

EXECUTIVE SUMMARY

ECONOMY: MANUFACTURING AND JOB GROWTH STRENGTHENED AS INFLATION ACCELERATED AND HOUSING ACTIVITY WEAKENED, with the **ISM Manufacturing PMI rising to 55.5% in October,** marking a 10th consecutive month of expansion. New orders increased to 55.5% and production reached 59.0%, although the Prices Index remained elevated at 75.2%. **Core capital goods orders rose 0.6% in September, with shipments increasing 1.2%,** supported by strong business equipment investment. **Retail sales climbed 0.8%, but core sales edged up just 0.1%,** reflecting the impact of higher gasoline prices. **Construction spending fell 1.9%,** and **new home sales declined 0.6% to a 676,000 annualized pace** amid elevated mortgage rates. Labor conditions improved in October as **nonfarm payrolls increased by 165,000 and unemployment fell to 4.1%.** Inflation accelerated in September, with **CPI rising 0.6% for the month and 3.7% year-over-year,** and **PPI increasing 1.3% for the month and 6.3% year-over-year.** Consumer confidence improved in October despite persistent price concerns, and the **Leading Economic Index held steady at 99.6 in September.**

STEEL: MAJOR U.S. CAPACITY INVESTMENTS AND INTERNATIONAL TRADE RESTRICTIONS SHAPED THE STEEL OUTLOOK, with U.S. Steel breaking ground on a $1.9B direct-reduced iron facility in Arkansas and approving nearly $3B for a Pennsylvania hot strip mill. Pacific Steel Group advanced its $540M California micro mill, while Canada and Ontario committed C$7.72B to steel and automotive manufacturing. In Europe, ArcelorMittal reported stronger shipments as EU import restrictions reduced non-EU steel imports by an estimated 50% year-over-year in Q3.

AUTOMOTIVE: MANUFACTURERS ADJUSTED PRODUCTION STRATEGIES AMID CHANGING VEHICLE DEMAND AND TRADE PRESSURES, with Audi announcing plans for a $4B Georgia plant and Hyundai Motor Group outlining $15.5B in Indian investment through 2032. General Motors reportedly plans hybrid production for three SUVs in Michigan, and Tesla intends to wind down Cybertruck manufacturing by mid-2027. European automakers faced growing competition from Chinese imports, prompting EU-China trade negotiations, as major manufacturers urged Congress to permanently restrict Chinese vehicles in the U.S.

MEDICAL: PHARMACEUTICAL MANUFACTURING INVESTMENTS AND MAJOR DRUG AGREEMENTS LED HEALTHCARE DEVELOPMENTS, with Merck planning a $2.9B Pennsylvania expansion and GSK committing more than $800M to a nearby biopharmaceutical facility. Lonza agreed to acquire five U.S. manufacturing sites from Merck KGaA, and China's Sino Biopharmaceutical signed an oncology licensing agreement with potential milestone payments of $7B. Japan's Omron Healthcare opened its first Indian manufacturing plant, while India proposed stricter pharmaceutical quality regulations following manufacturing violations.

AEROSPACE: DEFENSE CONTRACTS AND COMMERCIAL AIRCRAFT ORDERS SUPPORTED STRONG INDUSTRY DEMAND, as Lockheed Martin reached a preliminary agreement covering at least 850 F-35 fighter jets over 10 years, potentially worth more than $78B. RTX reported a record $340B order backlog, and Boeing received FAA certification for its 737 MAX 10. Aircraft lessor Avolon ordered 250 Boeing and Airbus jets, with options for 100 additional aircraft, while GE Aerospace signed more than $12.9B in agreements at China's international import expo.

ENERGY: EXPANDING ELECTRICITY DEMAND AND GLOBAL FUEL SUPPLY DISRUPTIONS DROVE INFRASTRUCTURE INVESTMENT, with the U.S. finalizing $5.1B in financing for Alliant Energy projects in Wisconsin and Iowa. Germany awarded approximately €12B ($13.4B) in contracts for gas-fired power capacity, while QatarEnergy secured long-term U.S. LNG agreements after attacks damaged 17% of its export capacity. Global renewable capacity additions are expected to decline for the first time in five years amid grid limitations, and India approved a $1.5B energy storage initiative.

COMMODITIES: COPPER EXPANSION AND CRITICAL-MINERAL SUPPLY SECURITY DOMINATED INDUSTRIAL MATERIALS DEVELOPMENTS, with Freeport-McMoRan approving a $4.5B Arizona copper and molybdenum expansion and Grupo Mexico outlining $4B–$6B in potential U.S. mining investments. Phoenix Tailings announced a $375M rare-earth processing facility in New York. Chinese aluminum producers pursued at least 15 million metric tons of additional annual smelting capacity overseas, while India approved $297M in lithium and nickel processing incentives.

OVERSEAS: INDUSTRIAL INVESTMENT AND SUPPLY CHAIN DIVERSIFICATION REMAINED MAJOR PRIORITIES ACROSS GLOBAL MARKETS, with China securing $45B in clean-industry investment and accounting for 49% of operating or under-construction low-carbon industrial facilities worldwide. The EU advanced plans to invest in Australian critical minerals as China proposed export restrictions on 12 solar-manufacturing technologies. India expanded energy storage and mineral-processing initiatives, while European steel producers benefited from tighter import restrictions despite persistent energy costs. International renewable energy expansion also faced mounting pressure from inadequate electricity transmission infrastructure.

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Cleveland-Cliffs and the United Steelworkers (USW) have reached a tentative four-year labor agreement, covering around 12,000 steelmaking and mining employees in Indiana, Ohio, Pennsylvania, Minnesota, and Michigan. The contract includes wage, safety, and job-security improvements, continued affordable health insurance, and investments in union-represented facilities. USW members must still ratify the agreement; no vote date has been set.

Algoma Steel has secured its largest polar-class steel order, a contract valued around C$182M to supply up to 24,000 metric tons of structural plate for as many as six Seaspan Shipyards Canadian Coast Guard icebreakers. Each vessel requires about 4,000 metric tons. Algoma will produce the plate at its modernized Sault Ste. Marie, Ontario, mill, with Stigterstaal Canada handling marine steel processing and distribution. The order comes as Algoma faces U.S. tariff pressures and transitions to electric arc furnace production.

Michigan-based Maynards Group of Companies has acquired the operations of Netherlands-based Hilco Industrial Acquisitions (HIA), expanding its heavy-industrial asset acquisition, valuation, project management, and monetization services. The transaction adds 17 industrial asset specialists based in Amsterdam and Seoul, extending Maynards' steel industry expertise outside North America and bringing its operations to 13 countries. Financial terms were not disclosed.

Audi plans to invest $4B in its first U.S. production plant in Georgia, creating approximately 4,500 jobs and capacity for 200,000 premium SUVs annually. Construction is scheduled for 2027, with production beginning in the early 2030s. A proposed second phase could raise total investment to $7B and employment to 7,500, as Audi seeks relief from U.S. vehicle import tariffs.

U.S. Steel has broken ground on a $1.9B direct-reduced iron (DRI) facility, located beside its Big River 2 plant in Osceola, Arkansas, with annual capacity of 2.5 million metric tons. Minnesota-sourced iron ore will feed the plant, which will supply hot DRI to Big River 2's electric arc furnaces. The project is expected to support nearly 200 full-time employees, 35 contractor positions, and up to 2,000 construction jobs as part of Nippon Steel's $11B U.S. investment plan through 2028.

Pacific Steel Group expects to commission its Mojave Micro Mill in Q1 2027, marking California's first new steel mill in more than 50 years. Located in Kern County, the plant will melt locally sourced scrap in an electric arc furnace powered partly by solar energy and battery storage, with annual production projected at 380,000 short tons of seismic-grade rebar. The project is expected to create roughly 700 jobs, backed by more than $540M in company investment, state tax incentives, and energy storage funding.

U.S. Steel has approved nearly $3B for a new hot strip mill at its Mon Valley Works in Pennsylvania, replacing aging equipment at the Edgar Thomson Plant. Part of Nippon Steel's $14B investment plan, the project is expected to raise annual capacity from approximately 2.2 million to 3.5 million short tons and expand steel grades for automotive, appliance, and line pipe applications. Construction will follow regulatory approvals, with production targeted for late 2029. The United Steelworkers welcomed the investment but sought a clearer construction timeline amid ongoing labor negotiations.

Canada and Ontario have committed C$7.72B to steel and automotive manufacturing, including C$5.22B over five years for a Joint Steel Action Fund and up to C$2.5B over two years for automotive capital projects. The steel fund will support modernization, production diversification, and new markets for companies affected by U.S. tariffs, while automotive funding will upgrade equipment and production lines for connected and electric vehicles. The governments also plan joint industry task forces and procurement policies prioritizing Canadian steel in public projects.

The U.S. Department of Commerce has lowered anti-dumping margins on certain corrosion-resistant steel imports from Mexico, following a Court of International Trade ruling over unsupported freight and insurance adjustments. Galvasid's rate fell from 24.05% to 14.54%, and the all-others rate dropped from 17.42% to 14.29%. Ternium's rate remains unchanged at 14.17%.

Behlen Manufacturing Co. plans to close its Florida metal buildings plant, affecting 55 employees at the Sarasota facility by December 18, 2026. Citing rising production, material, and freight costs in the Southeast, Behlen will transfer pre-engineered metal building production to its steel fabrication operations at company headquarters in Columbus, Nebraska. The consolidation is intended to reduce costs and improve long-term competitiveness.

Nucor plans a $60M expansion of its Alabama Towers & Structures facility, adding capacity for steel poles and other utility structures, laydown space, and a dedicated galvanizing inspection area. The Trinity plant opened in September 2025 beside Nucor's Decatur flat-rolled steel mill. The expansion will create 60 jobs averaging more than $87,000 annually as utilities invest in power grid modernization.

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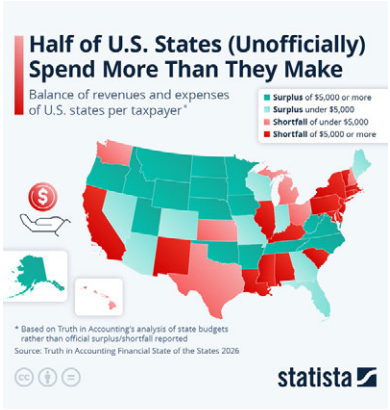
Hertha Metals has broken ground on its $100M Chalyx high-purity iron plant, its first commercial-scale facility, in Conroe, Texas. Scheduled to begin operations in late 2027 and magnet-grade production in early 2028, the plant will produce roughly 10,000 metric tons annually of steel-grade and magnet-grade iron from domestic ore and Texas natural gas. Hertha will use the project to demonstrate its process ahead of a planned 500,000-metric-ton-per-year steel mill. The groundbreaking follows a $133.65M Series A funding round.

The U.S. and Canada are negotiating possible relief from Section 232 tariffs on Canadian steel and automobiles, currently reaching 50% on steel and 25% on vehicles. The talks follow the breakdown of negotiations in August, with U.S. officials reportedly seeking further concessions and Canadian officials citing progress. President Trump has announced plans to raise tariffs on both products to 50% on January 1, 2027, leaving cross-border steel and automotive supply chains facing uncertainty.

General Motors reportedly plans to add hybrid powertrains to three popular SUVs, the Chevrolet Traverse, Buick Enclave, and GMC Acadia, at its Lansing Delta Township plant in Michigan as the company shifts strategy after years of EV investment. Dealers have pressed for hybrid options amid growing demand for fuel-efficient vehicles; GM's U.S. market share fell from 17.4% to 16.6% in the first nine months of 2026 as Toyota and Honda gained ground. A previously awarded $500M federal grant for EV production will instead support the Lansing facility's transition to hybrid manufacturing.

General Motors has terminated a long-term rare-earth magnet supply agreement with Germany's Vacuumschmelze (VAC), prompting an arbitration dispute. VAC's $500M South Carolina facility opened in late 2025 with capacity for nearly 2,000 metric tons of permanent magnets annually, approximately 90% originally designated for GM's EVs. The cancellation follows GM's EV investment pullback after federal incentives ended and affects efforts to establish domestic magnet supplies in a market where China accounts for almost 90% of production.

Approximately half of U.S. states face financial shortfalls, according to Truth in Accounting's Financial State of the States 2026 report, although only four states officially reported deficits for fiscal year 2025. Unfunded pension and retiree healthcare obligations contribute to the discrepancies. New Jersey recorded the largest estimated shortfall at nearly $46,000 per taxpayer, while North Dakota led with a surplus of $72,300 per taxpayer.



Mexico has eliminated its 10% tariff on certain imported automotive assembly parts for five years, including SKD and CKD kits. The exemption applies to 11 automakers with existing Mexican production facilities, excluding Chinese manufacturers without local plants. Chinese-brand vehicle sales nevertheless rose nearly 30% in the first half of 2026.

Toyota is recalling more than 334,000 U.S. vehicles over separate seatback and fuel-leak defects, according to the National Highway Traffic Safety Administration (NHTSA). The first recall covers 228,367 Sienna Hybrid minivans from model years 2022–2026 whose second-row seatbacks could disengage in a crash, increasing injury risk; the second affects 105,794 Land Cruiser Hybrid vehicles from 2024–2027 with fuel tube connections that could leak and cause fires. Dealers will provide necessary software updates, component replacements, or repairs free of charge.

Hyundai Motor America is recalling 94,622 U.S. vehicles over a potential seat-motor fire hazard, affecting 2015–2016 Hyundai Genesis and 2017–2020 Genesis G80 models. Faulty switches could overheat front power-seat motors; Hyundai estimates the defect affects around 1% of recalled vehicles. As of October 1, 2026, the company had reported two possible fires but no related crashes or injuries. Owners have been told to park outdoors and away from structures while a repair is developed.

General Motors is recalling 67,380 U.S. electric vehicles over a software defect that could temporarily disable braking, affecting certain all-wheel-drive Chevrolet Blazer EVs and Cadillac Lyriq, Vistiq, and Celestiq models. The brake system control module issue has been linked to 20 low-speed incidents, including two minor injuries, and GM will offer free over-the-air updates or dealership repairs. The automaker separately recalled 12,000 Chevrolet Express and GMC Savana vehicles over a potentially loose steering gear assembly nut.

Tesla plans to wind down Cybertruck production at its Texas Gigafactory by mid-2027, shifting manufacturing capacity toward its Cybercab autonomous vehicle as it expands into robotics and self-driving technology. U.S. sales of the stainless steel pickup fell 48% year-over-year to 20,237 in 2025, far below Tesla's original projection of 250,000 vehicles annually. The Cybertruck has faced 11 recalls since its

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2023 launch, and its unconventional design has limited entry into European markets under pedestrian safety regulations.

Major automakers are urging Congress to permanently ban Chinese vehicles from the U.S. market, citing national security and manufacturing concerns. The proposed bipartisan legislation has advanced through a Senate committee but remains pending. Chinese vehicle exports to the EU exceeded 1.1 million units in the first eight months of 2026, and existing U.S. restrictions include data-security rules and EV tariffs exceeding 100%.

The Federal Aviation Administration (FAA) has certified Boeing's 737 MAX 10, clearing the way for deliveries of the largest variant in the company's 737 lineup after years of delays. Airlines have ordered more than 1,550 MAX 10 aircraft, representing around 31% of Boeing's outstanding 737 backlog, with initial deliveries to Canada's WestJet expected in early 2027. Boeing recently opened a new production line in Everett, Washington, to increase 737 output, while certification from Canadian and European regulators remains pending.

Canada's Bombardier and Britain's BAE Systems have signed an agreement to explore cooperation on future combat aircraft programs, including research, systems integration, and supply chain development. The agreement follows Canada's entry as an observer in the Global Combat Air Programme (GCAP), a British, Italian, and Japanese initiative to develop a next-generation stealth fighter by 2035. Bombardier aims to expand its defense aerospace business as military spending increases in Canada and Europe.

Lockheed Martin has reached a 10-year framework agreement with the Pentagon for at least 850 F-35 fighter jets, potentially worth more than $78B, pending congressional approval. The company plans to maintain annual production of 156 aircraft and invest at least $7B in manufacturing capacity, tooling, supply chains, and repair facilities. Lockheed's order backlog reached a record $292B, supported by strong demand for military aircraft and missile defense systems.

Northrop Grumman and RTX have raised their 2026 profit forecasts amid strong aerospace and defense demand, reporting record backlogs of $109.6B and $340B, respectively. RTX's backlog increased 36% year-over-year, supported by military aircraft and defense systems demand. GE Aerospace also raised its outlook as commercial engine and services revenue grew more than 20% to $10.34B.

U.S. stocks accounted for a growing share of foreign investment portfolios across eight major economies between 2022 and 2026, according to the International Monetary Fund (IMF). Mexico recorded the largest increase, rising from 37.6% to 92.5%, followed by South Korea at 64.9% and the United Kingdom at 48.7% in June 2026. The IMF attributed the trend largely to AI-driven investment in U.S. technology companies, warning that concentrated exposure could increase global financial risks.



Pennsylvania has secured more than $4B in investment commitments, including major pharmaceutical manufacturing expansions by Merck and GSK. Merck plans to invest $2.9B in its Montgomery County operations by 2030, including $550M for a robotics- and AI-enabled drug research and manufacturing facility. GSK will invest more than $800M to expand its Upper Merion site into a biopharmaceutical manufacturing and research hub, creating more than 300 jobs over five years.

Swiss pharmaceutical manufacturer Lonza has agreed to acquire five U.S. manufacturing sites from Germany's Merck KGaA, expanding its American network from four to nine facilities. The acquisition includes operations in Wisconsin, Missouri, Indiana, and California, adding 1,100 employees and manufacturing capabilities for advanced cancer and gene therapies. The deal is expected to close in mid-2027, with the acquired facilities projected to generate 250M Swiss francs in annual sales by 2028.

The U.S. FDA has flagged a potentially high-risk issue involving Edwards Lifesciences' heart valve delivery systems, following three reports of balloon ruptures, including one death and one serious injury. The company has instructed customers to stop using and return affected Commander M delivery systems used with its SAPIEN M3 mitral valve replacement system. Balloon ruptures could obstruct blood vessels or prevent device retrieval, potentially requiring emergency surgery.

Gilead Sciences has agreed to acquire PepStar Therapeutics' experimental inflammation drug program for $1.275B, expanding its pipeline of treatments for inflammatory bowel disease. The acquisition includes HCXT-

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2001, an early-stage oral drug designed to block an immune pathway associated with inflammation. The deal, expected to close in Q4 2026, will give Gilead worldwide rights to the program as it expands beyond its core HIV business.

The U.S. Department of Energy has finalized a $5.1B loan package for Alliant Energy, supporting new natural gas power plants, battery storage, and upgrades to existing facilities in Wisconsin and Iowa. The projects will add or upgrade more than 2.6 GW of generation capacity, enough to power nearly 1.8 million homes. Alliant estimates the 30-year financing could save customers up to $1.2B in electricity costs over the life of the loans.

U.S. regulators approved PJM Interconnection's data center tracking plan, but rejected proposed emergency power curtailments. Data center demand is projected to triple to 29 GW by 2030 across PJM's 13-state grid, which faces a 6.8 GW capacity shortfall. Power capacity costs have risen more than 1,000% since 2024.

U.S. LNG exports reached their second-highest monthly level on record in October, driven by strong European demand ahead of winter. Shipments to Europe rose from 5.91 million to 6.89 million metric tons, with natural gas prices averaging $28 per million British thermal units. Texas' Golden Pass LNG facility doubled its exports to four cargoes.

U.S. regulators have proposed updated safety rules to accelerate liquefied natural gas (LNG) projects, incorporating modern technologies and revised standards for facility construction and operations. Officials estimate the changes could save operators $100M annually as U.S. LNG production capacity is expected to expand by another 100 million metric tons by 2030. Projects would still require federal permitting and environmental approvals before proceeding.

Canada's Enbridge has expressed interest in developing a CO_2 pipeline for Alberta's proposed Pathways carbon capture project, which would transport 6 million metric tons of captured emissions annually from oil sands facilities to underground storage. The project includes a 650-km pipeline network backed by five major oil sands producers, with a final investment decision targeted for late 2027. Government negotiations over carbon pricing, financing, and permitting remain ongoing.

Surging electricity demand from AI data centers has created a global shortage of gas turbines, prompting developers to purchase used equipment, refurbish older units, and repurpose retired jet engines. Worldwide turbine orders exceed 100 GW, compared with annual manufacturing capacity of 60–70 GW, while U.S. delivery times average six years. Manufacturers including Siemens Energy, GE Vernova, and Mitsubishi Heavy Industries report demand exceeding production capacity, driving up equipment prices and delaying power projects.

Freeport-McMoRan has approved a $4.5B expansion of its Bagdad mine in Arizona, aiming to more than double copper and molybdenum mining and processing rates. The project is expected to increase annual production to more than 400 million pounds of copper and 20 million pounds of molybdenum, making Bagdad the second-largest U.S. copper mine. Construction is expected to take nearly 3.5 years, with initial production targeted for mid-2030.

Grupo Mexico plans to invest $4B–$6B in its U.S. mining subsidiary Asarco over the next three years, targeting expansions at Arizona's Ray and Silver Bell copper mines and a potential restart of the Hayden smelter and refinery. The Hayden facility could process 1.4 million metric tons of copper concentrate annually, restoring significant domestic copper-processing capacity. Feasibility studies remain underway as the company advances its U.S. expansion plans.

Phoenix Tailings plans to construct a $375M rare-earth processing facility in Rochester, New York, supporting U.S. efforts to reduce reliance on Chinese mineral supplies. The 500,000-square-foot plant is expected to process approximately 18,000 tons of rare-earth materials annually, with initial operations beginning in 2027 and full production targeted for 2028. The project will support domestic supply chains for industries including automotive, aerospace, and defense.

U.S. officials have urged China to fulfill its rare-earth and agricultural trade commitments, citing continued difficulties securing critical minerals for American manufacturers. The October 2025 agreement includes commitments to purchase U.S. soybeans and other agricultural products, while China maintains that increased purchases depend on reciprocal tariff reductions. Both countries agreed to continue negotiations ahead of planned meetings between Presidents Trump and Xi in November.

EUROPE, AFRICA, & THE MIDDLE EAST:

China and the EU have reached a preliminary agreement that could more than halve Chinese hybrid vehicle exports to Europe over four years, following an 86% year-over-year increase in EU plug-in hybrid imports. European automakers face growing competitive and regulatory pressures, with Renault warning of potential production cuts of 300,000

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vehicles and BMW reporting a 6.4% decline in Q3 deliveries. The agreement also covers €4B in European exports and streamlined Chinese licensing for rare earths and permanent magnets.

Stellantis has reported Fiat production disruptions in Italy due to an engine-control-unit component shortage, affecting Pandina output at Pomigliano and October sales. Additional shutdowns could occur through December at Pomigliano, Mirafiori, and the Termoli engine plant. Stellantis is seeking alternative suppliers to restore production.

Britain is reportedly considering reducing its 2030 EV sales requirement from 80% to around 60%, amid supply chain disruptions and weak demand. Battery-electric vehicles accounted for 26.6% of U.K. new car sales through October 2026, below this year's 33% requirement, while the mandate still calls for 100% zero-emission sales by 2035. No decision has been made, and the government remains committed to ending sales of new gasoline- and diesel-only vehicles by 2030.

The British government and Rolls-Royce have proposed a £2.5B ($3.35B) engine development initiative, aimed at returning the manufacturer to the narrowbody aircraft market after its 2012 exit. The 10-year project is expected to support 3,300 U.K. jobs by 2029, with negotiations over the funding split still ongoing.

France and the United Arab Emirates have revived plans to jointly develop an upgraded Rafale F5 fighter jet, with France allocating €3B ($3.36B) in its proposed 2027 budget. Development costs are estimated at €5B, with the UAE potentially funding two-thirds. Negotiations will address financing, technology transfers, and potential UAE production, with the upgrade intended to extend the aircraft's service life into the 2040s.

Dublin-based aircraft lessor Avolon has agreed to purchase 250 jets from Boeing and Airbus, with options for another 100 Airbus aircraft. The order includes 140 Boeing 737 MAX jets, 75 Airbus A320neos, and 35 A330neos, bringing Avolon's total aircraft on order to 749. The company's largest orders to date with either manufacturer reflect strong demand for newer, fuel-efficient aircraft. Bohai Leasing shareholders approved both aircraft purchases on October 27, 2026.

British pharmaceutical company AstraZeneca has reportedly made a nonbinding offer of $10B to acquire U.S.-based Rhythm Pharmaceuticals, expanding its presence in obesity treatments and rare metabolic disorders. The proposal values Rhythm at up to $134 per share, including milestone-based payments, and would be pursued through AstraZeneca's rare-disease subsidiary Alexion. Rhythm's obesity treatment Imcivree received expanded FDA approval in March 2026, strengthening its position in the growing weight-loss drug market.

U.S. pharmaceutical company AbbVie has expanded its research and development facility in Oxford, England, as part of an investment exceeding £120M ($161M). The new 12,000-square-foot facility will support drug research in immunology, neuroscience, and oncology, drawing on capabilities acquired through its 2022 purchase of DJS Antibodies. AbbVie is also expanding research collaborations with the University of Oxford and other U.K. academic institutions.

Dutch medical technology company Philips has reached a preliminary agreement with the U.S. Department of Justice, addressing investigations related to its 2021 recall of millions of sleep and respiratory-care devices over potentially hazardous foam. Philips recorded a €288M ($322M) provision for the proposed settlement, with payment expected in Q1 2027, pending final documentation. Separate investigations involving U.S. state attorneys general remain ongoing.

The Democratic Republic of Congo's worst recorded Ebola outbreak has surpassed 10,000 cases, with more than 4,000 deaths and widespread disruptions to maternal healthcare and childhood vaccinations. Maternal deaths in Ituri province rose nearly 70% year-over-year between May and July, while hospital deliveries declined more than 30% and routine vaccinations fell by over half in affected areas. The U.S. government has awarded biomedical research organization IAVI $36M under a contract worth up to $99M to advance development and manufacturing of a single-dose vaccine against the Bundibugyo strain responsible for the outbreak. No approved vaccine or specific treatment currently exists for this strain.

Swiss pharmaceutical company Roche has signed a licensing agreement worth up to $1.16B with China's Rona Therapeutics, expanding its portfolio of experimental obesity treatments. Rona will receive $100M upfront and could earn an additional $1.06B in milestone payments, plus royalties on future sales. The agreement covers an investigational RNA interference (RNAi) treatment targeting ALK7, a receptor associated with obesity and metabolic diseases.

Germany has awarded approximately €12B ($13.4B) in contracts for new and converted natural gas power plants, with LEAG and RWE securing most of the initial 5.16 GW capacity tender. The plants are expected to be available by 2031 to support electricity reliability as Germany phases out coal and expands renewable energy. Additional tenders are planned as the country targets 11–12 GW of gas-fired

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capacity, with total costs potentially reaching €35.2B.
European electricity grid investment is expected to rise through 2030, with 15 of 18 surveyed countries forecasting higher spending than in 2025, according to EU energy regulator ACER. The Netherlands projects nearly fivefold growth in investment, while grid congestion, infrastructure delays, and rising equipment costs could increase consumer network charges. Industry estimates suggest grid costs could rise 50%–100% by 2050.

Gulf oil exports declined in October amid heightened shipping risks near the Strait of Hormuz, falling to 17.1 million barrels per day from 18.9 million in September, according to preliminary Vortexa data. Shipments remained around 25% below pre-war levels, with crude and condensate exports recovering faster than refined petroleum products. Tracking firms cautioned that figures could be revised upward as additional shipment data becomes available.

QatarEnergy has secured long-term agreements to purchase 7 million metric tons of U.S. LNG annually, aiming to offset potential supply disruptions through the Strait of Hormuz. The agreements with Woodside Energy and Cheniere Energy follow Iranian attacks that damaged two LNG production trains, reducing Qatar's export capacity by approximately 17%. Repairs are expected to take three years, with QatarEnergy planning additional international supply agreements to protect against future disruptions.

ArcelorMittal reported stronger European steel shipments as EU import restrictions took effect, estimating that imports from outside the EU fell 50% year-over-year in Q3 2026. The company has restarted all its European blast furnaces, while regional hot-rolled coil prices have risen 22% this year to €755 per metric ton. Despite reporting $2.02B in quarterly core earnings, ArcelorMittal recorded a $391M net loss after Russian strikes forced its Ukrainian plant to halt production.

German Chancellor Friedrich Merz has called for EU-level stockpiles of critical raw materials, aiming to reduce Europe's dependence on China for minerals used in automotive, aerospace, defense, and renewable energy manufacturing. Merz also urged greater supply diversification and recycling efforts. The proposal follows the European Commission's selection of 46 strategic raw-material projects for faster permitting and assistance securing financing.

ASIA/PACIFIC, JAPAN, AUSTRALIA, & INDIA:

Hyundai Motor Group plans to invest $15.5B in India through 2032, expanding Hyundai and Kia production in the world's third-largest automotive market. The investment includes approximately $700M for research and development, a vehicle testing track, and additional manufacturing capacity at operations in Chennai, Pune, and Anantapur, which can currently produce more than 1.4 million vehicles annually. The company expects new manufacturing and engineering jobs as India expands its global automotive production role.

Toyota has raised its annual operating profit forecast by 15% to $24.6B, after quarterly operating profit rose 34% on strong hybrid demand, a weaker yen, and reduced U.S. tariffs despite weaker Chinese sales and rising material costs. The automaker also plans to invest at least ¥22T in research and development and capital spending through fiscal 2030 and establish a robotics business for manufacturers and other industries. An $89B shareholder return plan will run through March 2031.

Indian automotive dealers have warned of weaker demand after the festive sales season, citing rising financing costs and high inventories despite strong manufacturer wholesale shipments. October passenger vehicle registrations fell 14% year-over-year, and two-wheeler sales declined 28% amid a delayed festive calendar; dealership inventories stood at 43–45 days versus a recommended 21. Around 31% of dealers reported financial pressure from higher borrowing costs and loan repayments, and industry representatives warned persistent stock levels could force additional discounts.

GE Aerospace has signed more than $12.9B in aviation sales and service agreements at the China International Import Expo in Shanghai, marking its largest deal total at the annual event. China Eastern Airlines will purchase 202 LEAP-1A engines for 101 Airbus A320neo-family aircraft, along with 14 additional spare engines and long-term service support. GE Aerospace also secured supply and repair agreements with MTU Maintenance Zhuhai, a joint venture between China Southern Air Holding and Germany's MTU Aero Engines.

India's largest airline, IndiGo, is reportedly in talks to purchase 100 regional jets from Brazil's Embraer, with options for roughly 50 additional aircraft. The potential order is valued at $5.1B, with deliveries expected no earlier than 2030, although negotiations remain preliminary. The deal could support IndiGo's regional expansion and Embraer's ambitions to establish aircraft assembly operations in India, which depend on securing orders for at least 200 jets.

Japan Airlines has ordered up to 26 Embraer E190-E2 regional jets, including 16 firm orders and 10 options,

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to replace aging E170 and E190 aircraft operated by its J-Air subsidiary. Deliveries are scheduled to begin in fiscal 2029. The agreement follows fellow Japanese carrier ANA's expansion of its E2 aircraft order to 23 jets earlier in 2026.

Western Sydney International Airport has opened to passengers following an A$5.6B ($3.94B) investment, marking Australia's first major new airport in more than 50 years. Located approximately 60 km west of central Sydney, the facility operates 24 hours a day and can serve up to 10 million passengers annually. Passenger services began October 25, following the launch of cargo operations in July.

Japan's Omron Healthcare has opened its first manufacturing facility in India, aiming to reduce reliance on production in Vietnam and expand its presence in the Indian medical-device market. The Chennai plant is targeting annual production of approximately 3 million blood pressure monitors by 2028, with potential capacity of 3.5 million units and future production of nebulizers. Omron also plans to supply European markets from the facility, which is expected to employ approximately 120 workers by November 2026.

India has proposed immediate manufacturing license suspensions for drugs failing government quality tests, including standards for impurities, sterility, active ingredient content, and dissolution. Manufacturers would need to complete root-cause investigations and corrective actions before regulators could restore their licenses. The proposal follows increased scrutiny of drug quality, including a recent order halting ophthalmic drug production at Sun Pharmaceutical's Assam facility.

China's Sino Biopharmaceutical has signed a cancer drug licensing agreement with Germany's Boehringer Ingelheim, covering six experimental oncology treatments and up to $7B in potential milestone payments. Sino will receive $358M in upfront and near-term payments and lead development through Phase I clinical trials. Boehringer will have options to acquire development, manufacturing, and commercialization rights to the treatments, which include antibody-drug conjugates and T-cell engagers.

China has proposed export controls on 12 solar-manufacturing technologies, citing national security concerns and potential applications in aerospace and defense. The measures would prohibit exports of certain thin-wafer, advanced solar cell, and polysilicon production technologies while restricting others, potentially affecting solar manufacturing expansion in the U.S. and India. Public consultation closes November 15, with certain overseas technology transfers subject to registration in the meantime.

Global renewable energy capacity additions are expected to decline in 2026 for the first time in five years, according to the International Renewable Energy Agency (IRENA), as transmission limitations and trade barriers slow expansion. Renewable capacity grew by a record 692 GW in 2025, but grid congestion is now restricting new installations, particularly in China. Electricity networks in Australia and Japan are also struggling to keep pace with renewable energy development.

China has secured $45B in clean-industry investment in 2026, accounting for 49% of the world's operating or under-construction low-carbon industrial facilities. Of 36 major industrial decarbonization projects reaching final investment decisions globally over the past year, 23 were in China. Investments span lower-carbon steel and aluminum production, sustainable aviation fuel, and other industrial processes, although growing electricity demand and grid limitations remain challenges.

India plans to require state utilities to add energy storage capacity, allowing surplus renewable electricity to be used during evening and nighttime demand peaks. The government also approved a 145B-rupee ($1.5B) energy storage initiative and plans to mandate battery storage for new government solar and wind projects beginning in July 2027. The measures aim to address power shortages and reduce reliance on coal-fired generation.

Chinese aluminum producers are expanding overseas as domestic smelting capacity reaches its 45-million-ton annual limit, with at least 15 million metric tons of new capacity planned or announced across Asia, the Middle East, and Africa. Approximately 2.85 million tons of annual capacity is under construction or ramping up, with Indonesia emerging as a major investment destination. Morgan Stanley forecasts the global aluminum market could shift from a 1.1-million-ton deficit in 2026 to an 830,000-ton surplus in 2027, although regulatory scrutiny and project costs could limit expansion.

India has approved a $297M incentive program to expand domestic lithium and nickel processing, aiming to reduce dependence on China-dominated mineral supply chains. The initiative will support facilities that convert lithium and nickel ores and intermediate materials into high-purity compounds. Targeted industries include electric vehicles, battery storage, electronics, defense, and specialty steel manufacturing.

Malaysia has authorized U.S.-majority-owned DTEC to export up to 700 metric tons of rare-earth material to the United States, supporting research into mineral separation and refining technologies. An initial 30-ton shipment is

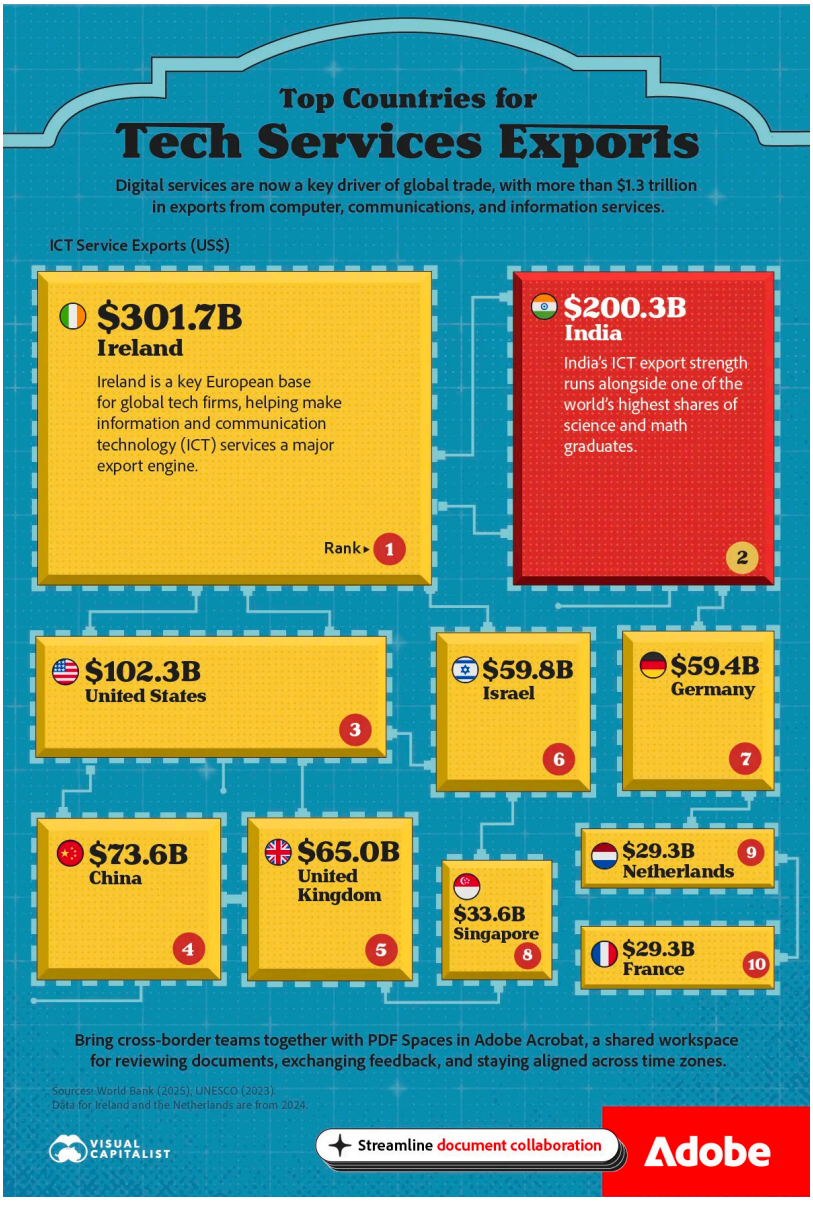
ASIA/PACIFIC, JAPAN, AUSTRALIA, & INDIA:

planned under Malaysia's newly relaxed export restrictions. DTEC also plans to develop a domestic processing facility within three years and is seeking up to $650M in potential U.S. financing.

The European Union is preparing to expand investment in Australia's critical minerals sector, targeting rare earths, gallium, and antimony to reduce reliance on China. A pending EU-Australia trade agreement would eliminate a 5.5% tariff on critical minerals, while discussions with the European Investment Bank could provide financing for mining and processing projects. Australia is also updating its critical minerals strategy to prioritize domestic refining and processing.

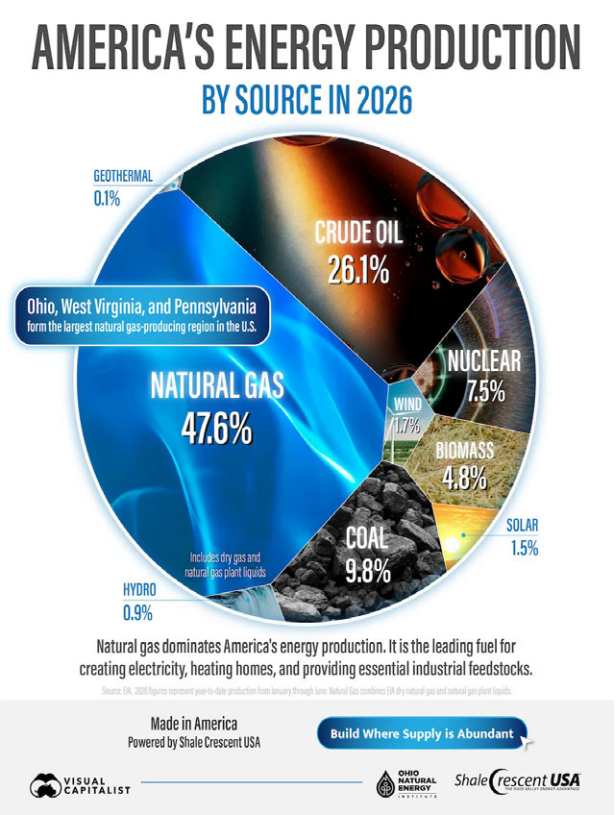
ECONOMIC UPDATE: APPENDIX TO THE NOVEMBER 2026 ISSUE

TECHNOLOGY: IRELAND LEADS GLOBAL TECH SERVICES EXPORTS



Ireland ranked first globally in information and communication technology (ICT) service exports at $301.7B, followed by India at $200.3B and the U.S. at $102.3B. China placed fourth with $73.6B, while the U.K. rounded out the top five at $65B. Ireland and India together accounted for more than $500B in exports, highlighting the concentration of global technology services trade among leading economies. European countries held 12 of the top 20 positions, reflecting the region's significant role in international digital services trade.

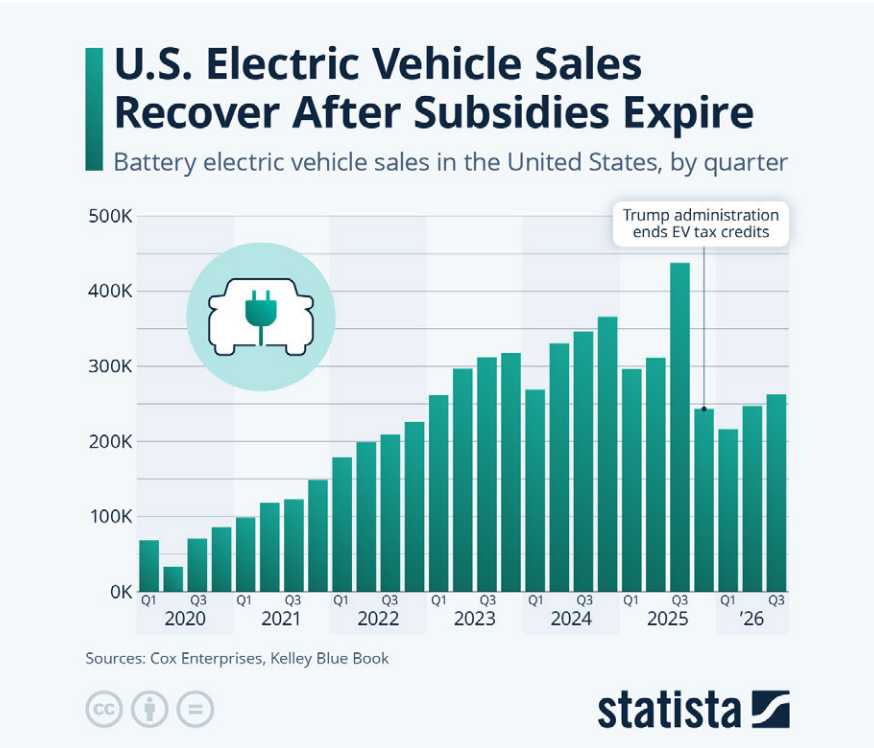
ENERGY: NATURAL GAS DOMINATES U.S. ENERGY PRODUCTION



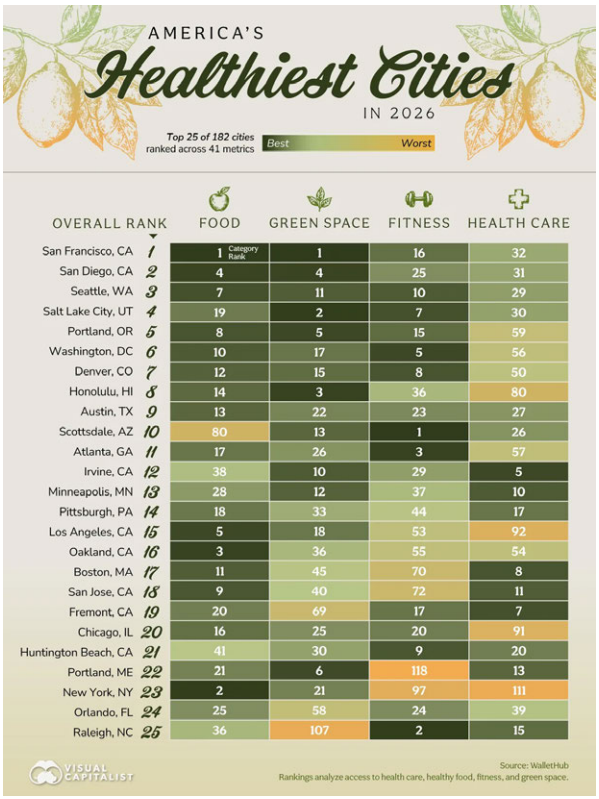
Natural gas accounted for 47.6% of U.S. primary energy production during the first half of 2026, totaling 21.41 quadrillion British thermal units (Btu), including natural gas plant liquids. Crude oil followed at 26.1%, and coal contributed 9.8% and nuclear energy represented 7.5%. Renewable sources, including biomass, wind, solar, hydroelectric, and geothermal, collectively accounted for 9% of production. Ohio, West Virginia, and Pennsylvania form the nation's largest natural gas-producing region, providing access to domestic fuel supplies and industrial feedstocks for energy-intensive manufacturers.

AUTOMOTIVE: U.S. ELECTRIC VEHICLE SALES REBOUND FOLLOWING TAX CREDIT EXPIRATION

U.S. battery electric vehicle (EV) sales increased for the second consecutive quarter in Q3 2026, reaching approximately 260,000 units following a sharp decline after federal tax credits expired in September 2025. Sales had surged to nearly 440,000 vehicles in Q3 2025 as buyers rushed to take advantage of the incentives. Sales then fell 44% in the following quarter. EVs accounted for 6.4% of U.S. new-vehicle sales in Q3 2026, down from 10.5% in Q3 2025. Meanwhile, EVs represented a record 23.2% of European vehicle sales, and hybrid vehicles captured 15.6% of the U.S. market. New EV models and more competitive pricing have supported the recovery, although U.S. demand remains below levels recorded before the subsidies expired.



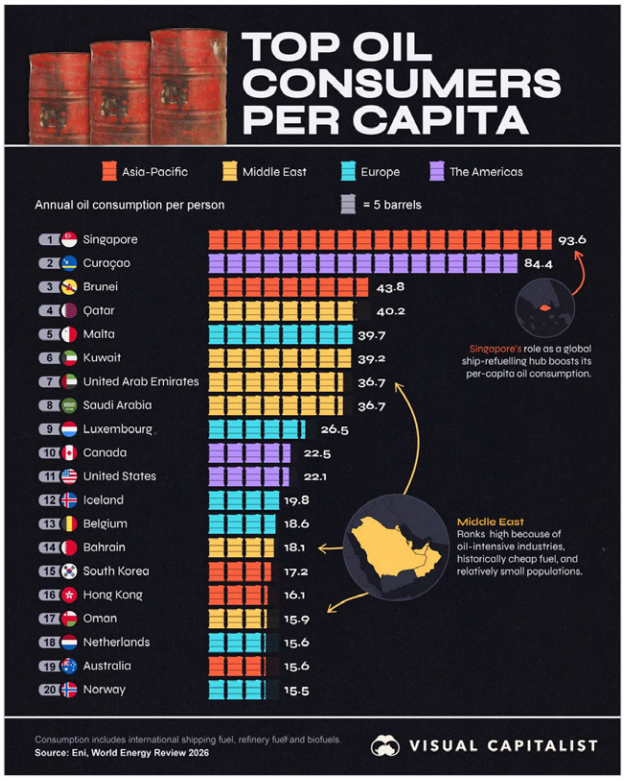
MEDICAL: SAN FRANCISCO RANKS AS AMERICA'S HEALTHIEST CITY IN 2026



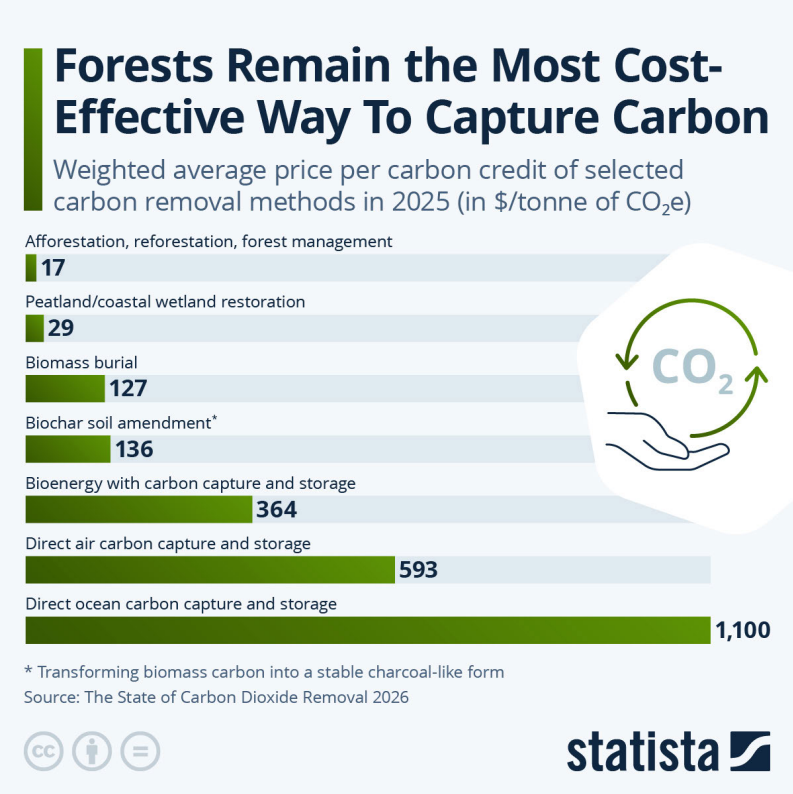
San Francisco ranked as the healthiest U.S. city in 2026, followed by San Diego, Seattle, Salt Lake City, and Portland, Oregon, according to a WalletHub study evaluating 182 cities across 41 health indicators. Western cities occupied eight of the top 10 positions, with California accounting for eight of the top 25. San Francisco ranked first for both healthy food and green space, while Scottsdale, Arizona, led in fitness and placed 10th overall. New York City ranked 23rd despite placing second for healthy food, reflecting lower rankings in fitness and health care. None of the top 10 healthiest cities ranked among the top 25 for health care, highlighting the influence of lifestyle and environmental factors on overall rankings.

ENERGY: SINGAPORE LEADS GLOBAL OIL CONSUMPTION PER CAPITA

Singapore recorded the world's highest oil consumption per capita in 2025 at 93.6 barrels per person, followed by Curaçao at 84.4 barrels and Brunei at 43.8 barrels. Singapore's position reflects its role as a major international shipping and maritime refueling hub, with shipping fuel included in consumption figures. Four Middle Eastern countries ranked among the top 10, including Qatar at 40.2 barrels, Kuwait at 39.2 barrels, and the United Arab Emirates and Saudi Arabia at 36.7 barrels each. Canada ranked 10th at 22.5 barrels per person, narrowly ahead of the U.S. in 11th place at 22.1 barrels. Despite leading the world in total oil consumption, the U.S. fell outside the per-capita top 10, illustrating the influence of population size and industrial activity on the rankings.



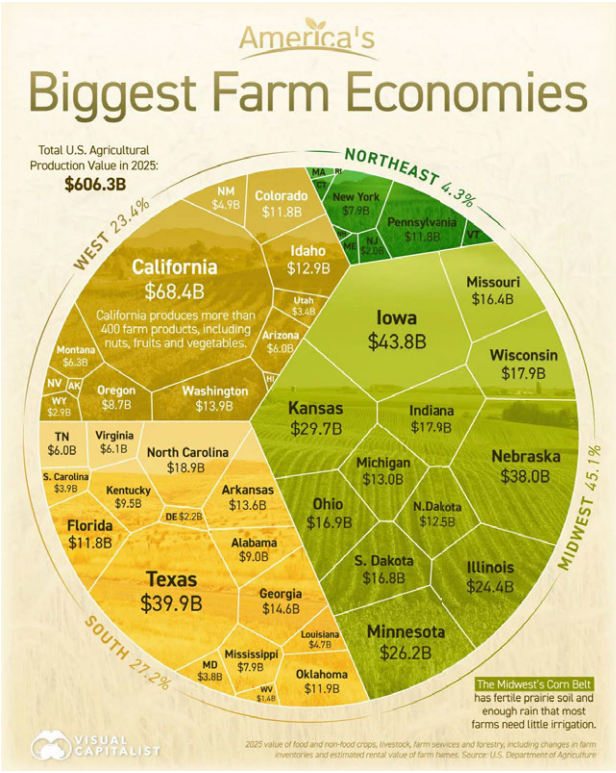
ENERGY: FOREST RESTORATION REMAINS THE MOST COST-EFFECTIVE CARBON REMOVAL METHOD



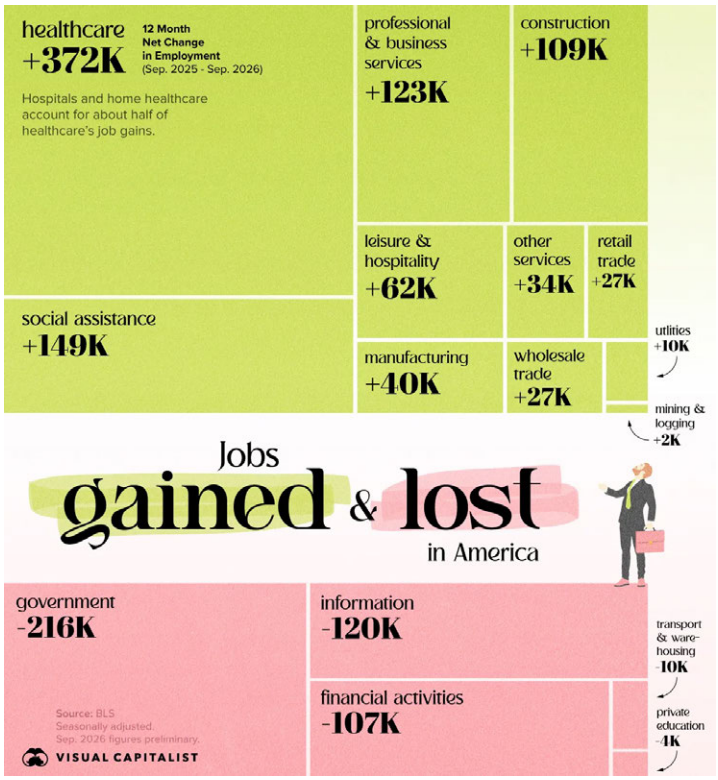
Forest management, afforestation, and reforestation were the most cost-effective carbon removal methods in 2025, with a weighted average carbon credit price of $17 per metric ton of CO_2 equivalent, according to The State of Carbon Dioxide Removal 2026. Peatland and coastal wetland restoration followed at $29 per metric ton, compared with $127 for biomass burial and $136 for biochar soil enhancement. More advanced technologies carried substantially higher prices, with bioenergy carbon capture and storage averaging $364 per metric ton and direct air capture reaching $593. Direct ocean carbon capture was the most expensive method at $1,100 per metric ton. Although emerging technologies offer opportunities to expand carbon removal capacity, high costs and energy requirements remain significant barriers to widespread adoption.

AGRICULTURE: CALIFORNIA LEADS U.S. AGRICULTURAL PRODUCTION IN 2025

California led the nation in agricultural production value in 2025, generating $68.4B, or 11.3% of the $606.3B U.S. total, according to the U.S. Department of Agriculture. Iowa ranked second at $43.8B, followed by Texas at $39.9B, Nebraska at $38B, and Kansas at $29.7B. The Midwest accounted for the largest regional share at 45.1%, representing $273.6B in agricultural output. Wisconsin ranked ninth nationally at $17.9B, with livestock contributing 65.3% of the state's production value. Nationwide, livestock and livestock products generated $303.6B, exceeding crop production at $238.2B.



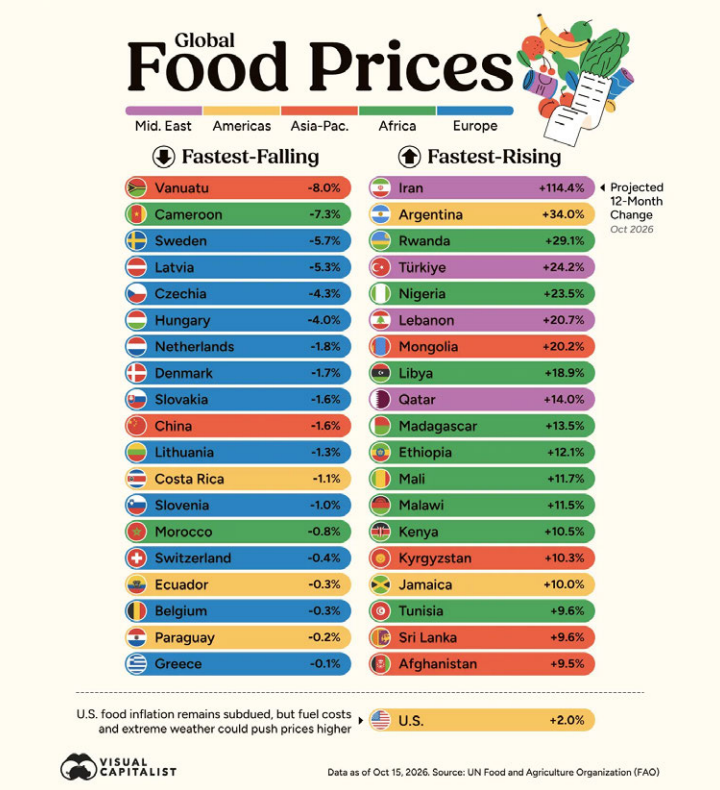
EMPLOYMENT: HEALTHCARE LEADS U.S. JOB GROWTH AS GOVERNMENT EMPLOYMENT DECLINES



Healthcare led U.S. employment growth between September 2025 and September 2026, adding 371,800 jobs, according to preliminary Bureau of Labor Statistics data. Social assistance followed with 148,600 new positions, while professional and business services added 123,000 and construction gained 109,000. Manufacturing employment increased by 40,000 jobs, representing modest growth of 0.3% year-over-year. Meanwhile, government employment declined by 216,000 positions, driven primarily by federal workforce reductions. The information and financial activities sectors also experienced substantial losses, shedding 120,000 and 107,000 jobs, respectively. Healthcare and social assistance combined added more than 520,000 jobs, accounting for a significant share of employment gains across the economy.

INFLATION: GLOBAL FOOD PRICE PROJECTIONS SHOW WIDENING REGIONAL DISPARITIES

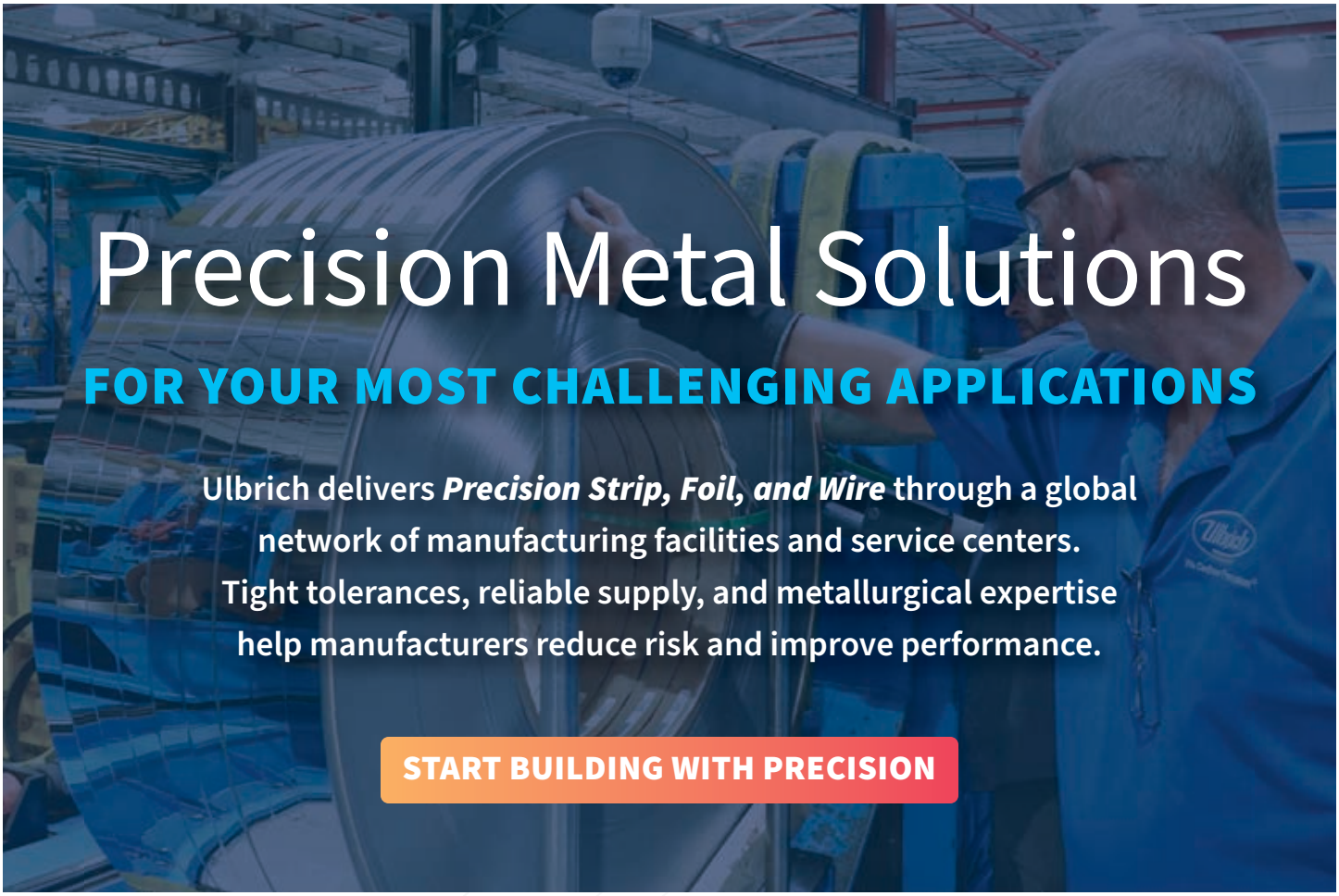
Global food prices are projected to vary significantly over the next 12 months, with Iran facing the steepest increase at 114.4%, according to October 2026 data from the UN Food and Agriculture Organization. Argentina follows at 34%, with Rwanda and Türkiye expected to see increases of 29.1% and 24.2%, respectively. In contrast, Vanuatu is projected to experience the largest decline at 8%, followed by Cameroon at 7.3% and Sweden at 5.7%. 12 European countries are forecast to see falling food prices, compared with a relatively modest 2% inflation rate projected for the U.S. Rising energy, fertilizer, and transportation costs remain significant risks to global food prices, particularly as ongoing conflict in the Middle East pressures agricultural supply chains.



COMMODITIES: IRON ORE DOMINATES GLOBAL METAL PRODUCTION IN 2025



Global production of 35 metal-related commodities totaled approximately 2.8 billion metric tons in 2025, according to the U.S. Geological Survey. Iron ore accounted for 2.6 billion metric tons, representing roughly 93% of the combined production weight, driven largely by demand for steelmaking. Among industrial metals, aluminum production reached 74 million metric tons, followed by chromium ores and concentrates at 51 million metric tons and copper at 23 million metric tons. Meanwhile, lithium production reached 290,000 metric tons, more than tripling from 2020 levels, while rare earth production climbed to 390,000 metric tons. Although produced in significantly smaller quantities, these materials play increasingly important roles in electric vehicle batteries, renewable energy systems, and advanced electronics.



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