S. drugmaker's push into infectious disease prevention. The acquisitions include Curevo, which is developing a shingles vaccine, LimmaTech Biologics, whose lead program targets S. aureus infections, and Vaccine Company, which is developing a vaccine for Epstein-Barr virus. Lilly said the deals reflect a strategy focused on preventing disease earlier, supported by increased dealmaking capacity from strong demand for its obesity drugs.

The U.S. House Price Index reached a record high in March, continuing its long climb even as home price appreciation slows. The Federal Housing Finance Agency's purchase-only index for single-family homes rose to 441.55, with prices still increasing year-over-year but at a much slower pace of about 1.7% to 1.8%, compared with 5.1% in 2024. High mortgage rates have continued to pressure the housing market, while inflation has outpaced home price appreciation since June 2025, eroding real home values.



The American Cancer Society has added Guardant Health's Shield blood test to its colorectal cancer screening options for people who decline or do not complete preferred screening methods such as colonoscopy or stool testing. Colonoscopy remains the gold standard, while recommended at-home stool tests include Exact Sciences' updated Cologuard and Geneoscopy's Colosense. The ACS said the blood test is highly accurate for detecting advanced cancers but less sensitive for precancerous lesions and early cancers, meaning positive results still require follow-up colonoscopy to complete the screening process.

The U.S., Mexico, and Canada have announced aligned Ebola-related travel measures ahead of the 2026 World Cup as officials seek to reduce public health risk during the tournament. The measures follow the World Health Organization's declaration of an Ebola outbreak in the Democratic Republic of Congo as a Public Health Emergency of International Concern. The U.S. has restricted entry for certain travelers recently in the DRC, Uganda, or South Sudan, Canada has announced entry restrictions and quarantine requirements tied to affected areas, and Mexico has outlined tighter airport screening and quarantine guidance for arrivals from the DRC.

Anthropic and the Gates Foundation have launched a $200M partnership to support AI-related public goods in health, education, and language accessibility over four years. Anthropic will contribute technical staff support and Claude AI usage credits, while the Gates Foundation will provide grant funding, program design, and expertise. The effort will focus partly on improving AI performance in African languages, supporting education tools for regions including sub-Saharan Africa and India, and helping research centers use AI to identify drug candidates for diseases such as HPV and preeclampsia.

AstraZeneca has won U.S. approval for Baxfendy, a hypertension pill for patients whose high blood pressure remains uncontrolled despite existing medicines. The drug works by blocking aldosterone, a hormone tied to higher blood pressure and greater heart and kidney risk, and is also being studied for chronic kidney disease and heart failure. AstraZeneca expects the treatment to generate more than $5B in peak annual sales, and the FDA approval was based on late-stage data showing significant blood pressure reductions when Baxfendy was added to standard treatment.

The U.S. Department of Health and Human Services has launched an AI-led oversight initiative to detect fraud, waste, and compliance issues across federally funded health programs. The Audit Enforcement and Risk Oversight

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initiative, or AERO, will review at least five years of audit records from HHS-funded programs across all 50 states. HHS said it may take actions such as temporarily withholding payments, cutting off grants, or withholding future funds from recipients that fail to resolve audit issues.

Gilead Sciences has won the first U.S. approval for a chronic hepatitis delta virus treatment, giving patients with the rare and potentially deadly liver infection their first FDA-approved therapy. Hepcludex, a once-daily injection, treats HDV in people already infected with hepatitis B and works by blocking the virus from entering liver cells. The approval was based on late-stage data showing meaningful improvement in about 48% of treated patients after 48 weeks, compared with 2% of patients whose treatment was delayed.

Travere Therapeutics has licensed Everest Medicines' experimental kidney disease drug, gaining exclusive rights to develop and commercialize civorebrutinib outside China and parts of East and Southeast Asia in a deal worth up to $1.14B. Everest will receive $112.5M upfront and could receive about $1.03B more in development, regulatory, and sales milestones, plus royalties on future sales. Travere plans to evaluate the oral BTK inhibitor across several rare kidney diseases, including primary membranous nephropathy, focal segmental glomerulosclerosis, and minimal change disease.

The Federal Aviation Administration will spend $16.5M to equip airport vehicles with transponders after a fatal March collision at New York's LaGuardia Airport involving an Air Canada Express jet and a fire truck. The FAA said it will begin installing transponders on about 1,900 vehicles at 264 airports with surface awareness technology, helping air traffic controllers track vehicles on runways and taxiways. The move is intended to close visibility gaps and reduce the risk of future runway incidents.

Boeing is studying whether it can raise 737 MAX production to 70 jets per month, which would mark the highest monthly rate in the aircraft program's history. The U.S. planemaker is currently moving from 42 to 47 jets per month, with a stated goal of reaching 63, as it works to recover financially after years of production disruptions, safety concerns, and heavy losses. CEO Kelly Ortberg said Boeing is assessing supply-chain constraints and production-system resilience before any further rate increases, while a new 737 production line in Everett, Washington, is expected to support the next step toward 52 jets per month.

SpaceX's latest Starship test showed progress ahead of a potential IPO, though analysts said full rocket reusability remains a major hurdle. The company's 12th Starship test flight deployed mock satellites and completed a controlled splashdown in the Indian Ocean, but the Super Heavy booster failed to complete a controlled landing. SpaceX has spent more than $15B developing Starship, which is central to lowering launch costs, expanding Starlink, and supporting future space-based computing, AI infrastructure, and human spaceflight missions.

U.S. natural gas production is expected to reach a record high in 2026, even as domestic demand declines, according to the Energy Information Administration. EIA projected dry gas production will rise from 107.7 bcf/d in 2025 to 110.6 bcf/d in 2026 and 115.0 bcf/d in 2027, with growth driven largely by the Permian and Haynesville regions. Domestic consumption is expected to slip from 91.9 bcf/d in 2025 to 91.2 bcf/d in 2026 before rising again in 2027, while LNG exports are projected to climb to 17.0 bcf/d in 2026 and 18.2 bcf/d in 2027.

U.S. crude exports reached a record 5.6M barrels per day in May, as the Iran war tightened global oil supplies and pushed Asian and European refiners toward alternative U.S. barrels. Exports surpassed the previous April record of 5.2M barrels per day, supported by a wide discount between U.S. WTI crude and Brent that made U.S. shipments more attractive to overseas buyers. Asia took 2.45M barrels per day, while Europe took 2.4M barrels per day, and at least 283,000 barrels per day came from the U.S. Strategic Petroleum Reserve. Exports are expected to ease in June as supply concerns soften and the WTI-Brent spread narrows.

Global oil inventories are running dangerously low, as continued disruption around the Strait of Hormuz raises the risk of another oil price spike in the coming weeks. Industry executives and analysts warned that dwindling buffers could force prices higher if tanker traffic does not normalize, with one ExxonMobil executive saying dated Brent could reach $150 to $160 per barrel if inventories fall much further. In the U.S., crude inventories including the Strategic Petroleum Reserve fell to 791M barrels in the week ended May 29, their lowest level since February 2024, while U.S. crude stocks have dropped nearly 64M barrels since the start of the Iran war.

Companies that borrowed oil from the U.S. Strategic Petroleum Reserve are expected to return an extra 40M barrels, according to Energy Secretary Chris Wright, who said the crude will be repaid as premiums after the Iran conflict ends. The Department of Energy is loaning about 133M barrels from the SPR to companies that will repay the crude with premiums of up to 24%, a structure officials say will help stabilize markets without taxpayer cost. SPR inventories have fallen to 357.1M barrels, their lowest level in

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more than two years, as emergency releases continue under a broader International Energy Agency plan to release up to 400M barrels from global reserves.

Commonwealth Fusion Systems said new peer-reviewed papers validate the science behind its fusion power plans, as the Massachusetts-based company works toward building its first 400-megawatt ARC power plant in Virginia in 2027. CFS, which has raised about $3B from investors including Bill Gates and Nvidia, said the papers provide confidence that the plant could eventually deliver clean baseload electricity to the grid. The company is targeting power generation in the early 2030s, though major engineering hurdles remain before fusion can operate reliably at commercial scale.

Google has unveiled new AI tools and lower-cost enterprise offerings, as it works to compete more directly with OpenAI and Anthropic while strengthening its core Search and consumer products. At its I/O developer conference, Google introduced a faster, cheaper Gemini model family, added AI agents to Search, and lowered its top-tier AI Ultra subscription to $200 per month while adding a $100 monthly tier for developers and work users. The company said Gemini now has 900M monthly users, while AI Overviews in Search has 2.5B monthly users, reinforcing Google's effort to use its consumer scale as an advantage in the enterprise AI race.

The Trump administration will ask leading AI developers to voluntarily submit their most advanced models for cybersecurity testing, giving U.S. agencies up to 30 days to review systems before wider release. The executive order directs the Treasury, Defense, Commerce, and Homeland Security departments to seek agreements with AI companies and strengthen cyber defenses across government and critical infrastructure. The move marks a more active federal role in AI oversight, with companies including Anthropic, OpenAI, and Google signaling support for voluntary testing while the U.S. continues competing with China on AI development.

Microsoft unveiled a new AI-designed quantum computing chip, saying it now expects to have commercially useful quantum systems by 2029. The Majorana 2 chip uses lead-based materials developed with help from Microsoft's AI tools for materials science, which the company said delivered a 1,000-fold improvement in some performance metrics. The timeline puts Microsoft closer to rival IBM's quantum ambitions, though some physicists have criticized the company for not publicly releasing enough data to verify its claims about Majorana-based quantum technology.

Trafigura is reportedly planning to withdraw large amounts of copper from LME warehouses in New Orleans ahead of a U.S. decision on possible copper import tariffs expected in late June. Traders have been moving copper into the U.S. to secure supply at pre-tariff prices, with LME data showing more than 30,000 metric tons of copper canceled for delivery in New Orleans on Thursday. Comex copper stocks have risen more than 550% since the Trump administration ordered a Section 232 investigation into copper imports last year.

EUROPE, AFRICA, & THE MIDDLE EAST:

Tata Steel UK will continue to qualify for a U.S. tariff carve-out allowing certain steel products melted in the Netherlands and rolled or finished in Wales to enter the U.S. at the UK's reduced 25% Section 232 tariff rate. The clarification keeps those products from facing the full 50% rate applied to EU steel and aluminum imports, even though Tata no longer melts steel in the UK after closing its last Welsh blast furnace in 2024. U.S. imports of flat-rolled steel from the UK totaled 23,142 metric tons in the first quarter, down 9.6% from a year earlier.

Stellantis will build three new electric and hybrid Peugeot models in France beginning in 2029, backed by a €400M ($466M USD) investment at its Mulhouse plant and an additional €500M ($576.6M USD) for research and development. Most of the R&D spending will support the new STLA One platform, which Stellantis expects to use for 2M vehicles per year globally by 2035. The project is part of a larger €1B ($1.2B USD) investment in France and reflects the automaker's effort to improve cost competitiveness, support electrified vehicle production, and reduce excess capacity in Europe.

Chinese automakers are expanding their presence in Europe as brands including BYD, Geely, SAIC, Chery, Xpeng, and Leapmotor pursue local sales, partnerships, and production capacity. Geely accounted for 2.5% of European registrations from January through April, followed by SAIC at 2.4%, BYD at 2.2%, and Chery at 2.0%, reflecting growing momentum for Chinese brands in a market traditionally led by European and American automakers. Several companies are also pursuing local manufacturing, including Chery's planned production at a former Nissan plant in Barcelona, SAIC's proposed Galicia factory with an initial investment of about €200M ($233M USD), and Leapmotor's planned joint production with Stellantis in Spain.

European EV demand has surged as higher fuel prices tied to the Iran war push more buyers toward electric vehicles. New EV registrations rose 34% year-over-year in April across 16 European markets representing more than 80% of EU and EFTA car sales, while fully electric car sales grew 30% across

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Europe in 2025. Automakers including Renault, Volvo, and Seat/Cupra reported stronger EV interest or orders, and some are considering higher production. The shift is also benefiting Chinese brands such as BYD, Leapmotor, and Xpeng, whose lower-cost EVs are gaining visibility as European consumers look for alternatives to gasoline vehicles.

Stellantis has launched a €60B ($70B USD) business plan that includes 60 new models by 2030 across combustion-engine, hybrid, and fully electric vehicles. The Franco-Italian automaker said 70% of brand and product investment will focus on Jeep, Ram, Peugeot, Fiat, and its Pro One commercial vehicle unit as it refocuses its 14-brand portfolio. Stellantis also plans to make better use of excess factory capacity through contract manufacturing, including potential work for Chinese automakers in Europe and Jaguar Land Rover in the U.S.

London-based GHO and Singapore's CBC Group plan to merge to create a healthcare-focused investment manager with more than $21B in assets. The combined company would have more than 200 investment and operating professionals across 13 offices in North America, Europe, and Asia-Pacific, giving portfolio companies broader cross-border growth opportunities. The deal is expected to close in early 2027, subject to regulatory approvals, with both firms continuing to operate separately until completion.

Researchers say an AI-supported wearable patch can help identify hidden reproductive hormone disruptions that may contribute to unexplained infertility. Studies presented at the European Congress of Endocrinology in Prague found that continuous hormone monitoring over several days detected rhythm abnormalities in men and women whose standard hormone tests appeared normal. Researchers said the findings suggest some fertility problems may be tied not only to hormone levels, but also to timing, synchronization, and biological rhythm.

Google-backed Isomorphic Labs has raised $2.1B to scale its AI-driven drug discovery platform and support its move toward clinical trials. The London-based company, founded as a spin-off from Google DeepMind, said the funding round was led by Thrive Capital and included Google Ventures, Alphabet, MGX, Temasek, and CapitalG. Isomorphic expects its first clinical trials by the end of 2026 as it works to apply AI tools such as protein-structure prediction to drug design and disease targeting.

The European Union has secured emergency deliveries of a potential hantavirus treatment as cases tied to a cruise ship outbreak are treated across several countries. FUJIFILM Toyama Chemical in Japan donated 1,400 tablets of favipiravir, an experimental antiviral identified by the European Medicines Agency as a plausible candidate for clinical trial or compassionate use. Initial doses are being sent to France, Spain, and the Netherlands, while the EU begins emergency procurement procedures to secure additional supply if more cases are confirmed.

The World Health Organization has launched a $518M six-month plan to help contain a fast-moving Ebola outbreak in the Democratic Republic of Congo and Uganda while preparing neighboring countries for possible spread. The outbreak, involving the rare Bundibugyo strain, has reached 381 confirmed cases and 62 deaths in Congo, along with 19 cases and two deaths in Uganda. Donors have pledged $315.8M so far, while health officials said delayed detection, testing challenges, community mistrust, and security risks have complicated the response.

Roche said its experimental obesity drug helped patients lose 22.7% of body weight in a mid-stage trial, adding to competition in the fast-growing obesity drug market. The Swiss drugmaker said enicepatide, a once-weekly injection that mimics both GLP-1 and GIP hormones, produced that result after 48 weeks, with 26% of patients on the highest dose losing at least 30% of their weight. Roche said the data showed a clear dose-response relationship and no sign of weight-loss plateau by week 48, suggesting patients could potentially continue losing weight with longer treatment.

Airbus has ordered a fresh 10% reduction in most non-industrial spending, as global uncertainty and supply-chain problems continue to pressure its jetliner business. The cuts apply to the planemaking division and headquarters-related activities but are not expected to affect production, according to sources. Airbus is also managing engine supply issues, A320 fuselage panel problems, and integration challenges tied to Spirit AeroSystems assets as it works toward a target of about 870 aircraft deliveries this year.

Global oil supply is expected to fall below demand this year, as the Iran war disrupts Middle East production and drains inventories, according to the International Energy Agency. The IEA now projects supply will be 1.78M barrels per day below demand in 2026, reversing its prior surplus forecast, with the second-quarter deficit expected to reach 6M barrels per day. The agency said cumulative supply losses from Middle East Gulf producers have already exceeded 1B barrels, while more than 14M barrels per day of oil remains shut in and global inventories fell by 246M barrels in March and April.

Russia's shift of LNG exports toward Asia is expected to reduce revenue, as the loss of European buyers raises shipping distances, logistics costs, and sanctions-related

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complications. The EU plans to fully phase out Russian LNG imports starting in 2027, pushing Moscow to seek longer-term buyers in Asia, but industry sources said India has already refused at least one cargo from a sanctioned Russian plant due to cost concerns. Shipping from Yamal LNG to Europe takes about 17 to 20 days, compared with 50 to 60 days to Asia via the Suez Canal, 70 to 80 days via the Cape of Good Hope, and 50 to 65 days via the Northern Sea Route, making the Asia pivot more expensive and harder to scale.

QatarEnergy, ExxonMobil, and Egypt have signed a preliminary agreement to study the development and commercialization of gas discoveries in Cyprus using Egypt's existing gas and LNG infrastructure. The memorandum of understanding could strengthen Egypt's role as a hub for Eastern Mediterranean gas while improving utilization of the country's underused liquefaction plants. The deal also comes as QatarEnergy faces disruptions from the Iran war, including damage to two LNG trains and reduced shipping access through the Strait of Hormuz.

The IMF, World Bank, IEA, and WTO warned that the Middle East war is straining global energy supplies, with the sharpest impact falling on vulnerable economies. The groups said disruptions tied to the U.S.-Israel war with Iran and uncertainty around the Strait of Hormuz are raising risks for fuel security, market stability, and broader economic resilience. They warned that if shipping flows do not normalize, continued depletion of global oil inventories ahead of peak summer demand could create additional pressure on fuel prices, fertilizer costs, jobs, and poorer countries.

OPEC+ approved a fourth oil output target increase, raising quotas by 188,000 barrels per day starting in July even as the Strait of Hormuz closure continues to limit actual production from several key members. Seven core OPEC+ countries have now lifted targets by almost 600,000 barrels per day from April through June, but the group's output fell to 33.19M barrels per day in April from 42.77M in February due to export disruptions from Gulf producers. Analysts said the quota increase may have limited near-term impact while Hormuz remains closed, though a reopening could quickly shift the market from shortage fears toward surplus concerns.

The European Commission proposed new laws to reduce dependence on U.S. Big Tech, with measures aimed at strengthening Europe's domestic cloud, AI, and semiconductor industries. The Cloud and AI Development Act and Chips Act 2.0 would set sovereignty requirements for cloud providers in sensitive sectors such as banking, energy, healthcare, and defense, while critical public contracts could require software and hardware to be made in the EU. The proposal also supports Europe's goal of doubling its global semiconductor market share to 20% by 2030, though the measures still need approval from EU member states and the European Parliament.

Amazon has unveiled an upgraded AI-powered warehouse robot as part of a €10B ($11.6B USD) investment in its European fulfillment network. The next-generation Proteus robot, expected to deploy in Europe in the first half of 2027, can operate across warehouse floors and respond to conversational prompts from employees. Amazon also plans to expand its STARK robotic tote-handling system to 15 European sites by 2027 and add more than 25 sub-same-day delivery sites across Europe this year, including in Britain and Germany.

Saudi Arabia-backed AI company Humain has selected Goldman Sachs to advise on data center financing as the kingdom accelerates its AI infrastructure buildout. The financing package could be worth at least SAR20B ($5.33B USD) and would support data centers and GPU chips for 2 gigawatts of capacity, about one-third of Humain's 2034 target. The effort reflects Saudi Arabia's push to diversify beyond oil revenue and compete with other Gulf states in AI, even as regional security concerns have grown following Iranian drone strikes on AWS data centers in the UAE and Bahrain.

The European Commission is considering rules to reduce reliance on single suppliers, particularly China, by requiring companies in sensitive sectors to diversify to at least three sources for critical supplies. The potential legislation would be part of a broader review of EU trade defenses expected by the third quarter, including faster anti-dumping and anti-subsidy cases and possible measures to address overcapacity. EU Trade Commissioner Maros Sefcovic said the goal is to protect high-risk sectors from supply chain disruptions and export restrictions, though any new rules would need industry coordination and a transition period.

Ivory Coast has sold about 1M metric tons of cocoa in export contracts for the 2026-27 main crop but is slowing sales due to concerns that El Niño could hurt output. The Coffee and Cocoa Council has also raised its premium on additional sales from zero to at least £100 ($135 USD) per metric ton above the futures price, signaling stronger demand and expectations for a tighter market. While some exporters questioned whether El Niño will significantly affect production, others pointed to heat, weak crop development, aging farms, disease, and higher fertilizer prices as risks for the next season.

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Aluminum prices reached their highest level in more than four years as renewed Middle East supply risks tightened the market. Benchmark aluminum on the London Metal Exchange rose to $3,707.50 per metric ton, matching its highest level since March 2022, as the closure of the Strait of Hormuz restricted exports from a region that holds about 9% of global smelting capacity. Analysts expect a large aluminum market deficit this year, with some estimates above 2M tons, while copper also rose as markets watched for a late-June U.S. decision on possible copper import tariffs.

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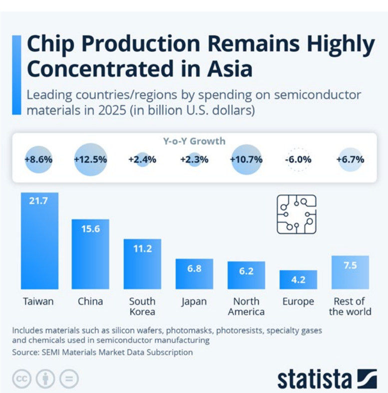
Tata Motors will use a Chery platform to build premium Avinya electric vehicles in India, highlighting how Indian automakers are leaning on Chinese technology to stay competitive in the EV market. Tata said it will use the Freelander platform produced through Chery's joint venture with Jaguar Land Rover in China, with the first Avinya model expected in 2027 and a second planned for 2029. The move follows Tata's reset of its original Avinya plan after JLR shelved India production of its EMA-based EVs, giving Tata a faster path to new premium EV launches as rivals narrow its lead in India's electric vehicle market.

Tesla has withdrawn its threat to terminate a graphite supply deal with Australia's Syrah Resources after accepting that the miner is now producing conforming active anode material samples. Under the 2021 agreement, Syrah aims to supply 8,000 metric tons of graphite anode materials to Tesla over four years from its Vidalia, Louisiana, facility, described as the only vertically integrated, large-scale anode materials producer outside China. Syrah said Tesla still retains the right to terminate the agreement if the material does not meet final qualification requirements.

Global chip manufacturing activity remains heavily concentrated in Asia, even as the U.S. and Europe push to reshore semiconductor production. Worldwide spending on semiconductor materials reached $73.2B in 2025, with Taiwan leading for the 16th straight year at $21.7B, followed by China at $15.6B and South Korea at $11.2B. Together, those three Asian markets accounted for about two-thirds of global demand, underscoring East Asia's central role in chip production and critical semiconductor inputs.



India is expected to unveil incentives for lithium and nickel processing with an outlay of about 30B rupees ($313.48M USD) as the country works to strengthen its electric vehicle battery supply chain. The policy would support domestic processing of two critical minerals used in EV batteries, with lithium plants required to have at least 30,000 metric tons of capacity and nickel plants required to have at least 50,000 tons. The move comes as India targets 30% electric car penetration and 80% electric two-wheeler penetration by 2030.

Pakistan's Lucky Motors has partnered with China's GAC to launch electric vehicles in Pakistan, with local assembly targeted as soon as December 2026. The company said fuel-price shocks tied to the U.S.-Iran conflict, along with rapid rooftop solar adoption, are creating a stronger case for EVs among Pakistani consumers. Lucky Motors has begun displaying four GAC Aion and Hyptec models across Pakistan and is also exploring battery swapping, local battery manufacturing, and potential exports of Pakistani-assembled vehicles to other right-hand-drive markets.

Jardine Matheson has agreed to buy Australia's I-MED Radiology Network for an enterprise value of A$3.4B ($2.4B USD), expanding the Hong Kong-based investment group's healthcare diagnostics business. I-MED operates 215 diagnostic imaging clinics across Australia and New Zealand, performs more than 7M procedures annually, and provides teleradiology services in Australia, New Zealand, and the U.S. The deal also includes I-MED's minority stake in Harrison.ai, a radiology AI solutions developer, and is expected to close later in 2026 pending regulatory approvals.

Eli Lilly has signed collaboration and licensing agreements with a unit of China's Haisco Pharmaceutical Group, giving the U.S. drugmaker potential worldwide rights to select assets outside mainland China, Hong Kong, Macau, and Taiwan. The Haisco unit is eligible to receive up to $87M in upfront and near-term payments, plus up to about $3B in additional clinical, regulatory, and commercialization milestones. The deal adds to growing foreign interest in China's biotech pipeline and follows other Lilly partnerships with Chinese drugmakers including Innovent Biologics and Hutchmed.

China's Innovent Biologics and Pfizer have agreed to a cancer drug collaboration worth up to $10.5B as global drugmakers continue pursuing China's biotech pipeline. Innovent will receive $650M upfront and could receive up to $9.85B in development, regulatory, and commercial milestone payments. The deal covers 12 early-stage oncology programs, including antibody-drug conjugates and multi-

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specific antibodies, with Innovent leading development through Phase 1 before Pfizer takes over global development.

Australia has sued 3M for more than A$2B ($1.43B USD) over alleged PFAS contamination tied to firefighting foam used at 28 defense bases across the country. The government said the lawsuit, its largest ever, seeks to recover past and future costs related to investigating and managing contamination from "forever chemicals." Australia alleged 3M withheld internal testing showing environmental risks, while 3M said it will defend itself and noted it stopped selling the products in Australia about two decades ago.

China said it will buy 200 Boeing jets and seek an extension of its trade truce with the U.S. as both countries work to stabilize bilateral trade relations. If finalized, the order would mark Boeing's first major Chinese deal in nearly a decade, with the U.S. also expected to provide supply guarantees for aircraft engine parts and components. China's commerce ministry said the two sides will also seek reciprocal tariff cuts on at least $30B worth of goods each, while U.S. agricultural access and China's rare earth export controls remain key issues in the broader negotiations.

Singapore Airlines is in talks with Airbus and Boeing for a major long-haul jet order, with discussions reportedly covering at least 50 large aircraft and possible options for dozens more. The carrier is seeking offers for Boeing 777X jets or Airbus A350-1000 aircraft as it plans its next phase of growth from the next decade. The talks are still early, but the order could influence wider demand for large aircraft variants as manufacturers evaluate future widebody production and fleet-development needs.

Indian air safety officials plan to observe Boeing testing tied to an Air India 787 fuel-control switch panel, after pilots on a London-Bengaluru flight reported a possible defect earlier this year. The panel was removed from the aircraft and sent to Boeing's Seattle facility for further evaluation, even though Air India said Boeing and India's Directorate General of Civil Aviation had confirmed it was fully functional. The review comes as India prepares a final report on a separate Air India 787 crash in Gujarat last year that killed 260 people and drew scrutiny to Dreamliner fuel switches.

Australia's draft LNG export rules have drawn criticism from industry, as the government moves to clarify a new 20% domestic gas reservation requirement set to begin in July 2027. The policy would apply to new contracts or contract extensions signed after Dec. 22, replacing other measures intended to prevent east coast gas shortages. Industry groups warned the draft creates complex compliance requirements that could undermine confidence among Asian trade partners, while analysts said the Santos-operated Gladstone LNG plant in Queensland may be most affected because its gas is fully contracted for export.

U.S. LNG shipments to China may resume despite China's 25% tariff, as rising global gas prices and supply disruptions tied to the Iran war make U.S. cargoes more attractive. Four LNG vessels from Cheniere Energy's Sabine Pass facility and Venture Global's Plaquemines plant are currently headed to China's Tianjin port, with expected arrivals between June 15 and 28. Global LNG supplies have been strained by the effective closure of the Strait of Hormuz and attacks on Qatar's LNG export facilities, while gas prices have climbed to about $17 per mmBtu in Europe and $19 in Asia, compared with roughly $3 at the U.S. Henry Hub benchmark.

Indian companies are willing to deepen their presence in Venezuela as India looks to strengthen energy ties and secure crude supply amid disruptions from the Iran war. India was the second-largest importer of Venezuelan oil in May, buying 427,000 barrels per day, and officials said Venezuela was among India's largest crude suppliers in April and May. Venezuelan Interim President Delcy Rodriguez invited an Indian energy delegation to explore opportunities in the country's oil and gas sector, while India said it hopes to move toward longer-term secure supplies rather than spot buying.

Nvidia has unveiled its new RTX Spark chip in Taiwan, aiming to bring AI capabilities directly to laptops and desktop computers. Developed with Taiwan's MediaTek, the chip is expected to debut this fall in PCs from Dell, HP, Lenovo, ASUS, Microsoft Surface, MSI, and others. Nvidia said the chip will help run AI agents locally on personal computers rather than relying entirely on cloud computing, expanding the company's push beyond AI training chips into inference, PCs, and CPUs.

Data centers are expected to double their power and water consumption by 2030, as AI demand drives rapid expansion, according to U.N. researchers. Data centers consumed 448 TWh of electricity globally last year, with AI accounting for about one-fifth of the total, and annual consumption is projected to reach 945 TWh by 2030. Water use is expected to rise from 4.5T liters to 9.3T liters, while carbon dioxide emissions are projected to increase from 189M tons to 399M tons, raising concerns about resource strain, land use, and electronic waste.

Foxconn and Intel will jointly develop next-generation AI infrastructure and intelligent computing platforms to meet growing demand for AI systems. The partnership will combine

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Intel's chip technology with Foxconn's manufacturing and system-integration capabilities, with planned work on AI data center equipment, server racks, cooling designs, energy efficiency solutions, and AI systems for factories, smart cities, and robots.

Nvidia said South Korea's Naver will use its technology to build gigawatt-scale AI factories as the internet conglomerate expands infrastructure for AI services and physical AI applications. Nvidia said the project is intended to meet rising global demand for AI computing capacity, though financial terms, timing, and specific site details were not disclosed.

Nvidia has announced a series of deals with South Korean companies, including SK Hynix, SK Telecom, Naver, Doosan, and LG Group, as it works to secure memory chip supply and expand demand for its AI technology. SK Hynix signed a multi-year partnership to develop advanced memory for global AI data centers, while SK Telecom plans to build a gigawatt-scale AI cloud in South Korea using Nvidia technology. Naver and Doosan will also use Nvidia technology for AI data centers, and LG Group is working with Nvidia on electronics, mechanical systems, and AI for humanoid robots.

India has banned sugar exports until Sept. 30, 2026, as the world's second-largest sugar producer tries to cool domestic prices and protect local supply. India had previously allowed mills to export 1.59M metric tons, but production is now expected to fall short of consumption for a second straight year as cane yields weaken and El Niño raises concerns about the next monsoon season. The ban is expected to support global raw and white sugar prices while giving rival exporters such as Brazil and Thailand an opportunity to increase shipments to Asian and African buyers.

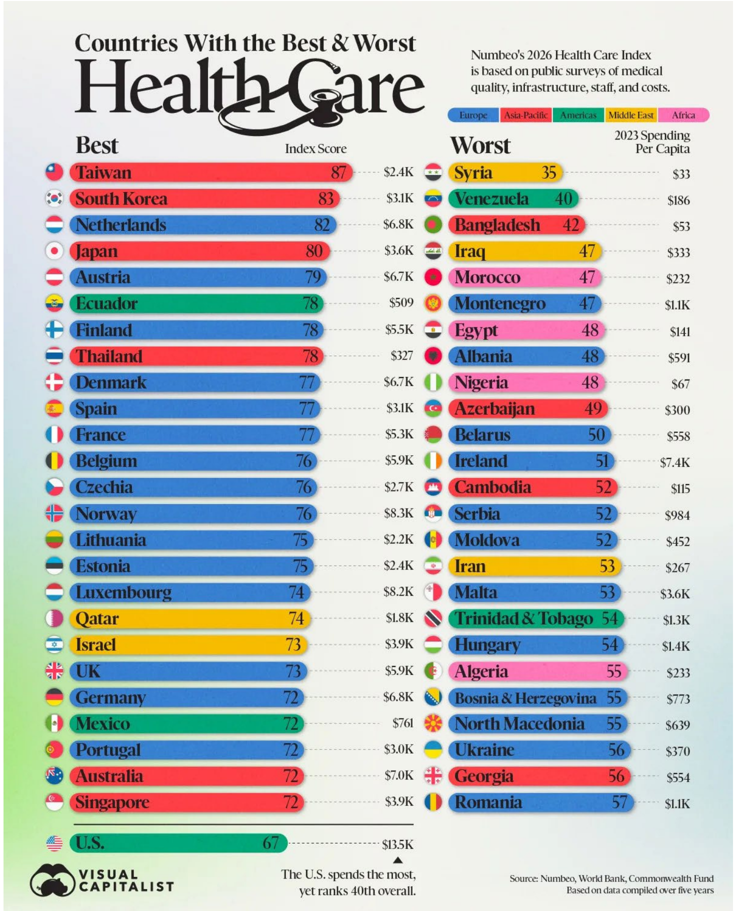
Western governments are investing heavily in critical minerals, but industry executives and analysts warned that poorly coordinated support could create oversupply in some markets. The U.S. has allocated more than $20B to support its critical minerals sector, while Australia has earmarked at least A$13B ($9.42B USD) across several programs, including its own reserve. Analysts said rare earths could move into surplus if government stockpiling and project support outpace demand, though some producers and officials argued that targeted investment is still needed to build secure supply chains outside China.

Physical investment is expected to overtake jewelry as the largest gold demand category, according to consultancy Metals Focus, as high prices weigh on jewelry purchases and more consumers shift toward bars and coins. Metals Focus expects physical investment demand to rise 15% this year to its highest level since 2013, led by China, while jewelry demand is forecast to fall 11%. The consultancy also expects gold to resume its bull run in the second half of 2026, with the average gold price projected to rise 43% to a record $4,920 per ounce.

Indonesia has issued new rules to bring strategic commodity exports under central government control, aiming to boost state earnings and help stabilize the rupiah. The regulation will initially apply to palm oil, coal, and ferroalloys, which can only be exported through a state-owned enterprise acting as the owner or sole mediator. Exporters will begin channeling shipments through Danantara Sumberdaya Indonesia once the policy takes effect, with full state control of covered commodity exports set to begin after Dec. 31, 2026.

ECONOMIC UPDATE: APPENDIX TO THE JUNE 2026 ISSUE

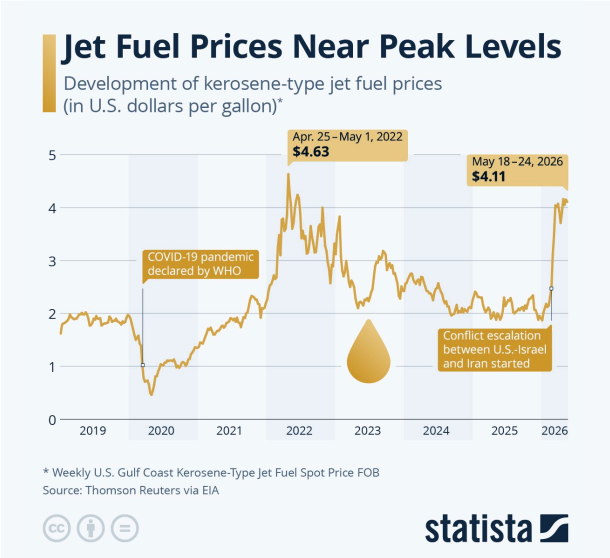
MEDICAL: HEALTH CARE PERFORMANCE DOES NOT ALWAYS TRACK WITH SPENDING



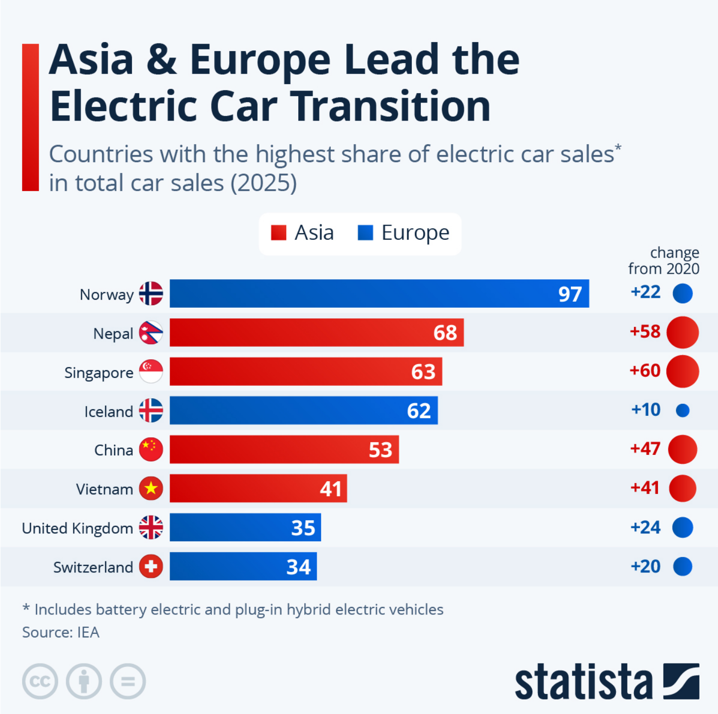
Health care system performance varied widely across countries in Numbeo's 2026 Health Care Index, with Taiwan ranking first overall at 87.1 despite spending about $2.4K per person annually, far below many other advanced economies. South Korea, the Netherlands, Japan, and Austria rounded out the top five, while European and Asia-Pacific countries dominated much of the upper ranking due to broad access, strong infrastructure, and relatively efficient care delivery. The United States stood out for the opposite reason, spending the most of any country listed at roughly $13.5K per capita while ranking 40th overall with an index score of 67.0. At the lower end, Syria, Venezuela, Bangladesh, Iraq, and Morocco ranked among the weakest systems, reflecting the impact of conflict, economic instability, limited infrastructure, and chronic underinvestment. The data highlights a global pattern where high spending alone does not necessarily translate into stronger patient experience or system performance, especially when affordability, access, administrative costs, and care efficiency remain uneven.

AEROSPACE: JET FUEL PRICES RISE NEAR 2022 PEAKS

Jet fuel prices rose sharply in early 2026, adding new cost pressure for airlines after a period of relative easing through 2023 and 2024. According to Thomson Reuters data via the U.S. Energy Information Administration, weekly U.S. Gulf Coast kerosene-type jet fuel spot prices reached about $4.11 per gallon for May 18–24, 2026, approaching the record level of $4.63 reached during the global energy shock in late April and early May 2022. The latest increase follows renewed instability in the Middle East, where concerns over oil production and shipping disruptions have pushed crude and refined fuel prices higher. Because fuel is one of the largest operating expenses for airlines, sustained increases can affect margins, ticket pricing, route planning, and capacity decisions, particularly on long-haul flights where fuel exposure is greatest. The recent surge reinforces how closely air travel costs remain tied to global energy markets and geopolitical risk.



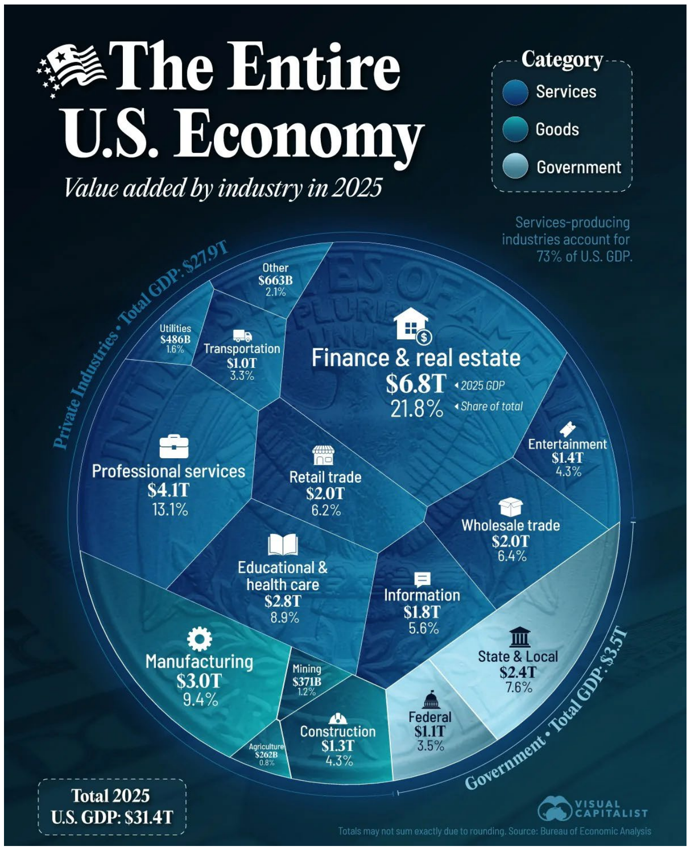
AUTOMOTIVE: ASIA AND EUROPE SET THE PACE FOR ELECTRIC VEHICLE ADOPTION



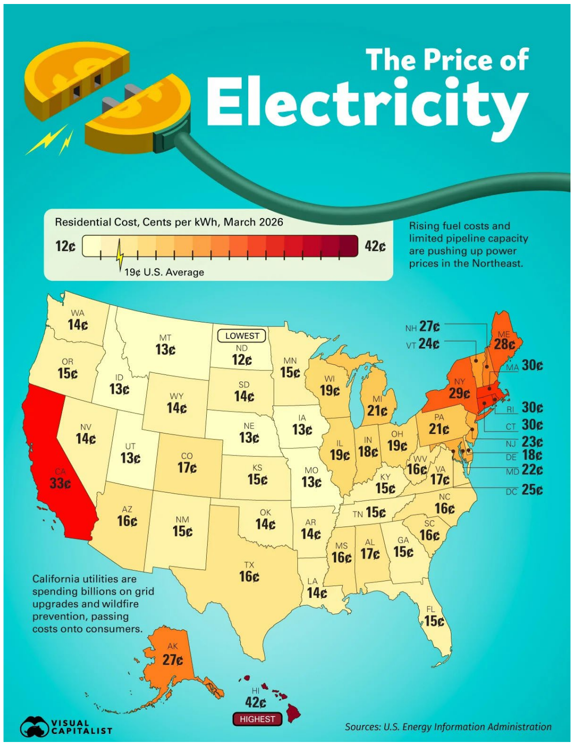
Electric vehicle adoption continued to move fastest in Northern Europe and Asia in 2025, with the eight highest-ranking countries all located in those regions. International Energy Agency data shows Norway still far ahead of the global market, with battery-electric and plug-in hybrid vehicles making up 97% of new car sales, compared with 75% in 2020. Nepal followed at 68%, ahead of Singapore at 63%, Iceland at 62%, and China at 53%. China's growth stands out because EVs represented only 6% of new car sales there in 2020, yet by 2025, the country accounted for roughly six in ten electric cars sold worldwide. Momentum from China's EV market is also spilling into nearby countries, as lower-cost Chinese-made models help expand access in places such as Nepal. U.S. adoption remained much slower, staying below 10% of new car sales amid shifting incentive policies and weaker sales momentum toward the end of the year.

ECONOMY: SERVICES DOMINATE U.S. OUTPUT, WHILE MANUFACTURING REMAINS A MAJOR CONTRIBUTOR

America's $31.4T economy remained heavily service-driven in 2025, with services-producing industries accounting for roughly 73% of GDP. Finance, insurance, real estate, rental, and leasing ranked as the largest sector at $6.8T, or 21.8% of total output, followed by professional and business services at $4.1T, or 13.1%. Together, those two categories represented nearly 35% of U.S. GDP, showing how much economic activity is tied to finance, real estate, consulting, legal services, engineering, administration, and other knowledge-based work. Manufacturing still held an important place in the economy, ranking third overall and first among goods-producing industries at $3.0T, or 9.4% of GDP. Government activity also represented a sizable share, with federal, state, and local output totaling about $3.5T, while construction added $1.3T. Resource-focused sectors such as agriculture and mining made up a much smaller portion of output, together accounting for about 2.0% of GDP.



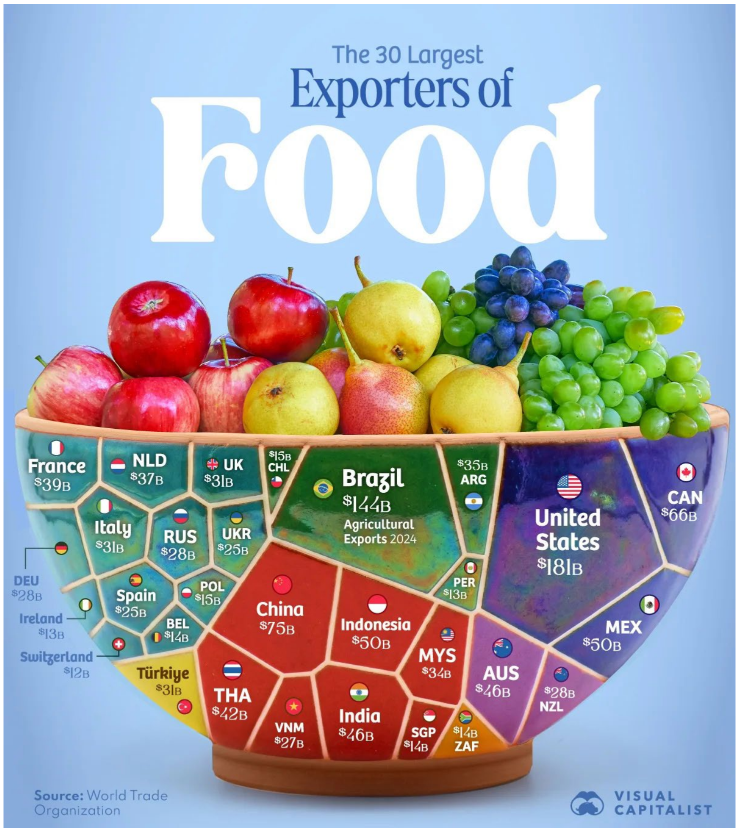
ENERGY: ELECTRICITY COSTS VARY WIDELY ACROSS THE UNITED STATES



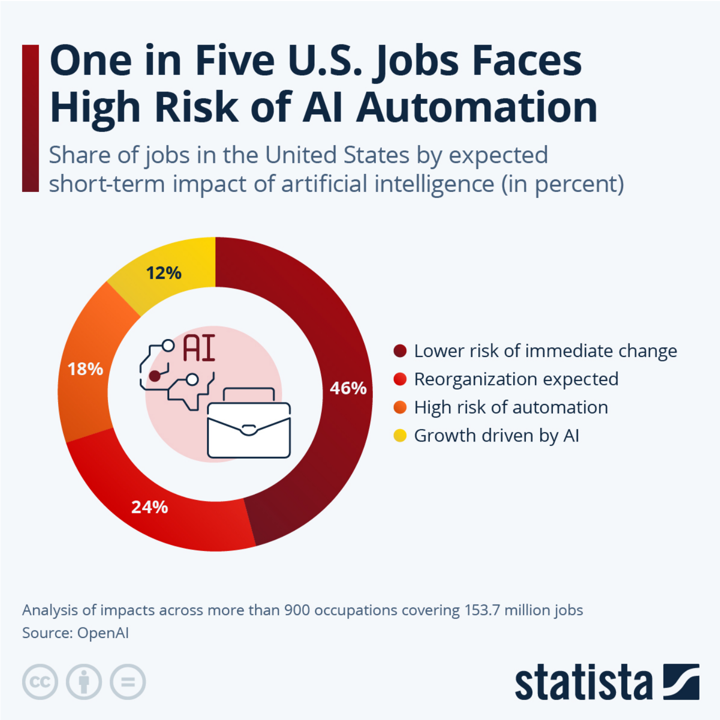
Residential electricity prices showed a wide gap across the United States in March 2026, with average costs ranging from 12¢ per kWh in North Dakota to 42¢ per kWh in Hawaii. California ranked second-highest at 33¢ per kWh, reflecting the cost of major grid upgrades, wildfire prevention, and utility infrastructure investments being passed through to consumers. Several Northeast states also remained well above the national average, including Connecticut, Massachusetts, and Rhode Island at 30¢, New York at 29¢, and Maine at 28¢. Nationally, residential electricity averaged 19¢ per kWh, up 8.6% from a year earlier. For households, differences between the lowest- and highest-cost states can add up to thousands of dollars annually, making electricity an increasingly important part of the broader cost-of-living picture. Higher power prices also point to the uneven impact of fuel costs, regional infrastructure limits, grid investment needs, and geography on consumer energy bills.

COMMODITIES: GLOBAL FOOD EXPORTS REMAIN CONCENTRATED AMONG MAJOR AGRICULTURAL POWERS

Global agricultural trade remained highly concentrated in 2024, with the 30 largest food exporters accounting for more than 80% of the $1.5T global agricultural export market. U.S. exports led the world at $181.3B, or 12.1% of the global total, followed by Brazil at $144.4B and China at $74.8B. Canada and Mexico rounded out the top five, giving North America a major role in global food supply chains. Across the Americas, the U.S., Brazil, Canada, and Mexico together represented nearly 30% of agricultural exports, spanning grains, meat, oilseeds, processed foods, and other key products. Several Asia-Pacific economies also held important positions, including Indonesia, Australia, India, and Thailand, often because of specialized strengths such as palm oil, wheat, beef, or rice. As food systems face pressure from shipping disruptions, energy costs, fertilizer prices, and geopolitical risk, large exporters with scale, infrastructure, and reliable logistics are becoming even more strategically important.



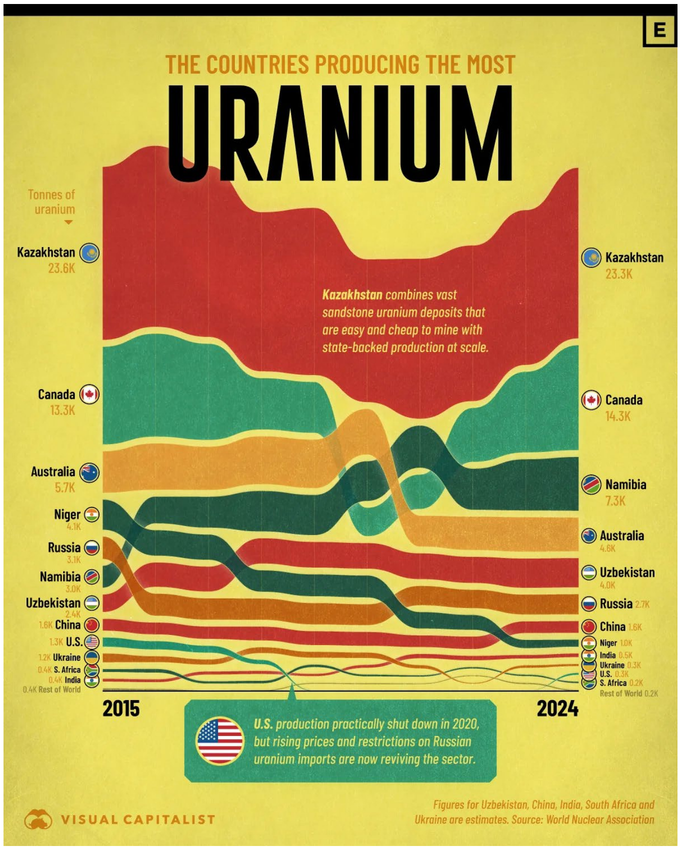
TECHNOLOGY: AI IS EXPECTED TO RESHAPE A LARGE SHARE OF U.S. WORK



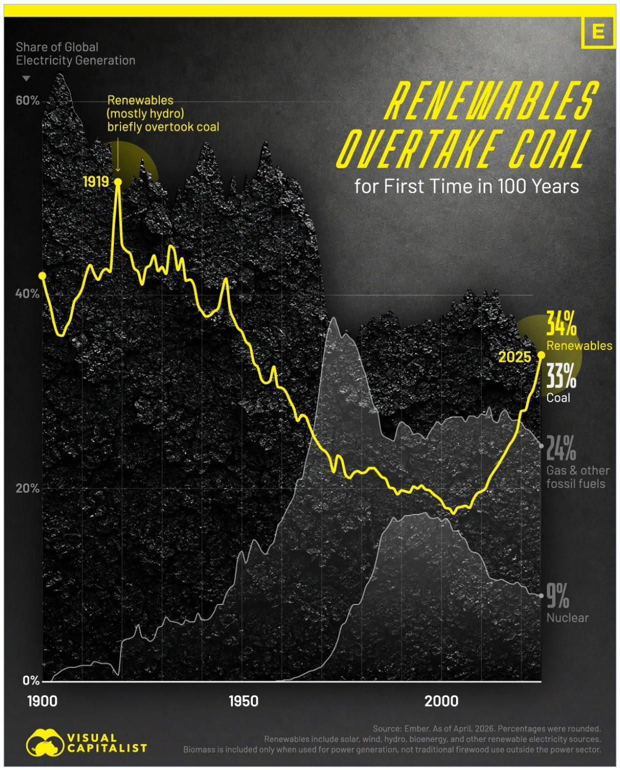
AI is expected to reshape a significant portion of the U.S. labor market in the near term, though the impact may come more through task changes than outright job losses. Based on an OpenAI analysis of more than 900 occupations covering 153.7M jobs, 46% of U.S. jobs face a lower risk of immediate change, while 24% are expected to be reorganized as AI alters workflows and responsibilities. Another 18% of jobs are considered at high risk of automation, meaning roughly one in five roles could face more direct disruption. At the same time, 12% of jobs could see growth driven by AI as lower costs, productivity gains, and expanded demand create new opportunities in certain areas. Overall, the findings point to a labor market where AI adoption is likely to affect a broad range of occupations, but the outcome will depend on how much human judgment, oversight, relationship-building, and specialized expertise remain central to the work.

COMMODITIES: GLOBAL URANIUM SUPPLY REMAINS HIGHLY CONCENTRATED

Global uranium production remained concentrated in a small group of countries in 2024, with Kazakhstan producing 23,270 metric tons, or more than one-third of world output, far ahead of Canada at 14,309 metric tons and Namibia at 7,333 metric tons. World production was essentially flat over the past decade at 60,213 metric tons in 2024 compared with 60,342 metric tons in 2015, but the country mix shifted meaningfully as Canada recovered from earlier mine shutdowns and Namibia sharply expanded output. Uzbekistan also increased production to 4,000 metric tons, while output declined in several other countries, including Australia, Russia, Niger, Ukraine, and the United States. U.S. production remained especially low at just 260 metric tons in 2024, even after recovering from near-zero levels in 2020, highlighting how limited domestic supply still is compared with the world's leading producers. As nuclear power regains momentum in many regions, the data underscores how dependent the global fuel market remains on a relatively small number of uranium suppliers.



ENERGY: RENEWABLES OVERTAKE COAL IN GLOBAL ELECTRICITY GENERATION



Renewables moved ahead of coal in the global power mix in 2025 for the first time since 1919, marking a major shift in electricity generation after more than a century of coal dominance. Ember data shows renewables generated 33.8% of global electricity, or 10,730 TWh, narrowly surpassing coal at 33.0%, or 10,476 TWh. Solar and wind growth across China, Europe, and the United States helped drive the change, supported by falling technology costs and increased investment in clean energy infrastructure. Coal's share has declined from more than 40% in the early 2010s, while renewables have climbed steadily from 20.0% in 2011 and 31.9% in 2024. Even with that progress, fossil fuels still represented the majority of global electricity when coal, gas, and other fossil sources are combined, with gas and other fossil fuels accounting for another 24.4% of generation in 2025. The milestone points to a changing global power system, but it also shows how much conventional energy remains embedded in electricity supply.

CONSTRUCTION: THE WORLD'S TALLEST BUILDINGS REFLECT A SHIFT IN GLOBAL DEVELOPMENT POWER

Skyscraper construction has become a visible marker of how economic influence, capital investment, and urban development have shifted over the past century. In 1909, New York's Metropolitan Life Tower became the world's tallest building at 700 feet, beginning a long stretch of U.S. dominance that continued through landmarks such as the Woolworth Building, Chrysler Building, Empire State Building, One World Trade Center, and Chicago's Willis Tower. That pattern changed in 1998, when Kuala Lumpur's 1,483-foot Petronas Towers moved the title to Asia, followed by TAIPEI 101 at 1,667 feet in 2004 and Dubai's Burj Khalifa at 2,717 feet in 2010. Since then, the world's tallest building has remained in Asia or the Middle East, reflecting the scale of development taking place in fast-growing global cities. Future records may push even higher, with Saudi Arabia's Jeddah Tower projected to exceed one kilometer, or roughly 3,300 feet, if completed as planned. The timeline shows how the race for height has moved from early 20th-century New York to a broader global competition shaped by capital, engineering capacity, and urban ambition.

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