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ECONOMIC UPDATE

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EXECUTIVE SUMMARY

ECONOMY: MANUFACTURING REMAINED IN EXPANSION AND JOB GROWTH REBOUNDED, WHILE CONSUMER SPENDING, HOUSING, AND SENTIMENT SOFTENED, as the **ISM Manufacturing PMI eased to 54.6% in August** from 55.6% in July, marking an eighth consecutive month of expansion. **Factory orders rose 0.9% in July**, led by a 12.7% jump in civilian aircraft orders, while core capital goods orders were unchanged. Consumer activity weakened, with **retail sales falling 0.6% in July** and **core retail sales down 0.4%**, while **construction spending declined 0.5% to $2.158T**, its lowest level since October 2023. **New home sales dropped 10.5% to a 607,000 annualized pace** as elevated mortgage rates continued to weigh on housing. Labor conditions improved in August, with **nonfarm payrolls rising by 162,000** and unemployment holding at 4.1%. Inflation accelerated in August: **CPI rose 0.4% for the month and 3.4% year-over-year**, while **PPI increased 0.4% for the month** and 5.4% year-over-year. **Consumer confidence slipped to 89.4 in August**, though the **Leading Economic Index rose 0.2% to 99.5 in July**, turning positive on a six-month basis for the first time in more than four years.

STEEL: TRADE FRICTION AND FRESH INVESTMENT KEPT STEEL MARKETS IN MOTION, as Canada imposed 50% retaliatory tariffs on U.S. steel and aluminum and Mexico opened an anti-dumping investigation into Japanese cut-to-length plate. U.S. Steel restarted its No. 14 blast furnace at Gary Works after a $350M reline, while Cleveland-Cliffs outlined a $1B Middletown Works upgrade and Nucor committed $59M to expand Vulcraft Indiana. Welspun secured a record $1.8B U.S. line-pipe order, while GrafTech moved to close its Monterrey electrode plant.

AUTOMOTIVE: AUTOMAKERS PUSHED DEEPER INTO COST CUTTING AND PRODUCTION REALIGNMENT, with Volkswagen approving another 50,000 job cuts worldwide and Honda targeting 1.5T yen ($9.4B) in savings by 2030 while asking suppliers for reductions of up to 30%. Ford plans to expand U.S. Lincoln production beginning in 2030. A ratified GM-Unifor agreement will direct C$1.1B ($791.31M) into Ontario operations. LG Energy Solution is shifting much of its North American battery capacity toward energy storage. More than 1.55 million vehicles were recalled in the U.S., while China recalled a record 4.3 million vehicles.

ENERGY: AI LOAD GROWTH AND SUPPLY-SECURITY CONCERNS RESHAPED ENERGY PRIORITIES, as NextEra secured up to $1.9B in U.S. financing to restart Iowa's 615-megawatt Duane Arnold nuclear plant under a 25-year Google power agreement. Generac committed $250M to expand data-center generator production as its related backlog reached $1.6B, while South Korea estimated AI development alone could add 25 to 30 GW of national power demand. Oil prices moved above $100 per barrel in early September amid continued disruption around the Strait of Hormuz and attacks on Saudi energy infrastructure.

MEDICAL: NEW APPROVALS AND STRONG CLINICAL RESULTS OFFSET A MONTH OF OPERATIONAL AND PUBLIC-HEALTH PRESSURES, as the FDA approved Revolution Medicines' Rasonque for metastatic pancreatic cancer and Ionis Pharmaceuticals' Zanvastro as the first treatment for Alexander disease. Roche and Eli Lilly also won FDA clearance for an Alzheimer's blood test. AbbVie's etentamig cut the risk of multiple myeloma progression or death by 60% in a late-stage trial, while AstraZeneca and Amgen reported improved survival from an experimental lung cancer combination. Congo's Ebola outbreak continued to strain resources.

AEROSPACE: SUPPLY-CHAIN CAPACITY AND DEFENSE DEMAND DROVE SOME OF THE SECTOR'S BIGGEST MOVES, including GE Aerospace's $11.75B agreement to acquire precision castings supplier Consolidated Precision Products. Raytheon won a $22.9B, seven-year contract to raise Tomahawk production from roughly 60 missiles annually to more than 1,000, while U.S. inventories of Patriot and other key missile systems remained under pressure from recent conflicts and transfers to Ukraine.

COMMODITIES: COPPER MARKET DISTORTIONS AND MINERAL SUPPLY RISKS KEPT PRESSURE ON GLOBAL MATERIAL FLOWS, as U.S. tariff uncertainty helped push three-month copper to $14,343 per metric ton while COMEX inventories climbed to a record 675,185 metric tons. U.S. copper cathode imports from the Democratic Republic of Congo reached a record 53,290 metric tons in July. Agricultural commodities also faced pressure as India's weak monsoon raised concerns about sugar, oilseed, pulse, and cotton production and the potential for higher imports.

OVERSEAS: CONSUMER SHIFTS, TRANSPORT PRESSURES, AND INDUSTRIAL POLICY STOOD OUT ACROSS GLOBAL MARKETS, as 51.7% of Euro area consumers reported using Chinese e-commerce platforms, led by adoption rates of 79% in Greece and 76.6% in Portugal. China's three largest state-owned airlines posted a combined first-half loss of 8.2B yuan ($1.22B) as fuel costs climbed 35% to 38%, while Ryanair signed a five-year Google Cloud partnership covering AI applications across operations and maintenance. Nigeria approved tax waivers for nearly 4,000 EVs despite persistent grid constraints. Beijing issued new guidelines governing overseas automotive investment, pricing, labor, and competition practices.

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Canada has imposed retaliatory tariffs of 15%, 25%, and 50% on a range of U.S. goods, including 50% duties on steel and aluminum, following the collapse of bilateral trade talks. Canada was the second-largest destination for U.S. steel exports in 2025, receiving 2.55 million metric tons, and shipments totaled 1.31 million metric tons through July 2026. Closely integrated North American supply chains could face added cost and trade pressure as the measures take effect.

Rocky Mountain Steel Mills and the United Steelworkers have reached a new five-year collective bargaining agreement, covering about 900 employees at the company's Pueblo, Colo., steel mill and front office. The agreement includes improvements in wages and health care, guaranteed bonuses, and pension benefits, and was ratified by USW workers on Aug. 27. It takes effect Sept. 11, when the current four-year contract expires. The agreement comes as USW negotiations continue with Cleveland-Cliffs and U.S. Steel, whose labor contracts were extended by 30 days after expiring Sept. 1.

U.S. Steel has restarted the No. 14 blast furnace at its Gary Works in northwest Indiana after a $350M reline and upgrade project, returning its largest blast furnace to service following work that began in May. The project included extensive maintenance to furnace gas, cooling water, hoisting, and stove systems, and employed about 1,000 people at its peak. The furnace has annual capacity of more than 2 million tons of hot metal. Parent company Nippon Steel has committed to invest $11B in U.S. Steel by the end of 2028 after acquiring the company last year for nearly $15B.

Algoma Steel has restarted electric-arc furnace production in Sault Ste. Marie, Ontario, after an Aug. 17 turbine failure at its Lake Superior Power plant forced an unplanned outage. Steel output resumed Aug. 29 under interim arrangements with Ontario's Independent Electricity System Operator, although the turbine remains offline. Algoma is pursuing multiple options to restore full generating capacity and is working with the IESO to limit potential interruptions from planned provincial power-system outages. The company is still assessing the impact on production and shipments, with mitigation measures expected to reduce potential losses.

Mexico has formally opened an anti-dumping investigation into imports of cut-to-length steel plate from Japan, following a complaint from domestic producer Grupo Acerero alleging price discrimination and injury to the Mexican steel industry. The case covers hot-rolled, uncoated, non-coil carbon steel plate in sheet form at least 4.75 mm thick and 600 mm wide, with the investigation period covering calendar year 2025. Japanese steel has become an increasingly competitive option in Mexico, where imports from Japan do not face tariffs under the countries' trade agreement, while many Japanese steel products face tariffs or anti-dumping duties in the U.S.

GrafTech International plans to permanently close its graphite electrode manufacturing facility in Monterrey, Mexico, with production expected to end early in the second quarter of 2027. The closure will reduce annual electrode capacity by 35,000 metric tons, while a product-mix change at its Pamplona, Spain, facility will cut another 16,000 metric tons. GrafTech said the move will lower costs and concentrate production at larger facilities amid weak global electrode demand.

Bull Moose Tube has completed its acquisition of Hanna Steel Corp., expanding its structural and mechanical steel tubing operations in the U.S. Hanna Steel operates tubing facilities in Tuscaloosa, Ala., and Pekin, Ill., along with a coil-coating facility in Fairfield, Ala., and an in-house transportation business. Terms of the deal were not disclosed.

Open-source estimates from the Center for Strategic and International Studies suggest U.S. inventories of several key missile systems have fallen sharply, amid the war with Iran and weapons transfers to Ukraine. Because actual inventory levels are classified, the estimates are based on public budget, procurement, and reported-use data. Continued demand across multiple conflicts is increasing pressure on U.S. munitions production and efforts to rebuild stockpiles.


U.S. Munitions Inventories Are Running Low

Munitions inventories before and after the Iran war and transfers to Ukraine

System	Transferred to Ukraine	U.S. inventory pre-Iran war	U.S. inventory as of end of July 2026
Patriot Missile defense system	Up to 600	~3,100	~800
Stinger Missile defense system	3,000+	Few	Several hundreds
ATACMS Tactical missile	50 to several hundreds	~1,000	~900
HARM/AARGM Tactical anti-radar missile	Unknown	Thousands	Diminished

Source: CSIS

statista

Welspun Corp. has secured a $1.8B order to supply line pipe from its U.S. manufacturing operations, marking the largest single order in the company's history. The order will be executed between 2028 and 2029 and brings Welspun's global order book to a record $4.4B. Its Little Rock, Ark., facility has annual capacity of 350,000 metric tons of HSAW pipe and 175,000 metric tons of HFW pipe.

The Canadian government has announced an C$11.3B contract with Chantier Davie Canada to build six new icebreakers, marking the largest shipbuilding contract

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in Quebec's history. The vessels will be built at Davie's Lévis, Quebec, shipyard using Canadian steel and other domestic materials under the country's Buy Canadian policy. Construction of the first vessel is expected to begin in 2027, with the full fleet planned to enter service by 2038.

Cleveland-Cliffs is planning to invest $1B in upgrades at its Middletown Works in Ohio, supported equally by a $500M U.S. Department of Energy award and $500M from the company. The four-year project will include blast furnace upgrades, advanced material handling, AI-enabled process controls, and a cogeneration facility that will use blast furnace gas to produce electricity and steam on-site. Middletown Works produces about 3 million tons of raw steel annually, and the investment is expected to preserve 2,300 jobs, with the blast furnace rebuild targeted for completion in the first quarter of 2030.

Ford Motor Co. is planning to reshore production of Lincoln-brand vehicles to the U.S., phasing out imports from China and increasing domestic production beginning in 2030. The additional output will build on Lincoln assembly operations in Louisville, Ky., and Chicago and is expected to create thousands of direct and indirect jobs. Ford said it assembled more than 2 million vehicles in the U.S. in 2025.

Nucor is planning to invest $59M to expand its Vulcraft Indiana operations in St. Joe, Ind., adding capacity to produce steel grating products and creating 20 new full-time jobs. The facility currently employs more than 300 people, while Vulcraft's nine North American plants have combined annual production capacity of about 1.2 million short tons. The project marks Nucor's fourth major investment in Indiana in recent years.

The Canadian government has launched a C$100M freight rebate program for domestically produced steel, covering 50% of eligible rail and marine transportation costs for shipments moving between provinces and territories. The program will run for up to one year or until funding is exhausted, with rebates capped at C$50M per shipper. Eligible products include flat-rolled steel, long products, scrap, pig iron, ferroalloys, slabs, and billets.

President Donald Trump has signed an order creating a U.S. Space Academy, a proposed military and civilian institution modeled after existing service academies and intended to train future astronauts, engineers, and other space professionals. An eight-member commission led by NASA Administrator Jared Isaacman will advise on establishing the academy, while its location has not yet been selected. Funding would require congressional approval, and the proposal comes as the U.S. Space Force faces staffing shortages and the commercial space industry competes for skilled workers.

The U.S. military has awarded Raytheon a $22.9B, seven-year contract to sharply increase Tomahawk missile production, as it works to rebuild inventories of precision-guided weapons. Annual production is expected to rise from about 60 missiles to more than 1,000, supporting long-term supply for the U.S. Navy and allied customers. The award formalizes a framework agreement reached with Raytheon earlier this year.

GE Aerospace has agreed to acquire precision castings supplier Consolidated Precision Products for $11.75B, in its largest acquisition since becoming an independent company in 2024. CPP supplies components for GE's LEAP and GEnx engines as well as other major commercial and defense aircraft programs. Bringing the supplier in-house is intended to ease persistent casting bottlenecks as GE expects demand for engine airfoils to increase more than 30% by 2030.

The FDA has approved Revolution Medicines' Rasonque for certain patients with metastatic pancreatic cancer, after a late-stage study showed the targeted therapy roughly doubled survival compared with standard treatment. The once-daily drug targets multiple forms of the RAS protein and is priced at $39,800 for a 30-day supply. Rasonque received an accelerated review as demand for new treatments for advanced pancreatic cancer remains high.

Several automakers have announced U.S. recalls covering more than 1.55 million vehicles, led by Stellantis with 848,000 vehicles over rear-view camera software issues and Toyota with 508,354 vehicles over instrument cluster display failures. Ford is recalling 148,663 Mustangs over wiring problems that could cause loss of drive power or other functions, while Lucid is recalling 27,185 Air sedans over an overheating circuit and fire risk. Tesla is also recalling 20,349 Model 3 and Model Y vehicles over excessively bright low-beam headlights that could reduce visibility for oncoming drivers.

A group representing major automakers has urged Congress to permanently bar Chinese vehicles from the U.S. market before year-end, citing concerns over subsidized vehicles and connected software and hardware. The Alliance for Automotive Innovation, whose members include GM, Ford, Toyota, Volkswagen, Hyundai, Honda, and Stellantis, is backing legislation that would codify and strengthen existing restrictions on Chinese automakers. A

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Senate Commerce Committee bill advanced in July but still faces changes before final passage, including concerns that its ownership provisions could also affect automakers with passive Chinese investment.

Uber is planning to lay off about 3,300 employees, or 10% of its workforce, in its largest round of cuts since the COVID-19 pandemic. The restructuring will reduce management layers, combine teams, and limit fully remote roles to about 1% of staff as Uber faces growing robotaxi competition. The company also plans to invest more than $10B in autonomous vehicle technology and related partnerships in the coming years.

A ratified labor agreement between General Motors and Unifor will direct C$1.1B ($791.31M) into GM's Ontario operations, including C$144M to add next-generation heavy-duty GMC Sierra production at its Oshawa plant. Another C$691M would support new V8 engine production, while C$215M is slated for a new transmission at the St. Catharines facility beginning in late 2029. GM also committed not to immediately close or sell its CAMI plant in Ingersoll while it evaluates alternative production.

LG Energy Solution is shifting much of its North American battery production toward energy storage systems, as AI-driven data center growth boosts demand for stationary batteries while EV demand remains weaker than expected. Five of the company's eight regional factories are expected to produce energy-storage batteries by year-end, including its Lansing, Mich., plant, which will make cells for utilities and Tesla alongside EV batteries for Toyota. Moving into energy storage also requires greater use of lithium iron phosphate chemistry, a market currently dominated by Chinese manufacturers.

The White House estimates the U.S. is losing $19B to $26B in annual tariff revenue from transshipped goods, largely involving Chinese products routed through third countries to avoid import duties. A White House report identified roughly 40 countries with elevated transshipment risk and used a central estimate of $75B in affected goods. India, Mexico, and Vietnam accounted for about $67B in U.S.-bound goods allegedly transshipped from China in 2025, while U.S. Customs and Border Protection is deploying AI tools to help detect suspected violations.

NextEra Energy has secured a U.S. Department of Energy loan of up to $1.9B to support the restart of Iowa's Duane Arnold Energy Center, which closed in 2020 after 45 years of operation. Restarting the 615-megawatt nuclear plant remains subject to Nuclear Regulatory Commission approvals, with operations targeted for early 2029. Google has signed a 25-year agreement to purchase power from the facility as rising data center demand drives renewed interest in U.S. nuclear generation.

Generac is investing $250M to expand U.S. factory capacity for data center generators by the end of 2027, supported by a $1.6B order backlog and plans to add about 1,000 workers. Wood Mackenzie expects the U.S. data center electrical equipment market to double from $33B in 2025 to $66B by 2030, driving demand across transformers, cooling systems, construction equipment, cables, pipes, and other industrial products. Suppliers are expanding capacity to capture the growth while weighing the risk of overinvestment if data center construction slows.

Boston Scientific no longer expects to meet its third-quarter or full-year 2026 sales and adjusted profit forecasts following an August cyberattack, which disrupted manufacturing, order processing, and shipments across its global operations. Major distribution centers are now operating at or above normal levels, sterilization facilities are running, and manufacturing has resumed across most locations. Boston Scientific expects to recover some affected revenue as it works through backlogs and plans to issue an updated outlook with third-quarter results on Oct. 28.

Ionis Pharmaceuticals has priced Zanvastro, the first FDA-approved treatment for Alexander disease, at $285,000 per dose, following approval for adults and children with the rare neurodegenerative disorder. Administered by spinal injection every three months, Zanvastro showed a statistically significant improvement in gait speed in a clinical study. Ionis expects peak annual sales to exceed $100M and plans to make the therapy available in the U.S. within weeks.

AbbVie's experimental blood cancer therapy etentamig met the main goals of a late-stage trial, producing a 74% objective response rate in patients with relapsed or refractory multiple myeloma versus 45.7% with standard treatments. Etentamig also reduced the risk of disease progression or death by 60%, while 87.9% of treated patients were still alive after 12 months compared with 72% in the control group. The results support AbbVie's efforts to expand its oncology portfolio as biosimilar competition pressures Humira sales.

The Trump administration has reached new drug-pricing agreements with Astellas, CSL, BeOne Medicines, BridgeBio, Sun Pharmaceutical, and UCB, with participating companies offering medicines to state Medicaid programs at most-favored-nation prices. Specific discounts and the number of drugs covered were not disclosed, though some

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agreements also include commitments tied to future drug savings and increased U.S. manufacturing. Similar deals with larger drugmakers are projected by the administration to reduce federal and state spending, although the size of those savings remains uncertain.

The FDA has cleared Roche and Eli Lilly's Elecsys pTau217 blood test to help assess Alzheimer's disease in people age 55 and older with cognitive decline, following European approval in May. The test is designed to identify patients who are likely or unlikely to have Alzheimer's-related brain changes and can run on more than 4,500 Roche analyzers already installed across the U.S. Labcorp and Quest Diagnostics also plan to offer the test through their laboratory networks, potentially broadening access to Alzheimer's testing.

Teledyne Technologies has agreed to acquire Varex Imaging for approximately $1.1B in an all-cash transaction, expanding its healthcare portfolio with additional X-ray imaging technology used in medical, dental, life science, security, and industrial applications. Varex shareholders will receive $18.90 per share, and the transaction is expected to close in early 2027. Varex also reported quarterly adjusted earnings of $0.31 per share, beating analyst expectations by $0.10.

U.S. imports of copper cathode from the Democratic Republic of Congo reached a record 53,290 metric tons in July, giving Congo a 23.9% share of overall U.S. copper imports. Growing acceptance of Congolese material and discounts of roughly $550 to $800 per ton have helped drive demand among U.S. rod mills and tube makers. Congo supplied less than 32,000 tons to the U.S. in all of 2024, highlighting the sharp increase in shipments.

Mining investor TechMet is forming a U.S. subsidiary to attract additional public and private capital for critical minerals projects, with an initial focus on bringing four portfolio companies to commercial production. TechMet has already invested more than $400M across EnergySource Minerals, U.S. Vanadium, Momentum Technologies, and Xerion Advanced Battery. Based in Washington, D.C., the subsidiary will support TechMet's broader effort to expand domestic U.S. mining, processing, battery, and recycling capacity.

U.S. tariff uncertainty is helping push copper prices toward record highs despite expectations for a global surplus, as traders divert metal into the U.S. ahead of possible duties on refined copper beginning in 2027. COMEX inventories have climbed to a record 675,185 metric tons, while available supplies on the London Metal Exchange have tightened and three-month copper reached $14,343 per metric ton. U.S. refined copper imports totaled nearly 885,000 tons in the first half of 2026, more than double the volume imported during the same period in 2024.

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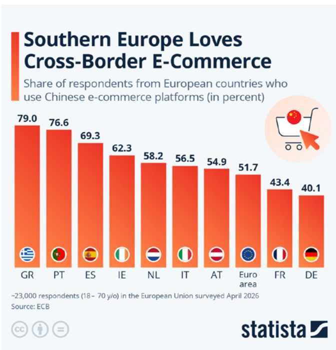
Volkswagen has reached a preliminary deal to repurpose its Osnabrueck, Germany, plant for defense production, with Israel's Aurelius Capital and the state of Lower Saxony set to take ownership after vehicle production ends in 2027. The plan could preserve about 1,400 of the site's 1,800 jobs and initially centers on cooperation with Rafael Advanced Defense Systems to manufacture air defense systems and components. Volkswagen said the project could serve as a model for other underused plants as it restructures its German operations.

Sweden has decided to buy around 10 Lockheed Martin HIMARS artillery rocket systems, in a deal valued at about 7B Swedish crowns ($728.8M). The agreement also includes ammunition, with deliveries expected to begin in 2027. Saab will produce ammunition for the systems in Sweden in cooperation with Lockheed Martin.

German startup Isar Aerospace has completed the first commercial orbital launch from continental Europe, sending its Spectrum rocket into orbit from Norway's Andoeya Spaceport with five small satellites and a technology experiment. The company has five more rockets in production and ultimately aims to conduct about 40 launches annually as it expands commercial satellite deployment. Isar is also developing a second launch site in Nova Scotia, Canada, that could begin operations in 2028.

A potential $5B U.S. sale of Joint Direct Attack Munition-Extended Range to Saudi Arabia has received State Department approval, with Boeing serving as the principal contractor. A separate possible $750M sale of AGT-1500 engines to Saudi Arabia was also approved, with Honeywell named as the principal contractor. The State Department additionally approved an $800M military sale of helicopters to Iraq, with Bell Textron serving as the principal contractor.



More than half of Euro area consumers use Chinese e-commerce platforms to purchase goods from overseas, with 51.7% of respondents reporting usage in an April

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2026 European Central Bank survey. Adoption is highest in Southern Europe, led by Greece at 79%, Portugal at 76.6%, and Spain at 69.3%, compared with 43.4% in France and 40.1% in Germany. Growing use of platforms such as Temu, AliExpress, and Shein is increasing competitive pressure on European retailers and fueling debate over stricter EU import controls.

Israel and Greece have signed a €3B ($3.5B) defense agreement for a multi-layered air defense system, marking Israel's largest-ever defense export deal with Greece and one of the biggest in its history. The package includes David's Sling, SPYDER, and BARAK MX systems, along with MMR radars and a new national command-and-control system. Greece is also adding a €26M Drone Dome agreement as part of its broader plan to spend about €28B on military modernization through 2036.

Ryanair has signed a five-year partnership with Google Cloud to expand the use of AI across its operations, including crew scheduling, disruption management, fleet operations, and maintenance planning. Google Workspace and Cloud services will be rolled out to 35,000 employees, while Gemini Enterprise and DeepMind models will support custom AI agents and operational decision-making. Ryanair said the agreement complements its existing use of Amazon Web Services as part of a dual-cloud strategy.

Nigeria approved tax waivers for nearly 4,000 electric vehicles in the first half of 2026, as the government pushes to expand EV adoption despite severe electricity constraints. EVs likely still account for less than 1% of the country's vehicle fleet, while a 4,000-megawatt grid serves more than 200 million people. Charging stations, dealerships, and battery-swapping operators often rely on diesel and petrol generators during outages, and public charging infrastructure remains limited. Electric motorcycles and three-wheelers may offer the clearest near-term growth opportunity, with some operators reporting operating-cost reductions of about two-thirds versus petrol-powered alternatives.

Governments across Europe and Asia are accelerating renewable energy investment as disruptions to oil and LNG shipments through the Strait of Hormuz raise energy security concerns, with rooftop solar seeing particularly strong demand. The IEA expects renewable power output to rise 8.5% this year and become the world's largest electricity source for the first time, although coal generation is also projected to increase 1.4%. Higher fuel prices are also supporting EV adoption, with electric models accounting for 63% of China's passenger-car retail sales in June.

Germany's Uniper has signed a 15-year agreement to import more than 30 terawatt hours of natural gas annually from Norway's Equinor beginning in 2027, equivalent to about 2.8B cubic meters per year and nearly 3% of Germany's annual gas imports. Norway already supplies 44% of Germany's imported gas, making it the country's largest supplier. Running through 2041, the agreement is Equinor's first gas contract extending into the 2040s and supports Uniper's efforts to diversify supply.

AstraZeneca's Imfinzi combined with Amgen's Imdelltra significantly improved overall survival in patients with extensive-stage small-cell lung cancer in a late-stage trial, compared with Imfinzi alone as a maintenance treatment. The combination also improved progression-free survival and response rates without identifying new safety concerns. Imfinzi generated $6.06B of AstraZeneca's $25.62B in oncology revenue in 2025.

The WHO says staffing and funding shortages are slowing efforts to contain the Democratic Republic of Congo's worsening Ebola outbreak, which has killed more than 3,200 people and infected more than 6,000 across six provinces. Nearly 1,400 treatment beds have been established, but another 1,600 are needed along with roughly 5,000 additional health workers. WHO is urging donors to support a $1.3B, six-month response plan as limited international capacity hampers expansion of treatment centers.

Some EU-designated critical mineral projects are warning that liquidity constraints could put development plans at risk, with 23 of 60 strategic projects calling for urgent funding support. The EU says it has mobilized €1.7B ($1.97B) in financing since December, but developers cited continued gaps in funding, permitting, and market access. Several projects have already been put on hold, raising concerns about the bloc's ability to reduce dependence on China for lithium, cobalt, rare earths, and other strategic materials.

EU regulators are preparing to raise antitrust objections to MMG's proposed acquisition of Anglo American's Brazilian nickel business, amid concerns the deal could reduce ferronickel supply to Europe and weaken the competitiveness of European stainless steel producers. MMG could seek to address the concerns through remedies, although sources said that appears unlikely. European scrutiny also reflects broader efforts to reduce reliance on China for critical minerals used in defense, technology, and renewable energy.

Volkswagen's supervisory board has approved a restructuring plan calling for another 50,000 job cuts worldwide, on top of roughly 50,000 reductions

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already underway. The overhaul, described as the largest restructuring in Volkswagen's 89-year history, comes as the automaker faces excess production capacity, U.S. tariffs, and growing competition from Chinese manufacturers. Four German plants are also being evaluated as their current vehicle programs are phased out.

Oil prices moved above $100 per barrel in early September, as escalating Middle East attacks intensified concerns over global supply. Reduced regional exports tightened physical markets and pushed fuel prices higher, although increased production outside OPEC and weaker demand helped temper the increase.

Ukraine's steel industry is facing tighter access to its largest export market after the EU sharply reduced tariff-free import quotas, with the country's annual quota falling to about 1 million metric tons, roughly 60% below 2025 trade volumes. Shipments above the quota face a 50% tariff, while new EU carbon costs and higher transportation expenses are adding further pressure. Ukrainian industry groups estimate the trade restrictions could reduce foreign earnings by $1.2B.

ASIA/PACIFIC, JAPAN, AUSTRALIA, & INDIA:

China's three largest state-owned airlines posted a combined first-half net loss of 8.2B yuan ($1.22B), marking their seventh consecutive year of first-half losses as higher jet fuel prices pressured results. Fuel costs rose 35% to 38% across Air China, China Eastern, and China Southern, even as revenue increased about 10% at each carrier on stronger international demand. A weak summer travel season and typhoon disruptions have further clouded the outlook, while jet fuel prices remain more than 50% above pre-war levels.

Chinese exports of yttrium oxide to the U.S. rose to 29 metric tons in July, the second-highest monthly volume since China imposed export controls on the rare earth in April 2025. Yttrium is used in specialty alloys and high-temperature coatings for aerospace applications, making the increase potentially significant for U.S. aviation manufacturers. China also shipped 647 tons of rare earth permanent magnets to the U.S. in July, the second-largest monthly volume since the controls took effect, while exports of several strategic materials to Japan remained tightly restricted.

Honda is aiming to cut 1.5T yen ($9.4B) in costs by 2030, as it works to improve the competitiveness of its automotive business against lower-cost Chinese rivals. The automaker has asked suppliers to reduce costs by 30% across pressed and forged components, electrical parts, and software-defined vehicle components, while also considering greater use of Chinese-sourced parts. Honda expects EV-related losses to ultimately exceed $12B and is shifting more of its focus toward gasoline-electric hybrids.

China has issued new guidelines governing automakers' overseas operations, calling for stronger compliance with investment, antitrust, anti-corruption, labor, and social responsibility rules as Chinese brands expand globally. The guidance also urges companies to avoid disruptive pricing practices, provide accurate marketing disclosures, and strengthen risk management in overseas markets. China exported 8.32 million vehicles in 2025, while Chinese automakers have invested in manufacturing projects across more than 80 markets.

China has ordered its largest-ever vehicle recall, covering 4.3 million vehicles from nine automakers including Tesla, Xiaomi, and Leapmotor, over concerns that emergency interior door-release mechanisms may be difficult to locate during a power failure. Automakers will add clearer labels and deploy software updates that lower windows in emergencies. China has also banned exterior electronic door handles without a traditional manual mechanism on new models starting next year, reflecting tighter safety oversight as EVs account for nearly 55% of new vehicle sales in the country.

South Korea expects AI-related development to increase national power demand by 25 to 30 GW, driven largely by new semiconductor plants and data centers. Samsung Electronics and SK Hynix are accelerating projects tied to an 800T won ($590B) semiconductor investment plan, while the government is evaluating whether additional nuclear reactors will be needed to support future demand. Nuclear power currently supplies just under one-third of South Korea's electricity, and an updated long-term energy roadmap is expected next month.

Power and cooling equipment suppliers are benefiting from a global data center construction boom expected to drive nearly $7T in investment by 2030, as AI workloads increase demand for transformers, generators, and advanced cooling systems. South Korea's HD Hyundai Electric reported a 23% increase in its order backlog to $8.5B, while China's Hainan Jinpan Smart Technology more than quadrupled new data center orders in the first half of 2026. Rising rack-level power consumption is also accelerating interest in solid-state transformers and liquid cooling, though component shortages and intensifying competition could pressure supplier margins.

Huawei is planning to expand its AI partnerships with Chinese pharmaceutical companies into drug development and clinical applications, as it seeks a

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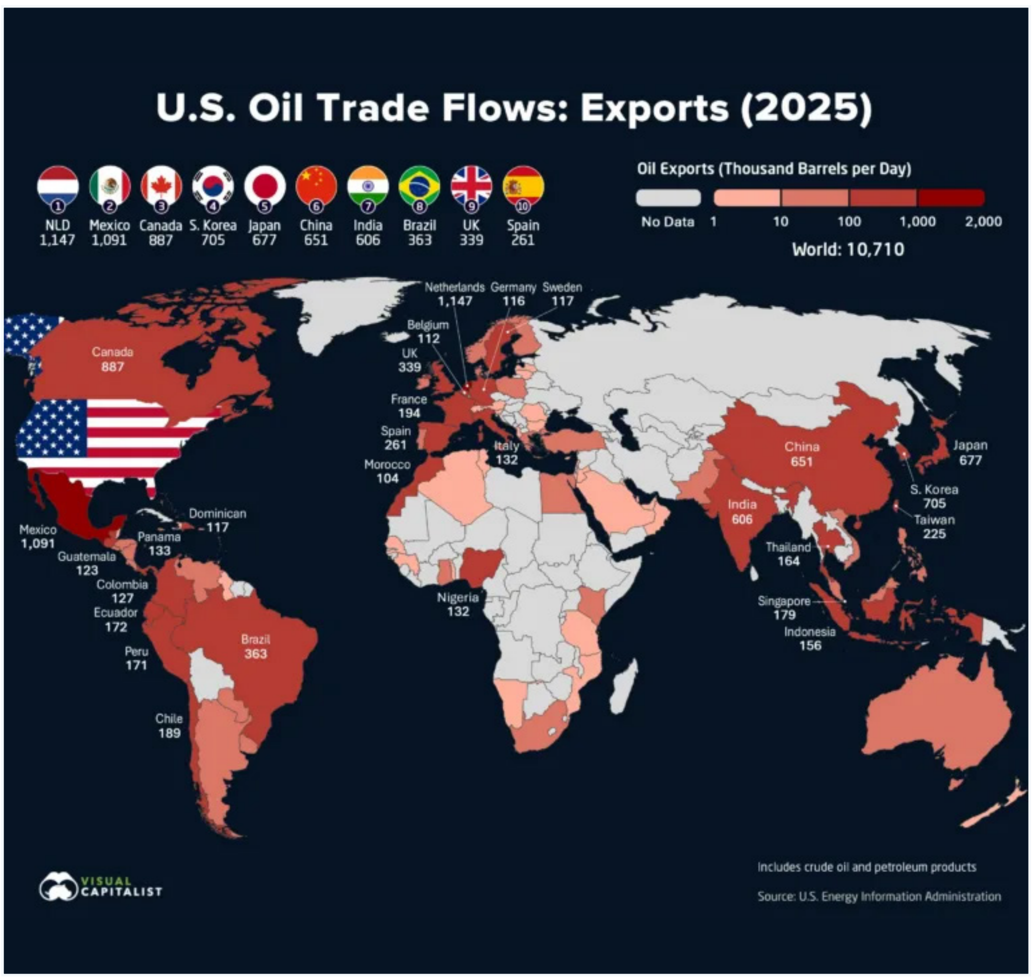
larger role in the growing AI-driven drug discovery market. Existing collaborations include work with hospitals and Guangzhou Pharmaceutical Holdings using Huawei's Ascend and Kunpeng technologies. Industry forecasts cited by Reuters suggest machine learning could cut early-stage drug development timelines and costs by as much as half within three to five years.

Indian steel prices are expected to rise further as higher coking coal costs and post-monsoon demand tighten the market, with hot-rolled coil prices already reaching a four-year high. HRC prices increased by 4,000 rupees per metric ton between August and early September, and some market participants expect another increase of about 3,500 rupees per ton in coming weeks. Rising imports could temper further gains, however, with finished steel imports up 36.6% year-over-year from April through July and China accounting for 31% of the total.

India faces growing crop and inflation risks as September rainfall is forecast to remain below average, following a weak start to the monsoon season and a rainfall deficit in August. Summer crops including cotton, soybeans, corn, and rice are entering moisture-sensitive growth stages, while dry conditions could also affect winter planting. Lower output may increase imports of sugar, vegetable oils, pulses, and possibly cotton, while higher food prices could add pressure to India's inflation outlook.

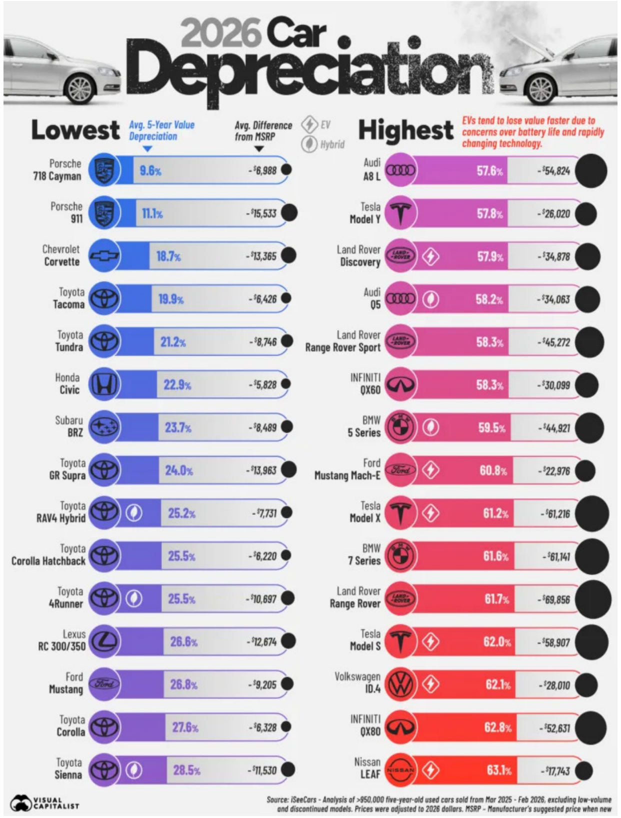
ECONOMIC UPDATE: APPENDIX TO THE SEPTEMBER 2026 ISSUE

ENERGY: NETHERLANDS, MEXICO LEAD U.S. OIL EXPORT DESTINATIONS



U.S. oil exports averaged 10.7 million barrels per day in 2025, reaching buyers across six continents, based on U.S. Energy Information Administration data. The Netherlands ranked as the largest destination at 1.15 million barrels per day, narrowly ahead of Mexico at 1.09 million, followed by Canada at 887,000, South Korea at 705,000, and Japan at 677,000. Together, the top five markets accounted for about 42% of U.S. oil exports, reflecting a customer base spread across Europe, North America, and Asia. The Netherlands' position partly reflects Rotterdam's role as Europe's largest port and a major hub for refining, storage, and distribution, meaning some U.S. oil shipped there moves onward to other European markets. Mexico's trade relationship differs, with the country importing substantial volumes of refined petroleum products from U.S. Gulf Coast refineries while exporting heavier crude oil north.

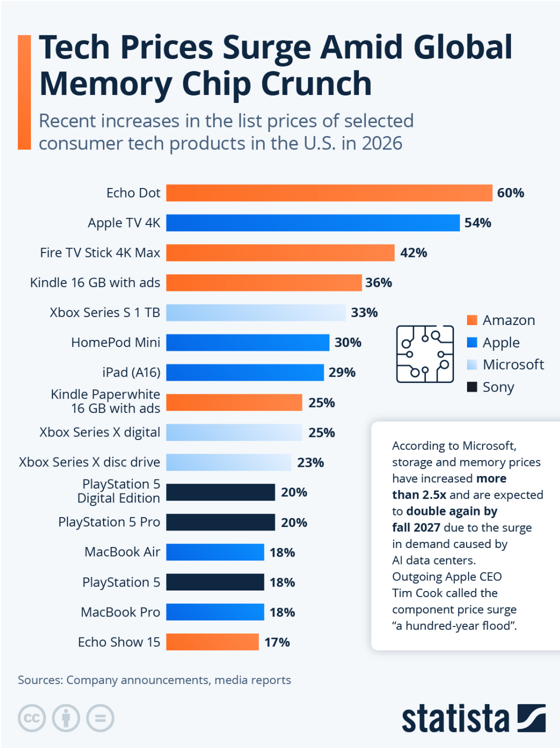
AUTOMOTIVE: PORSCHE, TOYOTA MODELS LEAD FIVE-YEAR VALUE RETENTION



Five-year vehicle depreciation varies widely by model, with the Porsche 718 Cayman losing just 9.6% of its value compared with 63.1% for the Nissan LEAF, according to an iSeeCars analysis of more than 950,000 five-year-old used vehicles. The Porsche 911 and Chevrolet Corvette followed the Cayman among the lowest-depreciating models, while Toyota placed seven models in the top 15, including the Tacoma, Tundra, RAV4 Hybrid, and Corolla. EVs were concentrated at the opposite end of the ranking, with six models among the 15 fastest-depreciating vehicles, including the Volkswagen ID.4, Tesla Model S, Tesla Model X, Ford Mustang Mach-E, and Tesla Model Y. Luxury vehicles also posted steep declines, with the Land Rover Range Rover losing 61.7% of its value and nearly $70,000 from its original MSRP over five years.

TECHNOLOGY: CONSUMER TECH PRICES SURGE AMID MEMORY CHIP CRUNCH

U.S. list prices for several major consumer technology products have climbed sharply in 2026 as AI data center demand pushes memory and storage costs higher. Amazon's Echo Dot posted the largest increase among the products tracked at 60%, followed by the Apple TV 4K at 54%, the Fire TV Stick 4K Max at 42%, and the 16 GB Kindle with ads at 36%. Microsoft and Sony have also raised console prices, with selected Xbox models up 23% to 33% and PlayStation 5 models up 18% to 20%. Microsoft said console storage and memory prices have risen more than 2.5 times and could double again by fall 2027, while Apple has increased prices across products including MacBooks, iPads, HomePod, and Apple TV. Rising component costs tied to the AI infrastructure buildout are adding pressure across the consumer electronics market as manufacturers pass more of those expenses on to buyers.

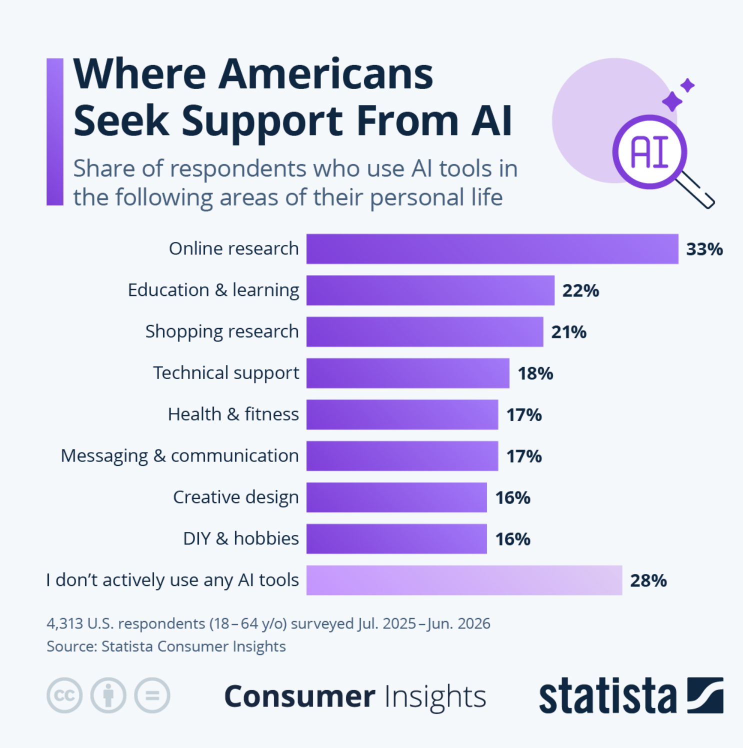


ECONOMY: NURSE PRACTITIONERS LEAD JOB GROWTH IN 42 STATES

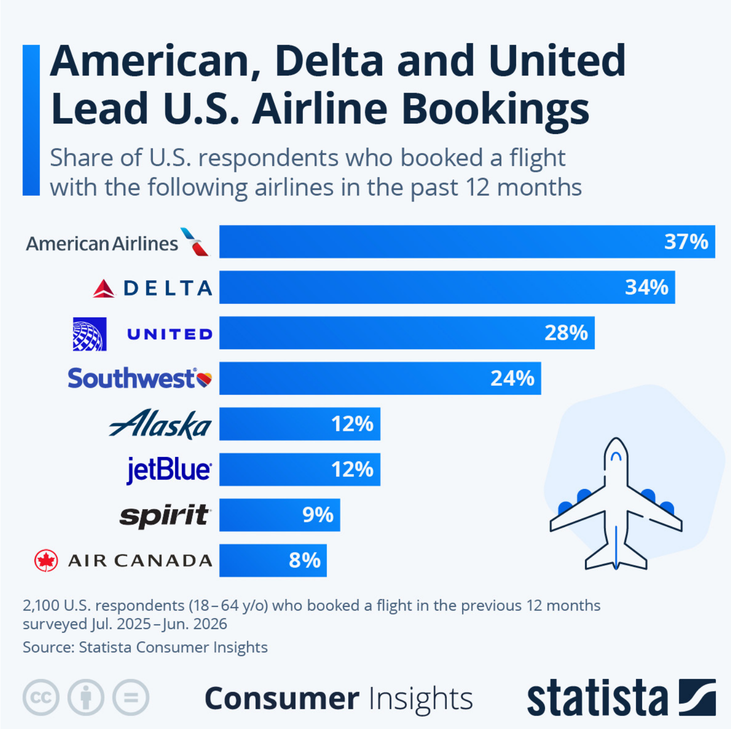
Nurse practitioners are projected to be the fastest-growing occupation in 42 states between 2024 and 2034, based on the latest state projections compiled by Projections Central. Growth among those states ranges from 30% in Nebraska to 65% in Utah, reflecting rising healthcare demand as the U.S. population ages and many areas face shortages of primary-care physicians. Florida stands out from the broader trend, with solar PV installer employment projected to jump 91%, the highest growth rate shown, as solar expands its share of the state's electricity generation. Connecticut is also an outlier, with marine engineer employment forecast to rise 48% amid major Navy investment in the state's nuclear submarine industry, while Kentucky's fastest-growing occupation is couriers at 19%.

TECHNOLOGY: ONLINE RESEARCH LEADS U.S. CONSUMER USE OF AI TOOLS

Online research is the most common personal use of AI among Americans, with 33% of respondents saying they use AI tools for that purpose. Education and learning ranked second at 22%, followed by shopping research at 21% and technical support at 18%. Health and fitness and messaging and communication each registered 17%, while creative design and DIY and hobbies each came in at 16%. Meanwhile, 28% of respondents said they do not actively use any AI tools, indicating AI has already reached a substantial share of U.S. consumers less than four years after ChatGPT's release.



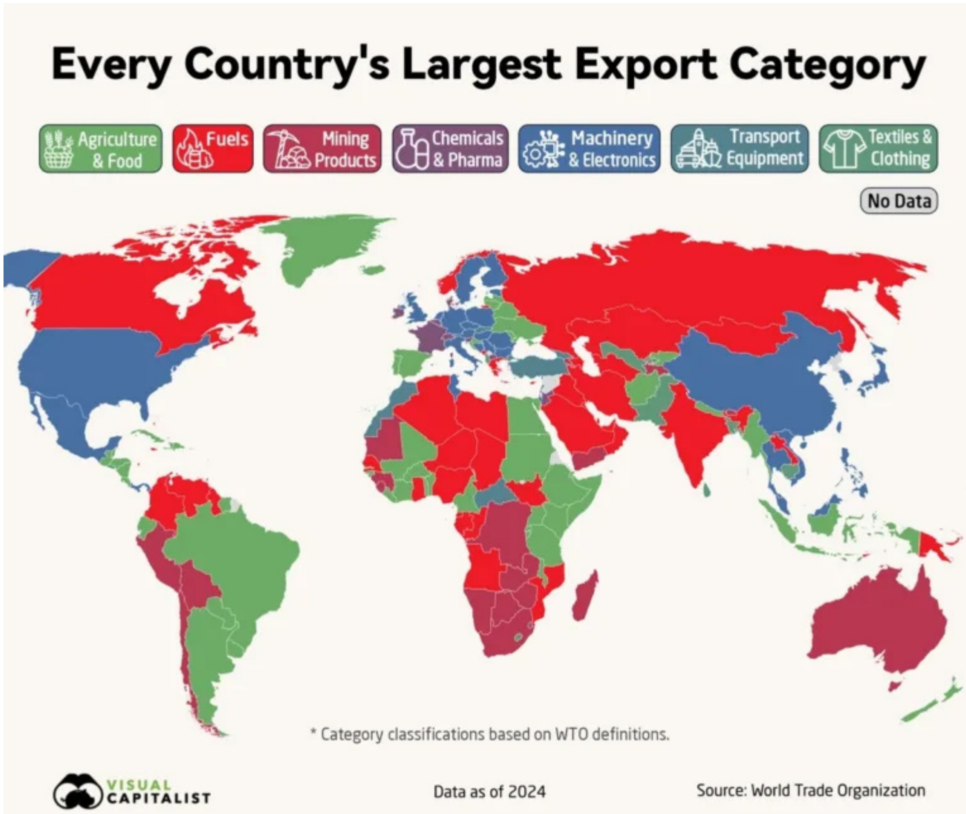
AEROSPACE: AMERICAN, DELTA, UNITED LEAD U.S. AIRLINE BOOKINGS



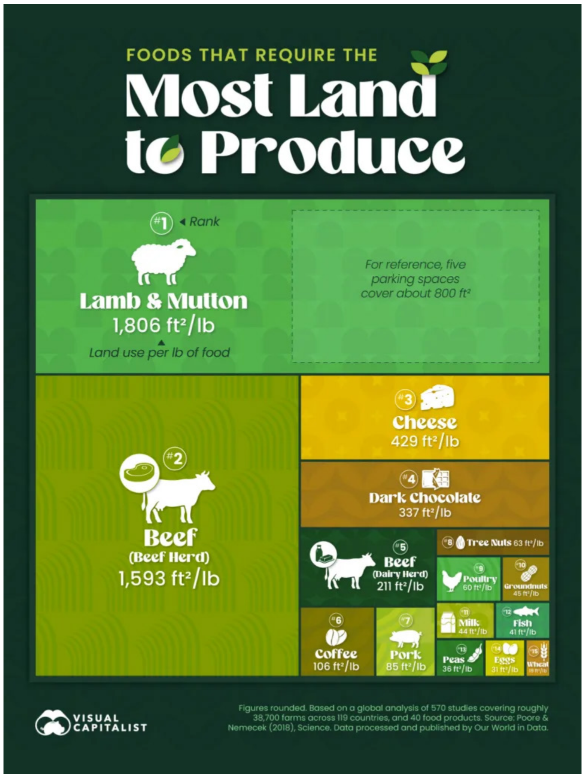
American Airlines was the most commonly booked carrier among U.S. air travelers surveyed by Statista Consumer Insights, with 37% saying they had booked a flight with the airline in the previous 12 months. Delta followed at 34% and United at 28%, while Southwest ranked fourth at 24%. Alaska Airlines and JetBlue each registered 12%, followed by Spirit at 9% and Air Canada at 8%. The results show the three major U.S. legacy carriers continuing to dominate bookings, though Southwest remains a significant nationwide competitor.

ECONOMY: AGRICULTURE LEADS EXPORTS ACROSS NEARLY A THIRD OF COUNTRIES

Agriculture and food was the largest merchandise export category for nearly a third of countries worldwide in 2024, according to World Trade Organization data. Agricultural exports led in countries including Argentina, Brazil, Egypt, Spain, and Ukraine, while fuels dominated in major energy producers such as Canada, Russia, Saudi Arabia, and Nigeria. Machinery and electronics, meanwhile, ranked as the top export category for the world's four largest economies: the U.S., China, Germany, and Japan. Mining products were most important in resource-rich countries including Australia, Chile, Peru, and the Democratic Republic of Congo, illustrating how natural resources, industrial capacity, and technology shape national trade profiles.



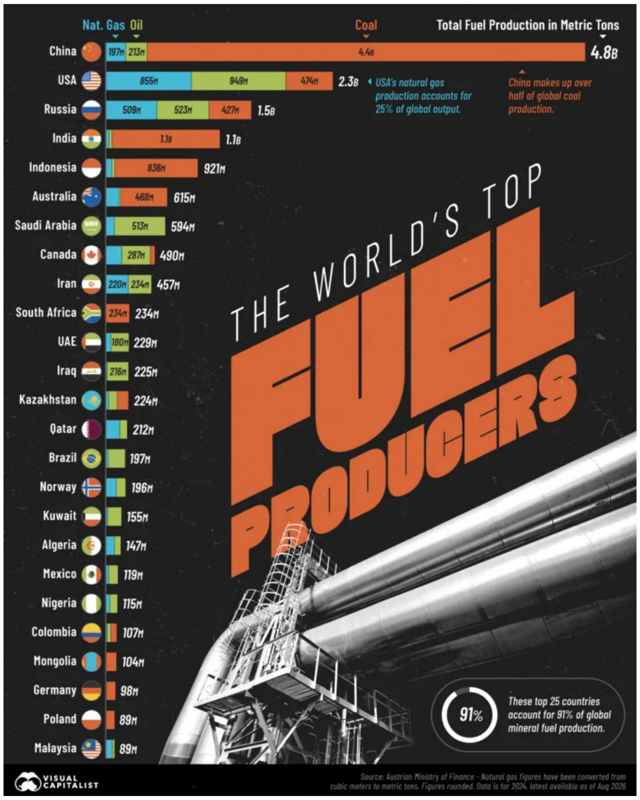
COMMODITIES: LAMB, BEEF REQUIRE THE MOST LAND TO PRODUCE



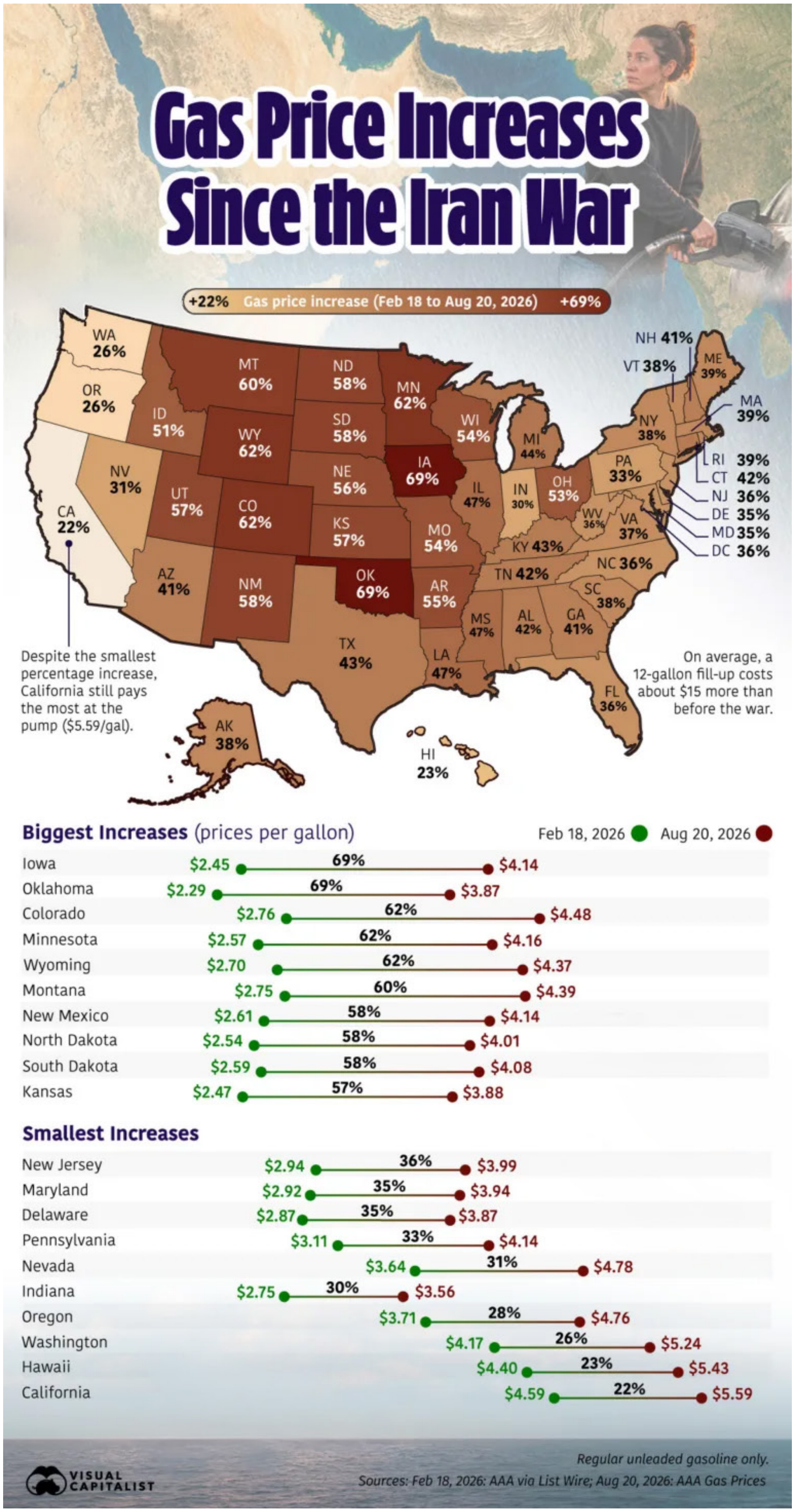
Lamb and mutton require about 1,806 square feet of land per pound produced, the highest of the 15 foods ranked, according to data from Poore & Nemecek processed by Our World in Data. Beef from dedicated beef herds follows at 1,593 square feet per pound, while cheese ranks third at 429 and dark chocolate fourth at 337. Beef sourced from dairy herds requires 211 square feet per pound, well below beef from dedicated herds but still substantially more than pork, poultry, milk, or eggs. At the opposite end of the ranking, wheat and rye require just 19 square feet per pound, meaning lamb and mutton use roughly 96 times as much land per pound as the lowest-ranked foods.

ENERGY: CHINA, U.S. LEAD GLOBAL FUEL PRODUCTION BY WEIGHT

China ranked as the world's largest fuel producer by weight in 2024 at 4.8 billion metric tons, more than double the U.S. total of 2.3 billion, according to Austrian Ministry of Finance data. China's lead was driven overwhelmingly by 4.4 billion metric tons of coal production, while the U.S. had a more balanced mix and ranked as the world's largest producer of both oil and natural gas. Russia placed third at 1.5 billion metric tons, followed by India at 1.1 billion and Indonesia at 921 million. Together, the top five countries accounted for about 63% of global fuel production by weight, while the top 25 represented 91%. Because the comparison measures physical mass rather than energy content, coal-heavy countries rank more prominently than they would in a comparison based on total energy production.



ENERGY: U.S. GAS PRICES RISE SHARPLY FOLLOWING IRAN WAR



U.S. gas prices have risen about 44% from their pre-war baseline, adding an average of $1.25 per gallon between Feb. 18 and Aug. 20, according to AAA data. Iowa posted the largest increase at 69.1%, climbing from $2.45 to $4.14 per gallon, followed closely by Oklahoma at 68.8%. Colorado, Minnesota, and Wyoming each recorded increases above 60%, with many of the steepest gains concentrated across the Midwest and Mountain West. States with smaller percentage increases generally started with higher prices: California rose just 21.8% yet still had the nation's highest price at $5.59 per gallon, followed by Hawaii at $5.43 and Washington at $5.24. The increases followed a major oil supply disruption tied to the Iran War and closure of the Strait of Hormuz.

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