GA GROUP

FEBRUARY 2026

Monitor

Metals

DATA CENTERS SHAPE MARKET DYNAMICS

Q4 AND EARLY 2026 STEEL PRICES ASCEND

Import competition shrinks while demand surges from data centers and green energy, boosting prices

TIGHT SUPPLIES LIFT ALUMINUM PRICES

Data centers drive up electricity prices, slashing aluminum smelter capacity, while imports also fall

COPPER PRICES JUMP 40% YEAR-OVER-YEAR

Copper hits record highs amid data center demand, mine supply constraints, and new tariff threat

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Deals are a moving target with a constantly shifting mix of people, numbers, and timing. We are here to simplify this process for you. Our associates are experts at analyzing situations and quantifying values you need on the most complex deals, so you can leverage our extensive industry knowledge to close the deal.

Trend Tracker

	Ferrous Metal	Non-ferrous Metal
NOLVs	Mixed ▲▼	Increasing ▲
Sales Trends	Decreasing ▼	Increasing ▲
Gross Margin	Mixed ▲▼	Increasing ▲ / Consistent –
Inventory	Increasing ▲	Mixed ▲▼
Market Prices	Increasing ▲	Increasing ▲

NOLVS

- **Ferrous:** NOLVs in the recent three months were mixed, increasing versus appraisals completed in the prior three months due to rising prices, but remaining flat to down versus appraisals in early 2025.

- **Non-ferrous:** NOLVs increased in the recent three months versus the prior three months and prior year, as non-ferrous metals pricing rallied while inventory costs were generally lower. As the aluminum Midwest transaction premium remains at a historic high due to tariff implications, a shift in tariff policy could have a sudden and material impact on NOLVs.

SALES TRENDS

- **Ferrous:** Sales generally decreased in 2025 versus 2024 due to constrained end-market demand, particularly within sectors sensitive to interest rates, with downward pressure on a dollar basis from lower year-over-year prices early in 2025.

- **Non-ferrous:** Sales increased, as higher pricing continues to support aluminum and copper dollar sales and recently improved stainless steel and nickel sales. Volumes remain mixed, with copper being a bright spot given data center and electrification investment, while other non-ferrous metals face uncertainty.

GROSS MARGIN

- **Ferrous:** Gross margins were mixed in the recent three months as ferrous prices stagnated or declined in the summer and early fall before rising at year-end and into early 2026, while companies benefited from lower-cost inventory stocking earlier in 2025 ahead of tariff announcements and implementation.

- **Non-ferrous:** Gross margins increased in 2025 for companies that were able to stock ahead of tariff announcements and implementation to benefit from rising non-ferrous pricing; however, contractual transaction margins remained relatively consistent.

INVENTORY

- **Ferrous:** Inventory levels increased as most service centers entered into a restocking cycle at the end of 2025 and into 2026, with downstream participants continuing to manage inventory to lean levels.

- **Non-ferrous:** Inventory levels are mixed, as companies continue to manage their inventory levels based on an unpredictable policy environment and current demand levels; however, rising prices have increased inventories on a dollar basis.

PRICING

- **Ferrous:** Prices increased in Q4 2025 after steady to slightly downward pricing in mid-2025, as customers restocked toward the end of the year and demand prospects brightened, pushing out lead times at producing mills amid seasonally low supplies exacerbated by limited import competition due to tariff policy.

- **Non-ferrous:** Prices increased—particularly copper, aluminum, and nickel pricing—buoyed by continued momentum from tariff policy, global economic trends, domestic policy, and tightening supplies amid a more positive demand outlook for certain metals.

Overview

Hot rolled coil prices climbed in Q4 2025 and into 2026 as import competition diminished in the midst of tariffs, while demand prospects brightened. Non-ferrous metal prices rallied, led by copper and aluminum as supplies tightened and data centers reshaped market dynamics.

In 2025, SteelBenchmarker prices peaked at $925 per net ton in late April following the March implementation of 25% tariffs, then softened through much of the fall, despite the doubling of steel tariffs to 50%, effective June 4. SteelBenchmarker prices strengthened in Q4 and into January 2026 as service center inventories tightened and imports shrank, while demand picked up. The proliferation of AI-driven data centers and the ongoing transition to green energy are set to generate unprecedented, long-term steel demand. The SteelBenchmarker price for hot rolled coil reached $887 per net ton on January 26, 2026, marking a 25% jump from the prior year.

According to the American Iron and Steel Institute ("AISI"), steel shipments from U.S. mills in December 2025 increased 3.5% and 5.4% versus the prior year and prior month, respectively, with full-year 2025 shipments up 4.9% versus 2024, aided by reduced import competition due to tariffs. Per the Metals Service Center Institute, steel shipments from U.S. service centers slipped 1.5% in December 2025 versus December 2024.

Steel imports have continued to decrease in the wake of 25% tariffs implemented in March 2025 and doubled to 50% in June. The U.S. Census Bureau reported that in November 2025, total and finished steel imports decreased 5.2% and 18.7%, respectively, versus October 2025, including drops of 49.7% in hot rolled steel sheets and 45.6% in wire rods. Total and finished steel imports fell 10.5% and 13.3%, respectively, for the 12-month period of December 2024 to November 2025 versus the prior 12-month period. Finished steel imports held an estimated market share of 14% in November 2025 and 19% for the 11 months ended November 2025.

Global steel output in December 2025 decreased 3.7% versus December 2024, according to the World Steel Association. Crude steel production for China, which accounts for over half of global steel output, fell 10.3% versus December 2024. Chinese crude steel production declined 4.4% for full-year 2025 versus 2024.

Pricing for aluminum and copper on the London Metal Exchange ("LME") increased over Q4 2025 and into 2026, driven by supply constraints. While tariffs were initially touted by the U.S. administration as a measure to jumpstart domestic aluminum production, the anticipated output failed to materialize. As power consumption from data centers surged in 2025 alongside booming AI demand, the resulting exorbitant electricity costs led to closures and curtailments of U.S. aluminum smelters, whose production operations are energy-intensive.

Copper supplies tightened due to major mine disruptions and a resulting shortage of copper concentrate that reduced treatment and refining charges ("TCs"), incentivizing lower smelter production. Meanwhile, the outlook for aluminum demand remains positive due to rising global electric vehicle ("EV") adoption, while copper demand is already soaring, driven by consumption from the surge in new AI data centers, the ongoing global energy transition, and power grid infrastructure updates.

Tariffs also influenced pricing, with aluminum tariffs doubling to 50% in June 2025, reducing U.S. aluminum imports and contributing to a skyrocketing Midwest Transaction Premium ("MWTP").

Overview

Meanwhile, copper prices experienced upward pressure from stockpiling in the first half of 2025 ahead of potential tariffs and from renewed stockpiling in late 2025 and early 2026 after the fresh threat of refined copper tariffs.

Pricing for other non-ferrous metals largely increased over Q4 2025 and into the new year due to supply issues.

Metal demand is driven by various manufacturing and construction sectors. The purchasing managers index ("PMI") is an indicator of manufacturing demand. In January 2026, the U.S. Institute for Supply Management's® ("ISM") manufacturing PMI® reached 52.6%, reflecting a healthy increase of 4.7 percentage points from the seasonally adjusted December 2025 reading as markets felt cautious optimism with increased orders, backlogs, and exports. The January 2026 reading returned the U.S. manufacturing sector to expansion after a month of contraction, while marking expansion in the overall economy for the 15th consecutive month.

In November 2025, seasonally adjusted U.S. automotive production (defined as all autos assembled in the U.S.) totaled 98.0 thousand units per the U.S. Bureau of Economic Analysis, reflecting a decrease of 5% from the prior month and 15% from the prior year.

Dodge Construction Network reported that U.S. construction starts—including non-residential, non-building, and residential starts—increased 2.6% in December 2025 versus the prior month, offset by a 6.6% drop in nonresidential building starts despite a 7.4% increase in data centers. Construction starts increased 5.4% in 2025 as a whole versus 2024.

According to Baker Hughes, the U.S. drilling rig count totaled 546 oil and gas rigs for the week ended January 30, 2026, down 6.2% from the prior year and relatively consistent with the prior week. Oil country tubular goods ("OCTG") prices remained relatively stagnant in Q4 2025 and into early 2026 amid sluggish demand.

Given the threat of tariff-fueled inflation, the Federal Reserve held interest rates steady for the first nine months of 2025. However, in response to a softening labor market, the Federal Reserve finally implemented three consecutive cuts in late 2025 before holding rates steady again in January 2026.

Carbon Steel

SCRAP

	Ferrous Shredded Scrap Price Trend
12-month	Increasing ▲
Three-month	Increasing ▲

On January 26, 2026, the SteelBenchmarker price for U.S. shredded scrap (East of the Mississippi) reached $420 per gross ton, up from $389 the prior year and $370 three months earlier.

After rising in Q1 2025 ahead of anticipated tariffs, ferrous shredded scrap pricing held steady throughout most of the summer and fall of 2025 amid a prolonged seasonal slowdown and tariff uncertainty. Steel mills purchased scrap on an as-needed basis rather than building inventory, while the export market remained subdued. Toward the end of the year, ferrous shredded scrap prices began to tick up ahead of a demand increase expected in January, and given rising flat rolled steel pricing as well as seasonal supply constraints heading into the winter months.

Despite lingering caution in the steel market, ferrous scrap prices surged in January 2026 as cold weather tightened supplies, hot rolled coil prices continued climbing, and mills restocked to replenish inventories to start the year and support higher steel end-market demand. Extreme weather conditions in the eastern half of the U.S. limited scrap flows for the February trade.

The U.S. steel industry is actively expanding capacity to shift toward more efficient, low-carbon electric arc furnaces ("EAFs"), which use scrap metal to produce steel, as opposed to traditional blast furnaces that use coke and iron ore. The shift is supported by a 2025 study from French consulting firm Laplace Conseil that indicated sufficient domestic ferrous scrap is available for EAFs to supply nearly all the steel needed by the U.S.

As new EAFs come online, domestic scrap demand is expected to increase, boosting prices. As a result, steelmakers continue to acquire scrap companies in an effort to proactively secure scrap assets and avoid shortages, while scrap companies are consolidating to better serve EAFs. In November 2025, Tenaris acquired a scrap processing yard in Pennsylvania via its Steel Recycling Services subsidiary. In December 2025, leading Midwest ferrous and non-ferrous metal recycling company Scrap Management Industries, Inc. acquired Kansas-based scrap metal recycler Allmetal Recycling.

UTILIZATION RATES

The optimal capacity utilization rate for steel plants is at least 80%. Steel mill outages in Q4 2025 resulted in decreased capacity utilization rates, which fell from 78.1% at the end of September 2025 to 74.0% by the end of December 2025, according to the AISI.

U.S. raw steel production totaled 1.8 million net tons for the week ended January 31, 2026, up 3.4% from the prior year but down 1.1% from the prior week. Capacity utilization reached 76.0%, down from 76.3% the prior year and 76.9% the prior week. Adjusted year-to-date production through January 31, 2026 totaled 7.8 million net tons at a capacity utilization rate of 76.0%, up 3.4% from the same period in 2025, when the rate was 76.3%.

Year	Raw Steel Production (In Millions of Net Tons)	Steel Capacity Utilization
2019	94.450	80.1%
2020	78.739	67.7%
2021	93.506	81.6%
2022	89.059	77.7%
2023	88.727	75.4%
2024	87.049	75.6%
2025	89.301	76.7%

Carbon Steel

CARBON STEEL SHEET COIL

	Flat Rolled Steel Coil Price Trend
12-month	Increasing ▲
Three-month	Increasing ▲

SteelBenchmarker prices for U.S. hot rolled coil (East of the Mississippi) reached $887 per net ton on January 26, 2026, increasing from $710 the prior year and $815 three months earlier. SteelBenchmarker prices for U.S. cold rolled coil reached $1,064 per net ton on January 26, 2026, increasing from $903 the prior year and $1,021 three months earlier.

Prices for hot rolled steel, a bellwether for steel prices in general, remained above year-ago levels in January 2026, buoyed by reduced import competition as a result of Section 232 tariffs imposed in 2025. In addition, the bullish price trend from Q4 2025 continued, with Nucor raising its consumer spot price for hot rolled coil for two consecutive weeks to reach $965 per net ton effective January 26, 2026.

The rebound in recent months was reportedly driven by supply-side factors. Steel mill outages in Q4 2025 reduced capacity utilization rates from 78.1% at the end of September 2025 to 74.0% by the end of December 2025, according to the AISI. In addition, steel imports have dwindled due to significant tariffs, which reflected a 25% rate from mid-March to early June 2025 before doubling to 50% on June 4. According to the U.S. Census Bureau, hot and cold rolled steel imports for the first 11 months of 2025 fell 34.8% and 24.8%, respectively, versus the same period in 2024, while imports of hot-dipped galvanized sheets and strip dropped 41.8%.

While steel demand languished after the initial tariff implementation, given cautious buying amid trade volatility and economic uncertainty, more recent demand has stabilized.

Certain industries are expected to bolster steel demand this year, particularly data center, infrastructure, and energy projects, barring shifts in U.S. policy and economic indicators. Rising domestic supplies are expected to support the recovery in U.S. steel demand, given slight increases in steel-mill capacity utilization and more robust expansion projects for EAFs.

In its Q4 2025 earnings call at the end of January 2026, Nucor, the largest steel producer in North America, forecast a 5% increase in its shipments in 2026 due to strong backlogs for major data center and energy infrastructure projects, which are set to move from the construction phase to ramping up, while tariffs are slated to continue suppressing import competition.

In steel industry news, steel service centers are experiencing industry consolidation as large national operators with capital resources acquire regional or specialty distributors, and as other strategic buyers acquire independent service centers, in order to improve margins, invest in automation, leverage scale and supplier relationships, and expand geographic footprints. Notable recent examples include Ryerson Holding Corporation's merger with Olympic Steel in October 2025 and Worthington Steel's announcement on January 15, 2026 that it will acquire Kloeckner & Co., creating some of the largest metals service centers in North America.

Carbon Steel

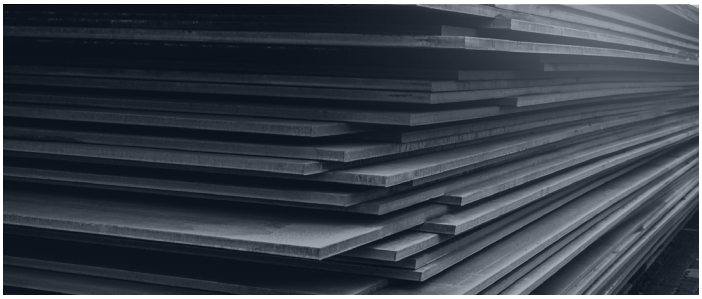
STEEL PLATE

	Steel Plate Price Trend
12-month	Increasing ▲
Three-month	Consistent ▬

	Rebar Price Trend
12-month	Increasing ▲
Three-month	Increasing ▲

SteelBenchmarker prices for U.S. standard steel plate (East of the Mississippi) reached $1,052 per net ton on January 26, 2026, increasing from $953 the prior year and consistent with $1,052 three months earlier.

Steel plate prices held relatively steady for much of Q4 2025, with demand stagnating amid delayed capital projects in a high interest-rate environment, before prices climbed toward the end of the year. Demand inched up as expectations for early 2026 brightened, prompting restocking after a prolonged wait-and-see approach. In January 2026, recovering demand and extending lead times, along with a continued positive outlook, further lifted plate pricing. As with flat rolled steel, various data center, infrastructure, and energy projects are slated to support a measured improvement in plate demand in 2026.



Meanwhile, the U.S. plate market is experiencing a structural undersupply of steel slab—a key raw material in plate production, exacerbated by the disruption of supply chains in the wake of steel tariffs. According to the U.S. Census Bureau, imports of steel plates in coils fell 27.3% in November 2025 versus the prior month and were down 15.4% for the first 11 months of 2025 versus 2024. Despite higher domestic raw steel production in 2025 versus 2024, U.S. mills lag in their capacity to fill the gap to meet slab demand and replace lost import volume.

Rebar prices in January 2026 remained above year-ago levels, when rebar demand was muted ahead of the then-President-elect's inauguration before rising in Q1 2025 upon official tariff announcements.

In Q4 2025, domestic rebar pricing held steady before gradually increasing as supplies tightened and demand improved from the summer slowdown, with buyers aiming to finish projects ahead of winter weather disruptions. Mill output remained measured and imports abated in the wake of tariffs, with scarce import arrivals at U.S. ports in December, limiting availability in many U.S. regions. U.S. rebar imports plunged 51.5% in November 2025 versus the prior month, and decreased 12.0% for the 11 months ended November 2025 versus the same period in 2024.

In January 2026, domestic rebar prices increased, with steady demand from infrastructure projects while supplies remained tight. As with other steel products, data center and infrastructure projects in 2026 are anticipated to benefit demand, with a gradual price recovery expected, particularly if monetary policy eases.

Carbon Steel

OCTG

	OCTG Price Trend
12-month	Increasing ▲
Three-month	Consistent ▬

OCTG prices in January 2026 remained slightly above year-ago levels. In Q4 2025, OCTG prices remained relatively flat to slightly down amid cautious, lackluster demand, with OCTG consumption in late 2025 falling below peak levels from 2023 to 2024, while domestic availability was generally sufficient.

According to the U.S. Census Bureau, OCTG imports increased 15.9% for the 11 months ended November 2025 versus the same period in 2024. However, in the wake of 50% tariffs in June, OCTG imports fell 25.6% and 28.7% for the preliminary three-month rolling averages of June-to-August 2025 and September-to-November 2025 versus the prior respective three-month rolling averages.

The tariffs also boosted costs for imported hot rolled coil and spurred elevated prices for domestic hot rolled coil, further raising costs for domestic OCTG producers, as hot rolled coil is a primary input in the production of OCTG. OCTG prices held firm in January, despite rising hot rolled coil prices and lower import prices, due to high supplies.

OCTG demand weakened as major oil and gas exploration and production ("E&P") companies focused on efficiency rather than expansion in 2025, with significant layoffs and restructuring plans in the face of slumping oil prices, increased supplies, global economic uncertainty, tariff volatility, and market consolidation.

In 2025, oil prices for West Texas Intermediate ("WTI"), the U.S.'s benchmark grade of crude oil, ranged from a high monthly average of approximately $76 per barrel in January to approximately $58 per barrel in December. The December 2025 figure represents WTI's lowest monthly average since January 2021 and is below the break-even point (the minimum price per barrel without incurring a loss) of $62 to $65 per well in the Permian Basin in Texas, which accounts for 40% of U.S. OCTG consumption.

Although oil prices spiked modestly at times due to geopolitical events, high global and U.S. oil production and supply levels fueled the overall downward pricing trend throughout 2025.

After years of being a net oil importer, the U.S. became the world's top oil producer in 2018. The U.S. has led the world in crude production since then, setting production records in 2019, 2023, 2024, and 2025. Per estimates from the Energy Information Administration ("EIA"), the U.S. produced 13.6 million barrels per day of oil in 2025. However, in 2026, the EIA expects U.S. oil production to remain relatively flat at 13.6 million barrels per day.

The U.S.'s overall high crude oil production is driven by technological efficiencies within each well. However, despite more production from each well, the number of U.S. oil and gas rigs generally decreased over much of 2025 before leveling off toward the end of the year. According to Baker Hughes, the U.S. drilling rig count totaled 546 oil and gas rigs for the week ended January 30, 2026, down 6.2% from the prior year and relatively consistent with the prior week.

Given the current high oil supply levels, the Organization of the Petroleum Exporting Countries ("OPEC") and its oil-producing allies (collectively "OPEC+") recently updated its production plans for January, February, and March 2026, with the group pausing potential oil production increases, citing a seasonal decline in oil demand. Despite announcements of reduced oil production, as well as recent geopolitical events such as the U.S.'s January 2026 ouster and capture of Venezuela's president and seizure of oil tankers allegedly part of a "ghost" fleet, oil prices remained relatively stable.

While E&P operators are likely to maintain capital discipline this year, drilling activity is expected to see modest increases. In addition, market participants anticipate some upward movement in OCTG prices to follow the ascent of hot rolled coil prices, and given optimism surrounding demand related to LNG pipelines and exports later in 2026.

Aluminum

	Aluminum Price Trend
12-month	Increasing ▲
Three-month	Increasing ▲

In January 2026, average LME prices for aluminum were 22.3% above year-ago levels and 13.0% above pricing three months earlier. Midwest transaction prices for grade P1020 aluminum were significantly above year-ago levels and above pricing three months earlier.

Despite a dip in demand, aluminum prices gradually strengthened throughout 2025 due to tariffs and supply constraints. Section 232 tariffs on aluminum increased from the existing 10% rate to 25% in March 2025 before doubling to 50% in June 2025, also expanding to include most countries and derivative products. According to The Aluminum Association, U.S. and Canadian aluminum demand including and excluding imports decreased 4.4% and 4.5%, respectively, through the first half of 2025 versus the first half of 2024. Domestic demand was negatively impacted by slower automotive demand, market volatility, and reduced exports related to trade policies. However, long-term demand remains promising, given expected consumption from the ongoing shift toward EVs.

Aluminum stocks at LME warehouses diminished notably throughout 2025 due to low availability. Only four U.S. smelters were operating in 2025 due to prohibitively high electricity costs—which account for one-third of production expenses—amid surging power consumption from data centers as AI demand exploded. While data centers can pay up to $115 per MWh for electricity costs, aluminum smelters become unviable once costs exceed $40 per MWh; according to The Aluminum Association, a single aluminum smelter's annual electricity consumption is the equivalent to that of a city such as Boston or Nashville.

The Aluminum Association estimates that the U.S. aluminum industry is effectively short by approximately 4.0 million metric tons of raw, unwrought metal. The U.S. typically fills this gap with imports, which satisfy over 70% of U.S. primary aluminum demand.

However, due to Section 232 tariffs, U.S. aluminum imports fell 14% in the first 10 months of 2025 versus 2024. After tariffs doubled to 50% on June 4, primary aluminum imports dropped 42% in July 2025 versus June, according to the International Trade Administration.

Reducing U.S. reliance on aluminum imports is increasingly important as global smelting capacity faces production constraints, including a capacity cap in China and energy shortages in Europe, Australia, and Mozambique. Yet, absent the construction of new primary aluminum smelters, the restart of idled aluminum smelters, or a significant expansion of recycled aluminum production, the U.S. aluminum industry cannot achieve self-sufficiency.

In early 2026, Century Aluminum—the largest U.S. producer of primary aluminum—and Emirates Global Aluminum announced a joint agreement to develop the first new U.S. primary aluminum smelter in nearly half a century. However, Century Aluminum also announced the sale of its Kentucky smelter to an AI data campus.

As of January 27, 2026, Goldman Sachs revised its aluminum price forecast for the first half of 2026 from $1.17 per pound upward to $1.43 per pound, citing continued bullish sentiment from investors.

As of January 30, 2026, the LME aluminum three-month closing price settled at $1.42 per pound.

	MWTP Trend
12-month	Increasing ▲
Three-month	Increasing ▲

Aluminum premiums reflect a regional surcharge added to the LME base price to encompass costs related to delivery, logistics, and local supply and demand, with the MWTP serving as the main benchmark. Given scarcity in the physical market and supply chain disruptions stemming from Section 232 tariffs, the MWTP ballooned more than 250% in 2025, reaching record highs and remaining elevated into 2026.

Copper

	Copper Price Trend
12-month	Increasing ▲
Three-month	Increasing ▲

In January 2026, average LME prices for copper were 38.4% above year-ago levels and 17.2% above pricing three months earlier.

Copper ended 2025 as the best-performing base metal on the LME, with annual gains upwards of 40%, and hit record highs in December and January 2026. Gradual copper market price growth in 2025 accelerated in Q4 and into the new year, driven by structural supply concerns and escalating demand.

Global supply constraints arose from significant mining disruptions, including suspended operations at Codelco's El Teniente mine in Chile, Teck's Quebrada Blanca mine in Chile, Grasberg's mine in Indonesia, and Las Bamba's mine in Peru.

At the smelter level, the shortage of copper concentrate and resulting record-low TCs tempered production of refined copper. However, U.S. inventories remained elevated due to stockpiling related to tariff uncertainty, as the U.S. President has repeatedly threatened to impose tariffs on refined copper (which is currently exempt from Section 232).

Longer-term structural issues include the slow pace of project approvals for new mines and declining ore grades, which would result in a significant shortfall without the addition of new mines or increased scrap collection.

Meanwhile, copper demand has picked up at a rapid clip, fueled by surging demand from the proliferation of new AI data centers, continued growth in the global energy transition (including demand from the EV and renewable energy markets), and significant upgrades to power grid infrastructure.

According to the Copper Development Association, a hyperscale AI data center can use up to 50,000 tons of copper per facility, as compared to 5,000 to 15,000 tons of copper for a conventional data center. While China's property crisis pressured copper pricing, it was ultimately eclipsed by tight supplies and a demand shift toward green energy and AI-related consumption, which is considered more stable and less price-sensitive than other industrial end-uses.

Given the convergence of structural supply constraints and booming demand to create a potential bottleneck, existing and planned copper mines are expected to meet only 70% of projected demand in 2035, according to the International Energy Agency. As a result, copper recycling is slated to rise significantly to support a circular economy that bridges the gap between supply and demand for copper as consumption from EV, renewable energy, and AI data center applications continues to soar.

In early 2026, copper prices touched fresh highs surpassing $6.00 per pound, buoyed by geopolitical tensions, continued tariff uncertainty, a weakening U.S. dollar, and ongoing momentum from data center and renewable energy projects. The U.S.-led capture of Venezuelan leader Nicolás Maduro in January heightened fears of supply disruptions in Latin America, while the U.S. President's indication that tariffs could be revisited for refined copper prompted strategic stockpiling in late 2025 and early 2026.

Goldman Sachs forecasts copper prices on the LME will average $5.90 per pound in Q1 2026 before declining to $4.99 per pound by the end of the year, as copper stockpiling is expected to wane after a tariff decision is made by mid-2026.

As of January 30, 2026, the LME copper three-month closing price settled at $6.10 per pound.

Zinc

	Zinc Price Trend
12-month	Increasing ▲
Three-month	Increasing ▲

In January 2026, average zinc prices on the LME were 14.0% above year-ago levels and 2.3% above prices three months earlier.

Zinc prices generally increased in Q4 2025 due to an acute depletion in LME stocks to critically low levels in late October, despite a global surplus. According to preliminary data from the International Lead and Zinc Study Group, the global market for refined zinc logged a surplus of 76,000 metric tons over the first 10 months of 2025; however, much of that surplus was generated by and located in China.

Smelter output outside of China largely decreased amid cuts and closures related to severe unprofitability, given historically low TCs, elevated energy costs, and constrained raw material supplies. As a result, Western markets drew down LME zinc stocks.

Zinc prices inched downward by year-end as an influx of Chinese exports replenished LME stocks. Still, LME zinc prices rebounded in January 2026 due to continued supply concerns, with the rebuild of LME stocks stalling.

Galvanized steel, which consumes 50% to 60% of global zinc output, experienced steady or slower demand in recent months due to a subdued construction sector, particularly in China and Europe. However, the EV and solar sectors proved bright spots for zinc demand. Morgan Stanley forecasts zinc prices will decline slightly to $1.32 per pound this year.

As of January 30, 2026, the LME zinc three-month closing price settled at $1.53 per pound.

Nickel

	Nickel Price Trend
12-month	Increasing ▲
Three-month	Increasing ▲

In January 2026, average nickel prices on the LME were 16.0% above year-ago levels and 18.3% above levels three months earlier.

Nickel prices remained largely range-bound in Q4 2025, supported by periodic restocking; however, prices were below historical peaks the prior year, pressured by an ongoing supply surplus. Prices ticked up in December as speculative buying increased on the buzz of anticipated supply cuts in Indonesia, before jumping to a 16-month high in January 2026 as the cuts went into effect.

According to an October 2025 report by the International Nickel Study Group, the global nickel market was projected to reach a surplus of 209,000 metric tons in 2025, driven by high production levels in Indonesia, which accounts for over 60% of global nickel mine production. The country's nickel production boomed in recent years amid the growing EV market, with a change in Indonesia's quota system in February 2025 further expanding nickel ore output.

However, in early 2026, Indonesia significantly cut mining quotas for the year by up to 34% to curb oversupply. The move sparked a rally in nickel prices, lifting them nearly 10% month-over-month while also buoying stainless steel pricing. According to DBS Research Group, the global nickel oversupply is expected to persist in 2026, although the surplus is set to shrink amid Indonesia's quota cuts.

Nickel *(continued)*

Meanwhile, demand remains modest. The stainless steel sector, which accounts for nearly 67% of global nickel consumption, saw uneven trends by region, with Chinese consumption facing pressure from the continued weakness in the property market and U.S. consumption softening in Q4 due to a seasonal slowdown and mill constraints. Continued moderate growth from stainless steel consumption is expected in 2026.

The EV battery end-market has been taking a rising share of nickel consumption in recent years, representing approximately 15% currently versus 5% in 2015 and outpacing stainless steel demand growth.

Global EV battery demand is set to continue rising through at least 2030, with China's EV battery market jumping 40% in 2025, according to the China Automotive Battery Innovation Alliance. U.S. EV battery demand, while remaining high, moderated with the September 2025 elimination of the federal EV tax credit and EV-infrastructure credits, trimming near-to-medium-term demand expectations for nickel used in EV batteries.

Supply is expected to remain the key driver for nickel prices in 2026. DBS raised its LME nickel forecast by 5% to $7.44 per pound for 2026.

As of January 30, 2026, the LME nickel three-month closing price settled at $8.02 per pound.

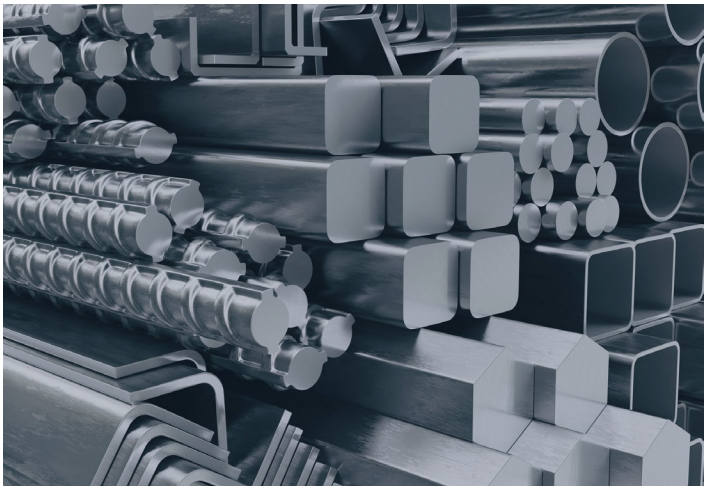
Stainless Steel

	Stainless Steel Price Trend
12-month	Increasing ▲
Three-month	Increasing ▲

In January 2026, U.S. flat rolled stainless steel sheet prices were above year-ago levels, in addition to increasing from three months earlier.

Stainless steel prices climbed in recent months due to rising flat rolled steel prices related to tariffs, higher surcharges for raw materials such as nickel and molybdenum, and elevated energy prices.

Prices experienced modest upward momentum in spite of readily available supplies and uneven demand. China, the world's largest consumer of stainless steel, continues to suffer from an ailing property market, while U.S. demand experienced seasonal softness in Q4 2025, though improving in January 2026. End-use demand is anticipated to stabilize this year, particularly in the infrastructure and manufacturing sectors.



Monitor Information

The *Metals Monitor* provides market value trends in both ferrous and non-ferrous metals. The commodity nature of steel scrap, aluminum ingot, copper cathode, zinc, and nickel often results in volatile market values. Our *Metals Monitor* reflects pricing and market trends in order to reflect significant developments in the metals markets. The information contained herein is based on a composite of GA Group's industry expertise, contact with industry personnel, liquidation and appraisal experience, and data compiled from a variety of well-respected sources.

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Experience

GA Group's extensive record of metals inventory valuations features companies throughout the entire metal supply chain, including foreign and domestic metal and steel-producing mills; metal converters that produce tubing and pipe, as well as expanded, grating, and perforated metal types; metal service centers/processors and distributors; structural and custom fabricators and stampers; manufacturers that utilize metals as raw materials; and scrap yards, recyclers, dealers, and brokers. GA Group has also appraised precious and specialty metals. GA Group has appraised metal products with applications in a wide variety of industries.

A sampling of GA Group's extensive appraisal experience includes:

- Steel mini-mills and producers of flat rolled steel products.
- Globally recognized vertically integrated manufacturers and distributors of steel tube, including OCTG.
- A vertically integrated producer of aluminum with over $1 billion in sales annually and over $130 million in inventory.
- A number of the largest scrap recycling processors in the U.S.
- Well-known service centers across the nation, including a multi-division full-line steel service center.

Moreover, GA Group's Wholesale & Industrial Solutions group provides wholesale and industrial liquidation services independently of GA Group and has liquidated a number of companies with metal products, including a structural steel company, Charleston Aluminum, Advanced Composites, Aluminum Skylight & Specialty Corporation, Anello Corporation, Apex Pattern, Balox Fabricators, BJS Industries, Buckner Foundry, Crown City Plating, GE Roto Flow, Laird Technology, Maddox Metal Works, Miller Pacific Steel, R.D. Black Sheet Metal, Valley Brass Foundry, and Southline Steel. GA Group has also been involved in liquidations of metalworking equipment for companies such as Adams Campbell Company, CAMtech Precision Manufacturing, Inc., Gregg Industries, Inc., International Piping Systems, Heat Transfer Products, PMC Machining and Manufacturing, Sherrill Manufacturing, Trans-Matic Manufacturing, Veristeel, Inc., and Weiland Steel, Inc. GA Group also maintains a staff of experienced metals experts with personal contacts within the metals industry that we utilize for insight and perspective on recovery values.

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About GA Group

GA Group is a privately-held financial services company offering a comprehensive set of tailored solutions to meet our clients' diverse needs. Our teams value, monetize, lend against or acquire assets across a broad range of sectors from both healthy and distressed companies.

GA Group and its predecessors are celebrating 50 years of client service and its current leadership has over 100 years of collective experience in the industry. GA Group is majority-owned by Oaktree Capital Management.

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