

Monitor

Metals

VOLUME
429



IRAN WAR CRUNCHES ALUMINUM SUPPLY

ALUMINUM OUTPUT, SHIPPING HIT BY WAR

Aluminum prices and the Midwest Premium surged as LME stocks fell, reaching a record low by July

OCTG PRICES SOAR AS WAR CURBS SUPPLY

Strait of Hormuz closures lifted oil prices, spurred drilling, and limited OCTG and raw material imports

DATA CENTER SPENDING UP 265% SINCE 2023

Related structural demand is growing for steel, aluminum, copper, zinc, and OCTG

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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 	Mixed 
Sales Trends	Increasing 	Increasing 
Gross Margin	Consistent 	Consistent 
Inventory	Consistent 	Consistent 
Market Prices	Increasing 	Mixed 

NOLVS

- **Ferrous:** NOLVs were mixed in the first half of 2026 but remained elevated versus normal market conditions. With inventory replenished at higher costs this year, appraisals with more recent effective dates are measured against prior NOLVs that benefited from lower-cost inventories valued amid rapidly rising market prices.
- **Non-ferrous:** NOLVs were mixed, though elevated. The recent softening of aluminum and nickel pricing after strong spring increases, along with the aforementioned timing impacts of effective dates, presented a potential downside for certain NOLVs. The historically high Midwest Premium amplifies the risk of negative impacts to NOLVs in the event of tariff policy changes or improved supply availability.

SALES TRENDS

- **Ferrous and non-ferrous:** Sales increased on a dollar basis in the first half of 2026 due to increased market prices, although sales volume remained relatively consistent. However, certain sectors provided bright spots for metal demand, particularly data center construction.

GROSS MARGIN

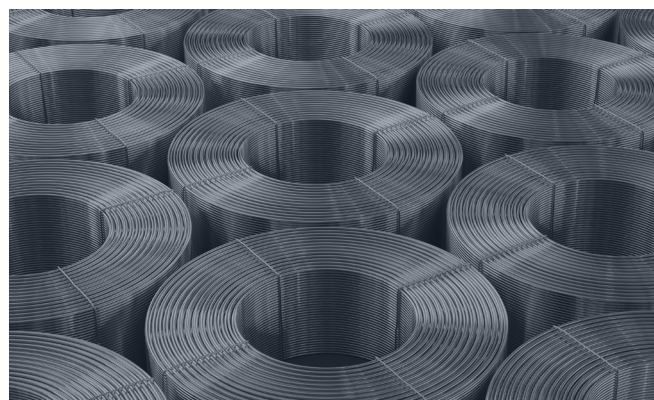
- **Ferrous and non-ferrous:** Gross margins remained consistent, as lower-cost inventories had largely worked their way through the supply chain, diminishing earlier margin gains. In addition, market price fluctuations are being passed on to customers, with portions of business for both ferrous and non-ferrous metals reflecting contracts with pass-through pricing mechanisms.

INVENTORY

- **Ferrous:** Inventory levels remained consistent due to extremely tight spot market availability and mill backlogs limiting significant stocking.
- **Non-ferrous:** Inventory levels remained consistent, as companies continue to manage their inventory levels based on current demand and an unpredictable policy environment; however, inventory levels increased on a dollar basis due to rising prices.

PRICING

- **Ferrous:** Prices increased over the first half of 2026, supported by strong mill backlogs, limited import competition, and steady to soft scrap prices.
- **Non-ferrous:** Prices were mixed. Despite strong price increases in the spring, aluminum and nickel prices corrected downward in recent months, while copper and zinc prices remained strong amid tight supplies. Tariff uncertainty and related stockpiling further bolstered copper pricing.



Overview

Hot rolled coil prices climbed through the first seven months of 2026 as supplies tightened and demand rose. Non-ferrous metal prices rallied in the spring due to supply constraints and remain elevated year-over-year.

STEEL OVERVIEW

The SteelBenchmarker price for hot rolled coil reached \$1,106 per net ton on July 27, 2026, rising 27% year-over-year. SteelBenchmarker prices strengthened in Q4 2025 and continued to rise through July 2026 as spot availability decreased and imports shrank in the wake of 50% Section 232 tariffs in place since June 2025, while end-market demand steadily increased.

In addition, buyer caution in 2025 amid tariff volatility largely diminished in 2026, as Section 232 tariffs on steel and aluminum imports have remained at 50% since June 2025. However, ongoing USMCA negotiations following the U.S.'s recent decision not to renew the agreement could affect metal tariff policy toward Mexico and Canada.

Shipments from U.S. steel mills have increased as 50% tariffs rendered imports less competitive. According to the American Iron and Steel Institute ("AISI"), steel shipments from U.S. mills in June 2026 increased 8.7% versus the prior year and 4.8% versus the prior month. First-half 2026 shipments were up 5.3% versus the first half of 2025. The Metals Service Center Institute reported that steel shipments from U.S. service centers increased 13.2% in June 2026 versus June 2025.

Meanwhile, steel imports have declined. The U.S. Census Bureau reported that in June 2026, total and finished steel imports decreased 4.3% and 6.9%, respectively, versus May 2026, including drops of 47.3% in wire rods and 40.5% in hot rolled bars. Total and finished steel imports fell 22.9% and 24.5%, respectively, for the first half of 2026 versus the same period in 2025. Finished steel imports held an estimated market share of 16% for the first half of 2026 versus 21% for the same period in 2025.

Global steel output in June 2026 increased 1.7% versus June 2025, according to the World Steel Association. Crude steel production for China, which accounts for over half of global steel output, rose 0.4% versus June 2025. Chinese crude steel production fell 3.0% for the first half of 2026 versus the same period in 2025 due to the country's ongoing real estate slump.

BASE METAL OVERVIEW

Pricing for base metals on the London Metal Exchange ("LME") increased year-over-year in July 2026 as supplies tightened, particularly for aluminum as the Iran War severely disrupted supply chains; meanwhile, demand remained healthy, particularly from AI data center and electrification applications.

Aluminum and nickel pricing has since corrected in recent months. However, copper and zinc prices continued to rise, supported by ongoing supply concerns, with another burst of copper stockpiling pushing COMEX prices to a new record high in early August 2026 in anticipation of potential tariffs on refined copper.

DEMAND OVERVIEW

Metal demand is driven by activity across manufacturing and construction end markets. The Purchasing Managers' Index ("PMI") is an indicator of manufacturing demand. In July 2026, the U.S. Institute for Supply Management's® ("ISM") manufacturing PMI® reached 55.6%, reflecting a strong gain of 2.3 percentage points from the seasonally adjusted June 2026 reading as three out of four demand indicators reflected continued expansion. The July 2026 reading was the highest since May 2022 and reflected expansion in the overall economy for the 21st consecutive month.



Overview

The proliferation of AI-driven data centers has generated unprecedented structural demand for certain metals, including steel and galvanized (zinc-coated) steel used in framing and security structures, stainless steel and aluminum used in thermal management and server rack enclosures, and copper used in wiring, grounding, and transformers. As AI data centers require substantial, continuous electricity, oil country tubular goods (“OCTG”) demand is rising to support natural gas production for related power plants. U.S. spending on data center construction reached a preliminary seasonally adjusted annual rate of \$68.3 billion in June 2026, jumping 46% year-over-year and soaring 265% from June 2023, according to the U.S. Census Bureau.

Dodge Construction Network reported that U.S. construction starts increased 10.6% for the 12 months ended June 2026 versus the prior 12-month period, driven by a 34.3% boost in non-residential and non-building starts, including data centers, highways, and bridges.

U.S. car assemblies (excluding light trucks) totaled 616,500 units year-to-date through June 2026, down 6.4% from the same period in 2025, per the U.S. Bureau of Economic Analysis. Tariffs on imported parts raised costs and pushed vehicle prices higher, dampening demand.

According to Baker Hughes, the U.S. drilling rig count increased 9% for the week ended August 7, 2026 versus the prior year, while remaining consistent with the prior week. OCTG prices rebounded in Q2 2026 as the Iran War constrained global crude supplies, lifting oil prices and U.S. drilling activity; the conflict also limited U.S. imports of OCTG and related raw materials.

The Federal Reserve held interest rates steady at 3.75% in the first seven months of 2026, down from 4.5% in the same period in 2025, offering some relief to borrowers. However, the annual inflation rate was 3.4% in July 2026, according to the U.S. Bureau of Labor Statistics, remaining above the Federal Reserve’s 2% inflation target.



Carbon Steel

SCRAP

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

On July 27, 2026, the SteelBenchmarker price for U.S. shredded scrap (East of the Mississippi) reached \$426 per gross ton, up from \$378 the prior year but slightly down from \$430 three months earlier.

After rising in Q1 2026 due to winter-weather-related collection and shipping disruptions, ferrous shredded scrap prices corrected downward in early April. SteelBenchmarker prices then remained stable at \$430 per gross ton through June, as ample scrap availability kept mill inventories balanced. Shredded scrap prices ticked down in July as seasonal mill outages dampened demand, while export demand held steady.

Softening scrap prices contrast sharply with the steady rise in finished flat rolled steel prices. U.S. steel mill utilization rebounded in early 2026 and has since hovered near the minimum optimal level of 80%. However, despite increased steel production, plentiful supplies have kept a lid on scrap price growth, as scrap is more sensitive to supply dynamics.

In the longer term, domestic scrap demand is slated to increase as several scrap-consuming electric arc furnaces (“EAFs”) come online. The U.S. steel production industry is in the midst of one of its largest capacity expansions, including several mills adding approximately 3.0 million tons of annual capacity apiece, supported by expected high structural demand from data center and electrification infrastructure.

Industry consolidation is underway as steelmakers continue to acquire scrap companies to secure a steady flow of scrap for their EAFs, while scrap recyclers consolidate to survive and scale operations ahead of anticipated demand growth. SIMS Limited acquired Tri Coastal Trading in February 2026 to consolidate its Houston-area ferrous scrap operations, while Tenaris acquired the Beaver Falls scrap processing yard in Pennsylvania in March 2026.

UTILIZATION RATES

U.S. raw steel production has rebounded, with capacity utilization generally increasing or remaining near the minimum optimal level of 80% over the first seven months of 2026 as import competition waned.

U.S. raw steel production totaled 1.9 million net tons for the week ended July 25, 2026, up 4.9% from the prior year and 1.5% from the prior week. Capacity utilization reached 80.5%, up from 78.2% the prior year and 79.3% the prior week. Adjusted year-to-date production through July 25, 2026 totaled 53.6 million net tons at a capacity utilization rate of 78.9%, up 5.8% from the same period in 2025, when the rate was 77.0%.

2026 Month-end Date	Raw Steel Production (In Millions of Net Tons)	Steel Capacity Utilization
January 31	1.758	76.0%
February 28	1.811	78.3%
March 28	1.803	77.9%
April 25	1.830	79.3%
May 30	1.872	81.1%
June 27	1.842	79.8%
July 25	1.858	80.5%
YTD July 25	53.640	78.9%



Carbon Steel *(continued)*

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 \$1,106 per net ton on July 27, 2026, up from \$873 the prior year and \$1,046 three months earlier. SteelBenchmarker prices for U.S. cold rolled coil reached \$1,379 per net ton on July 27, 2026, up from \$975 the prior year and \$1,217 three months earlier.

U.S. prices for hot rolled steel, a bellwether for domestic steel prices in general, remained above year-ago levels through the first seven months of 2026, continuing the bullish price trend from Q4 2025. Spot market supplies have been limited by mill maintenance backlogs and dwindling steel imports amid significant tariffs. Imports of hot and cold rolled steel sheet fell 41.6% and 31.0%, respectively, in the first half of 2026 versus the same period in 2025.

At the same time, buyer skittishness in 2025 amid tariff volatility has largely faded as 50% steel tariffs remained intact for over a year. Steel demand has been recovering in 2026, including stronger demand in June and July that defied the traditional seasonal summer slowdown. In particular, data center, infrastructure, and energy projects are boosting steel demand this year.

Rising fuel surcharges and other transportation-related costs have also contributed to the atypical summer swell in steel pricing. Severe geopolitical unrest in the Middle East, specifically around the Strait of Hormuz, has stymied global oil supplies, causing U.S. retail diesel prices to spike over 30% since the onset of the Iran War in late February 2026. Transportation costs have also faced upward pressure from tighter driver capacity. Logistics providers have passed on surging costs to their customers, including steel industry operators.

Consolidation continues among metal service centers, as companies pursue economies of scale and operational efficiencies to combat intense market pressures. In February 2026, Ryerson Holding Corporation and Olympic Steel, Inc. merged, forming the second-largest metal service center in North America. In early March 2026, Tube Supply acquired Kreher Steel Company and its three affiliate operations. In June 2026, Worthington Steel completed its acquisition of Kloeckner & Co., resulting in the largest steel service center in North America.

Consolidated players often gain greater leverage in negotiating favorable terms with both suppliers and buyers, maintain more stable margins, and are better positioned to invest in advanced automation and facility upgrades. However, buyers may face reduced spot availability as distributors prioritize long-term contract customers.



Carbon Steel *(continued)*

STEEL PLATE

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

SteelBenchmarker prices for U.S. standard steel plate (East of the Mississippi) reached \$1,383 per net ton on July 27, 2026, up from \$1,102 the prior year and \$1,243 three months earlier.

Steel plate pricing has strengthened steadily since the beginning of the year as lower-cost imports diminished and spot supplies tightened. According to the U.S. Census Bureau, imports of plates in coils fell 43.3% in the first half of 2026 versus first-half 2025 amid continued high tariffs. As 50% steel tariffs have remained in effect since June 2025, buyers who were more cautious in 2025 have resumed purchasing, albeit with more nimble ordering and inventory management. Elevated freight costs related to the Iran War have also contributed to rising prices.

The price rally continued into the typically slower summer months, given sustained demand and limited availability. Looming fall mill maintenance sparked further supply concerns. Demand has been supported by data center construction, government infrastructure and defense contracts, and industrial products such as storage tanks.

Supplies of U.S. steel slab, a key raw material in plate production, remain constrained, with imports of blooms, billets, and slabs down 18.3% in the first half of 2026 versus first-half 2025. However, domestic capacity is beginning to increase. In March 2026, U.S. Steel restarted Blast Furnace B at its Granite City Works facility in Illinois, resuming slab and iron production to meet recovering demand. In June 2026, JSW Steel USA completed its slab expansion project in Mingo Junction, Ohio, adding the ability to produce higher-grade steel slab and concluding a series of upgrades totaling \$145 million. Still, it remains to be seen whether the new domestic capacity will be sufficient to satisfy growing demand.

REBAR

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

Rebar prices in July 2026 were above year-ago levels, but have remained stable over the last three months.

Though not immune to 50% tariffs on steel imports, U.S. rebar imports have bucked the broader trend of declining imports until recently. Rebar imports rose 9.7% in the first half of 2026 versus the same period in 2025, with month-over-month increases of 45.9% and 21.3% in April and May 2026, respectively. Rebar is a key construction material, making imports attractive for meeting immediate demand when domestic supplies are tight, particularly with the recent boom in U.S. data center and infrastructure construction. However, rebar imports fell 20.2% month-over-month in June 2026 as procurement normalized after strong forward-buying in the spring.

U.S. rebar producers are actively increasing production capacity to help meet demand. Hybar announced plans to build a second rebar mill in Osceola, Arkansas, doubling its total capacity to 1.3 million tons. Meanwhile, Nucor has added new production capabilities at its micro-mills in Kingman, Arizona, and Lexington, North Carolina.

Several major U.S. rebar producers announced contract price increases and new surcharges, effective May 2026, in an effort to pass through higher input, energy, and transportation costs to customers. Price hikes were supported by shorter domestic lead times versus imports.

Rebar prices stabilized by the summer as overall domestic demand began to flag, given the typical seasonal slowdown in construction activity, with softer private residential construction in particular. However, data center, energy, and infrastructure projects remained bright spots.



Carbon Steel *(continued)*

OCTG

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

OCTG prices in July 2026 remained above year-ago levels and above levels three months earlier, buoyed by rising raw material costs, falling imports, and elevated crude oil prices since the onset of the Iran War in late February 2026. According to GMK Center, U.S. OCTG prices increased 13% in May 2026 from the prior month before stabilizing.

Raw material costs increased for OCTG as domestic hot rolled coil prices climbed throughout the first half of 2026 to highs last seen in early 2023. Moreover, import prices for OCTG have remained elevated due to 50% tariffs in place since June 2025, with additional antidumping and countervailing duties on the horizon for imports from three of the U.S.’s top five OCTG import sources. Import prices were further exacerbated in Q2 2026 by the outbreak of the Middle East conflict. Repeated closures of the Strait of Hormuz have driven a spike in freight costs from the region, while related surges in global crude oil prices raised steel production costs for many energy-intensive mills abroad.

The Middle East conflict and related logistical issues have also upended the supply chain for U.S. pipe imports, pushing up both import and domestic OCTG prices as supplies shrank. According to the U.S. International Trade Administration, U.S. OCTG imports from the UAE plummeted 98% in April 2026 versus the prior month due to the strait’s closure. Overall, OCTG imports fell 40.5% in the first half of 2026 versus the same period in 2025, based on U.S. Census Bureau data. Meanwhile, demand for U.S. OCTG has heated up amid high oil prices.

The disruption of the Strait of Hormuz drove up crude oil prices, as approximately 25% of the world’s seaborne oil trade flowed through the strait prior to the Iran War; shipments have since been severely restricted, with near-zero levels at times, according to the International Energy Agency (“IEA”). The price of West Texas Intermediate (“WTI”), the U.S. crude benchmark, increased approximately 58% from a monthly average price of \$64.51 per barrel in February 2026 to \$102.13 in May 2026 due to the supply crunch. Prices dropped to monthly averages of \$84.81 in June and \$80.46 in July as the conflict briefly de-escalated and the strait reopened. Tensions escalated again in mid-July, leading to another closure of the strait. As of early August 2026, talks between the U.S. and Iran were ongoing.

Incentivized by inhibited global oil supplies and rising oil prices, U.S. energy companies have increased domestic drilling activity. According to Baker Hughes, the U.S. oil and gas rig count totaled 588 units for the week ended August 7, 2026, consistent with the prior week, but 49 units higher than the prior year. The Energy Information Administration (“EIA”) forecasts that U.S. crude oil production will average 13.8 million barrels per day in 2026, slightly above 2025 levels and marking a record high.

OCTG demand is also benefiting from natural gas extraction, drilling, and production activity needed to support the massive, continuous electricity demands of AI-driven data centers. In addition, given multi-year lead times for the construction of and connection to public electrical grids, hyperscalers are increasingly contracting dedicated, on-site “behind-the-meter” natural gas generators as either a temporary stopgap, long-term hybrid microgrid, or permanent energy option.

In industry news, U.S. Steel announced plans to install a second quenching-and-tempering finishing line at its Fairfield Tubular Operations facility in Fairfield, Alabama. The new line is slated to reach full capacity by Q2 2029 and expand U.S. Steel’s OCTG production.



Aluminum

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

In July 2026, average LME prices for aluminum were 21% above year-ago levels but 12% below pricing three months earlier. Prices for grade P1020 aluminum were also significantly above year-ago levels, but below pricing three months earlier.

Despite some fluctuations, LME aluminum prices generally rose in the first half of 2026, as the conflict in the Middle East upended supply chains and reduced global inventories, while structural demand related to electrification and energy infrastructure grew. The average monthly LME aluminum cash settlement price increased nearly 16% from \$1.43 per pound in January 2026 to \$1.66 per pound in May before falling to \$1.42 by July 2026, according to Westmetall.

Since the Iran War began in late February 2026, significant production disruptions in the Persian Gulf and repeated closures of the Strait of Hormuz have triggered a critical supply crisis for aluminum. The Persian Gulf produces approximately 9% of the world’s aluminum, including about 40% of U.S. waterborne aluminum imports, according to government data. In March 2026, Iranian missile and drone strikes targeted two of the world’s largest aluminum production facilities, with an annual capacity of 1.6 million metric tons each, causing significant structural damage. Emirates Global Aluminium’s (“EGA”) Al Taweelah site in the UAE halted all production until July 2026. Aluminium Bahrain (Alba) is operating at 30% of capacity following the disruption in the Strait of Hormuz and the strikes.

Iran declared the Strait of Hormuz closed from early March 2026 to late June 2026, then again on July 11, 2026, following an escalation of the conflict. U.S. aluminum imports from Hormuz-affected ports plummeted 86.1% in May 2026 versus May 2025, although total U.S. aluminum imports increased 20.5% as the U.S. shifted some sourcing to other countries.

As a result of supply issues related to the Middle East conflict, aluminum stocks at LME warehouses dwindled in the first half of 2026, falling to their lowest level of the century by July 2026. Most of the remaining stocks consisted of Russian aluminum, which some market participants are boycotting.

U.S. aluminum demand remains overwhelmingly reliant on imports due to a shortfall in domestic smelting capacity. As of mid-2026, only four primary aluminum smelters remained operational in the U.S., producing 683,500 metric tons annually, down over 85% from 33 smelters producing up to 5.0 million metric tons in 1980 due to capacity limitations and prohibitively high electricity costs, according to the U.S. Department of Energy. Average industrial electricity prices increased 28% from 2016 to 2025 and rose 5% in April 2026 versus the prior year, based on data from the EIA, amid expanding electricity consumption from data centers.

However, the recent aluminum supply crunch, combined with reduced aluminum imports driven by the 50% U.S. tariffs, is spurring the construction or restart of smelters. EGA and Century Aluminum entered a joint venture to build a new aluminum smelter in Inola, Oklahoma, with a capacity of 750,000 metric tons, more than doubling current U.S. aluminum production. If completed, it would mark the first U.S. smelter built in nearly 50 years; it takes approximately five years for a new smelter to be constructed and brought online. In addition, Century Aluminum is restarting more than 50,000 metric tons of idled production at its primary aluminum smelter in Mt. Holly, South Carolina, while Magnitude 7 Metals plans to restart its idled smelter in southeastern Missouri, adding approximately 75,000 metric tons of annual domestic capacity.

On July 20, 2026, the U.S. President signed a proclamation under Section 232 directing the establishment of an incentive program for companies that invest in building, expanding, or refurbishing U.S. aluminum smelters, recognizing insufficient domestic supplies of primary aluminum.



Aluminum *(continued)*

The program will allow approved companies to import a matching volume of primary aluminum at a 25% tariff rate, which is half of the current Section 232 rate. Some market participants have applauded the news, including Century Aluminum, which stands to gain from the incentive given its existing plans to expand smelter capacity. Other market participants and analysts have expressed skepticism about the proclamation’s practical impact.

“As written, the vast majority of U.S. aluminum facilities will not qualify for this benefit,” said Charles Johnson, president and Chief Executive Officer of the Aluminum Association.

In addition, the Cato Institute noted that as high electricity prices are the primary limitation on U.S. aluminum smelting, the new incentive is unlikely to move the needle on capacity expansion.

Amid the explosion in AI demand, the recent proliferation of data centers has driven up power prices, as data centers pay up to \$150 per megawatt-hour (“MWh”) for electricity, competing with smelters and other heavy manufacturers for electrical grid capacity. Power consumption from data centers is projected to continue rising, with a 50% increase expected by 2027, according to Goldman Sachs Research, and a 165% surge by 2030 compared to 2023, putting further pressure on electrical capacity and costs. Meanwhile, electricity accounts for 30% to 40% of primary aluminum production costs, according to The Aluminum Association, and smelter operations can become unviable once electricity costs exceed \$40 per MWh.

U.S. aluminum demand remains robust, supported by data center, electrification, and energy projects. However, continued supply pressures could temper demand. Supply-chain uncertainty has prompted certain electric vehicle (“EV”) manufacturers to temporarily curtail production. To contend with the supply shortage in the near term, more end-market producers are turning to scrap aluminum as a substitute for primary aluminum.

As of July 31, 2026, the LME aluminum three-month closing price settled at \$1.44 per pound. Although LME aluminum prices corrected from their spring highs, limited domestic supply, sustained tariff costs, and elevated power prices continue to support the U.S. aluminum market.

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

Aluminum premiums reflect a regional surcharge added to the LME base price. The U.S. Midwest Transaction Premium (“MWTP”), the main benchmark premium for physical aluminum in the U.S., reflects costs including freight, tariffs, insurance, and local supply-and-demand dynamics, such as limited U.S. smelter production.

In January 2026, the MWTP surpassed \$1.00 per pound for the first time, skyrocketing over 300% from an average of \$0.24 per pound in January 2025 due to tariff impacts, and continued to rise to fresh highs through June 2026 amid critically low supplies and soaring fuel costs related to the Iran War.

The MWTP corrected downward in July due to signs of market stabilization, but remained elevated.



Copper

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

In July 2026, average LME prices for copper were 15% above year-ago levels and 6% above prices three months earlier.

In Q1 2026, copper corrected downward from record highs reached in January, which had been fueled by structural supply concerns, escalating demand, and stockpiling related to the U.S. President’s repeated threat of tariffs on refined copper. The correction also reflected fears of slow industrial demand sparked by the Iran War before supply-chain bottlenecks exerted upward pressure on prices. Copper prices then reversed course, soaring in Q2 and remaining elevated in July, with a new all-time high north of \$6.70 per pound on the COMEX in early August 2026, amid a convergence of factors.

Supply issues returned to the fore as inclement weather spurred mining disruptions in Chile, the world’s largest copper producer, which accounts for over 20% of global output. Copper concentrate, the key feedstock for copper smelting, is in extremely short supply, exacerbated by the Democratic Republic of Congo’s ban on copper concentrate exports and China’s expanding smelter capacity. The slow pace of project approvals for new mines—with timelines often spanning 15 to 30 years from discovery to production—remains an additional constriction on supply as demand grows.

Copper demand has increased rapidly in recent years, with continued supercharged growth expected, due to the swift spread of copper-intensive AI data centers, the global energy shift toward electrification, and power grid investments (particularly to support data centers’ substantial, continuous power consumption). China remains the world’s largest copper consumer at more than half of global consumption, while U.S. copper consumption is sharply accelerating.

On top of the supply-demand crunch, the specter of 50% tariffs spooked the market. The Department of Commerce was expected to provide the U.S. President with an update on the domestic copper market by June 30, 2026 to inform the determination of whether to impose duties on refined copper, which are currently excluded from Section 232 tariffs. Anticipation of tariffs prompted a fresh wave of copper stockpiling.

The U.S. raced against China to secure limited supply as China significantly expanded its copper reserves amid its own ballooning demand. According to the Indonesian Mining Association, U.S. ports received a record-high monthly total of over 200,000 metric tons of copper in July 2026. COMEX copper inventories in U.S. warehouses jumped over 40% since the start of 2026 to an all-time high, while LME inventories in worldwide LME warehouses declined over 40% from their April peak. However, the Department of Commerce deadline passed without an announcement, and hoarding continued as the market awaited a decision from the White House.

Copper prices have also been sensitive to news of potential ceasefires, peace talks, and reopening of the Strait of Hormuz, creating short-term volatility.

Given copper’s price rally, supply scarcity, and burgeoning consumption, more manufacturers are turning to copper scrap. Copper is a 100% recyclable material with an infinite life cycle, according to the International Copper Association, and uses up to 85% less energy than primary production. The association estimated that recycled copper met approximately 32% of annual copper demand in the last decade and is expected to increase significantly.

As of July 31, 2026, the LME copper three-month closing price settled at \$6.30 per pound.



Zinc

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

In July 2026, average zinc prices on the LME were 30% above year-ago levels and 7% above prices three months earlier.

In Q1 2026, zinc prices fluctuated as rising demand began to tax LME stocks. According to preliminary data from the International Lead and Zinc Study Group released in mid-July 2026, the global market for refined zinc metal recorded an estimated surplus of 145,000 metric tons over the first four months of 2026, although most of the surplus was generated and held in China.

Outside of China, supply constraints arose following reduced output from mines across the globe, with Glencore plc, one of the world’s largest zinc producers, reporting a 17.1% decline in zinc mine production in Q1 2026. As a result, Western markets drew down LME zinc stocks to critically low levels by mid-2026.

In response, zinc prices rocketed upward in Q2 2026, reaching levels not seen since mid-2022. Global supply levels were further impacted by an explosion at a plant in Kazakhstan and a fire at a Peruvian smelter, both in May 2026.

2025, according to Shanghai Metals Market. As China’s zinc production continues to increase, China may shift from a net importer to a net exporter.

Zinc demand is primarily driven by galvanized steel consumption, which accounts for approximately 50% to 60% of global zinc production, according to the American Galvanizers Association. Demand for galvanized steel increased in recent months due to a robust non-residential construction sector, particularly data center and infrastructure projects. Zinc demand also remained strong in the EV and renewable energy sectors.

The zinc market is expected to cool in the second half of 2026, as reduced demand offsets ongoing supply disruptions. Macroeconomic pressures, including persistent inflation and fluctuating U.S. trade policy, are expected to dampen demand for galvanized steel.

In mid-July 2026, Fitch Solutions BMI forecasted that zinc prices will settle at \$1.36 per pound in the second half of 2026 as demand softens.

As of July 31, 2026, the LME zinc three-month closing price settled at \$1.65 per pound.



Nickel

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

In July 2026, average LME nickel prices were 11% above year-ago levels but 8% below levels three months earlier.

Nickel prices surged to a 20-month high to begin 2026 and remained elevated through Q1 due to quota-driven production cuts in Indonesia, the world’s top producer, which accounts for over 60% of global nickel mine output. Prices rose again in April, as the Strait of Hormuz closure fueled a 50% increase in the price of sulfur, a byproduct of oil and gas refining that is used to make sulfuric acid, a crucial input in nickel production. Prices remained high in Q2 as supply concerns persisted.

In April 2026, the International Nickel Study Group projected a deficit of 34,000 metric tons for the global nickel market in 2026. Forum Industri Nikel Indonesia (“FINI”), Indonesia’s nickel industry group, reported that capacity utilization at rotary kiln electric furnaces fell to 76% in June 2026 from 84% the previous year, with certain production lines operating at 50%.

Nickel prices eased in June and July due to speculation that Indonesia would loosen strict mining quotas. In early August 2026, Indonesia’s Minister of Energy and Mineral Resources announced the quota relaxations would occur gradually, with preference given to companies that pay higher royalties. One of the world’s largest nickel mines, PT Weda Bay Nickel, an Indonesia-based joint venture between Chinese and French operators, halted operations in May 2026 after producing 70% of its 2026 quota.

While Indonesia will continue to dominate the landscape in the near future, the Canadian government formally approved Canada Nickel Company’s Crawford Project in July 2026. Once operational, this massive open-pit mine is projected to be the largest nickel mine in the Western Hemisphere, with an annual production capacity averaging 38,000 metric tons of nickel over its 41-year mine life.

Meanwhile, demand remains resilient. The stainless steel sector, which accounts for nearly 67% of global nickel consumption, continued to experience growth in 2026. However, demand gains from the EV battery sector failed to reach projections, as hybrid-vehicle sales have outpaced EV sales following the U.S.’s September 2025 elimination of federal EV and EV-infrastructure tax credits.

In May 2026, Goldman Sachs forecast an LME nickel price of \$8.39 per pound for 2026, driven by a decline in supply. As of July 31, 2026, the LME nickel three-month closing price settled at \$7.86 per pound.

Stainless Steel

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

In July 2026, U.S. flat rolled stainless steel sheet prices were above year-ago levels, with mixed trends from three months earlier, depending on grade.

Tariffs and higher surcharges continued to support stainless steel pricing above year-ago levels. More recently, prices softened due to a seasonal slowdown in manufacturing demand and a weaker export market, with nickel surcharges ticking down.

Meanwhile, domestic stainless steel demand remains steady, sustained by continued consumption from end markets such as food processing and construction, with additional support from specialized data center applications such as thermal management.



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* presents 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 products; 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 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.



MONITOR METALS

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