

PNC's Metals Industry Update

Issue 51



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Welcome to Issue 51 of PNC's Metals Industry Update. This Issue begins with a cover story from our team of economists. They offer an outlook for 2026 filled with downside risks coming from uncertainties around tariffs and monetary policy. The remainder of this Issue includes our recurring sections on metal prices, public bond and note issues, and the syndicated bank loan market. The fourth quarter offered elevated activity for both public debt issuance and syndicated bank loans. We are hopeful that this is foreshadowing a strong 2026.

Thank you for being a reader of PNC's Metals Industry Update. Our goal is to provide useful content on a quarterly basis in a concise and efficient format. We would appreciate hearing from you about how we are doing. Please let us know if you have any thoughts or suggestions on how we can make our Update more relevant for you.

For More Information

Contact PNC's Metals Group:

David B. Gookin
 Executive Vice President
 Metals Group—Diversified Ind.
 The PNC Financial Services Group
 One North Franklin Street
 Suite 2500
 Chicago, Illinois 60606
 Office: 312-384-4610
 Cell Trust: 312-548-6574
 Email: david.gookin@pnc.com

Joe McElhinny
 Senior Vice President
 Metals Group—Diversified Ind.
 The PNC Financial Services Group
 The Tower at PNC Plaza
 300 Fifth Avenue
 Pittsburgh, Pennsylvania 15222
 Office: 412-762-2480
 Email: joseph.mcelhinny@pnc.com

Metals Market Outlook: Gold Strength and Base Metal Volatility in 2026

- Demand for safe-haven metals remains strong as tariff and monetary policy risks persist, with prices likely to hold steady in 2026.
- Manufacturing recovery and infrastructure investment will support demand for industrial metals.
- Iron and steel prices remain well below their peaks in 2021. Soft homebuilding in both the U.S. and China point to further weakness in demand for iron and steel this year.
- Risks for industrial metals are to the downside, with potential drags from policy uncertainty and consumer durables.

Real GDP increased 2.3% in the third quarter of 2025 from one year earlier, according to the Bureau of Economic Analysis. After contracting in the first quarter of 2025 due to a surge in imports ahead of large tariff increases, GDP growth was strong in the second and third quarters (Chart 1). Solid growth is taking place despite significant policy and geopolitical turbulence, including the huge increases in U.S. tariffs and subsequent negotiations between the U.S. and its trading partners and the longest U.S. government shutdown in history. Policy and geopolitical uncertainty remain elevated in early 2026 with a Department of Justice criminal probe into Federal Reserve Chair Powell, the upcoming announcement from the Trump administration of a nominee for a new Fed chair, increased friction between China and Japan, the U.S. capture of Venezuelan President Nicolas Maduro, and U.S. threats to wrest Greenland from Denmark.

Against this backdrop of uncertainty gold prices soared to record highs in early 2026. Bloomberg's gold spot reached \$4,595 per ounce on January 12, 2026—up 72% year-over-year and far outperforming the S&P 500's 20% annual return over the same time (Chart 2). Other major precious metals, including silver and platinum, also posted substantial gains, marking their strongest year-end performances on record. Who is adding to official gold reserves? The largest

Metals Market Outlook: Gold Strength and Base Metal Volatility in 2026 (Continued)

reserve accumulators over the past two years have been Poland, Turkey, China, and India, each significantly increasing their gold holdings as part of broader efforts to hedge geopolitical risks and persistent inflation pressures.¹ In parallel with these central bank purchases, physically-backed gold ETFs in Turkey, mainland China, and India also saw exceptionally strong investor inflows—equivalent to roughly 20% to 32% of each country's total ETF gold holdings as of December 2025 quarterly data—indicating robust private-sector investment demand alongside central bank accumulation.² Most factors that supported gold in 2025 are expected to persist this year, and gold prices are likely to hold near current levels. A flat-to-weaker U.S. dollar should provide upward momentum, while tariff and monetary policy uncertainty remain elevated under the Trump administration, supporting gold demand. PNC's January baseline forecast calls for moderate U.S. economic growth in 2026. The likelihood of a significant acceleration in U.S. economic growth is low, reinforcing the preference for safe-haven assets like gold.

Many base metals also saw sharp price increases in 2025. Copper reached an all-time high again in January 2026, and the energy-intensive aluminum rose 17% year over year as of December 31st, 2025. A surge in AI-related data-center and power-supply-infrastructure activity in the U.S. and developed European markets boosted demand for these base metals (Chart 3), pushing prices even higher in early 2026 amid a jump in electricity costs and tariffs. Manufacturing also experienced a slow recovery in 2025, with moderate to strong production growth across machinery, electronics, and aerospace. Industrial production of primary metal and fabricated metal products was up 4% and 3% year-over-year, respectively, in December 2025 according to the Federal Reserve. Notably, auto manufacturing orders rose 5% year-over-year in October after two years of flat production, while both civilian and military aircraft orders were up over 15% from a year earlier according to the U.S. Census Bureau. Looking forward, PNC expects industrial production will grow by 2% in 2026, supporting demand for steel and base metals (Chart 4).³ After a cumulative 175-basis-point reduction in the federal funds rate from September 2024 to December 2025, borrowing conditions have improved significantly in 2026, providing a meaningful boost to business equipment investment. Infrastructure investments, particularly in artificial intelligence-related areas like data center and energy grids (up 28% from 2024, as of December 2025 year-end data according to S&P) should continue to add to steel and base metals demand (Chart 3). PNC expects two 25 basis point cuts in the fed funds rate in the second half of 2026.⁴ Additional Federal Reserve monetary easing in the second half of this year should further support demand.

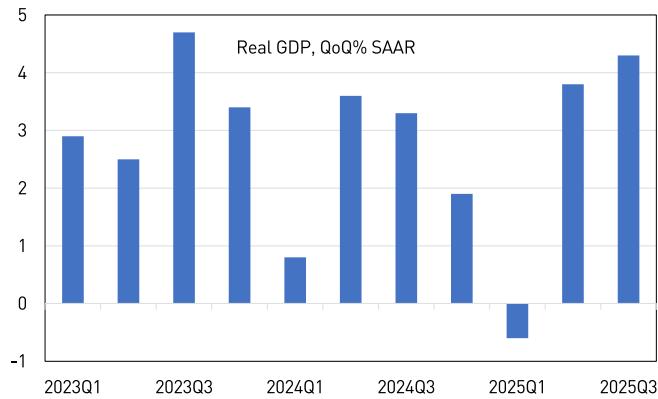
As industrial production strengthens and equipment investment accelerates, the recovery in upstream metals

demand is beginning to filter into construction-related steel markets as well. Iron and steel demand linked to commercial construction has shown signs of stabilization. U.S. commercial real estate construction spending, which had been declining from September 2023 through December 2024, has seen the pace of that decline slow and begin to firm, suggesting fewer headwinds for hot-rolled coil steel demand in 2026. However, weak homebuilding activity in both the U.S. and China continues to signal softness in overall demand. As of early 2026 prices for iron and steel remain well below their 2021 peaks. In the U.S. housing starts fell 8% year-over-year in October 2025, weighed down by mortgage rates near 7% (Chart 5) and an annualized 5% decline in residential investment during Q3 2025, according to the U.S. Census Bureau and Bureau of Economic Analysis. China's real estate sector remains under significant pressure, with new commercial floor space down 21% year-over-year in November and home prices in major cities such as Beijing down slightly, according to the National Bureau of Statistics of China. PNC expects iron and steel demand to remain weak over the next year, driven by weak U.S. residential investment and ongoing destocking in China's property sector (Chart 6).

Risks of this outlook are to the downside. Persistent tariff and monetary policy uncertainty could lead to volatile input costs and unpredictable trade flows, reducing demand for base and precious metals and weighing on prices. A potential weakening of the U.S. labor market would dampen consumer spending and housing activity, reducing demand for metals tied to durable household appliances, autos and construction. Equity market downturns affecting high-income households could curb luxury consumption and investment appetite, limiting discretionary purchases of precious metals. Meanwhile, China's export restrictions on rare minerals pose supply-side constraints, which could disrupt global manufacturing chains and amplify price volatility across metals markets. Together, these risks create an environment of heightened uncertainty, reinforcing safe-haven demand for gold while limiting the pace of improvement in industrial metals linked to cyclical sectors.

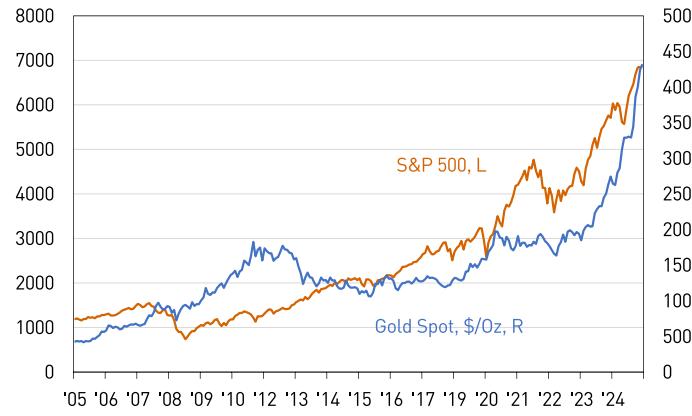
Metals Market Outlook: Gold Strength and Base Metal Volatility in 2026 (Continued)

Chart 1. U.S. Economic Growth Surprised to the Upside in 2025 While Risks Remain Elevated



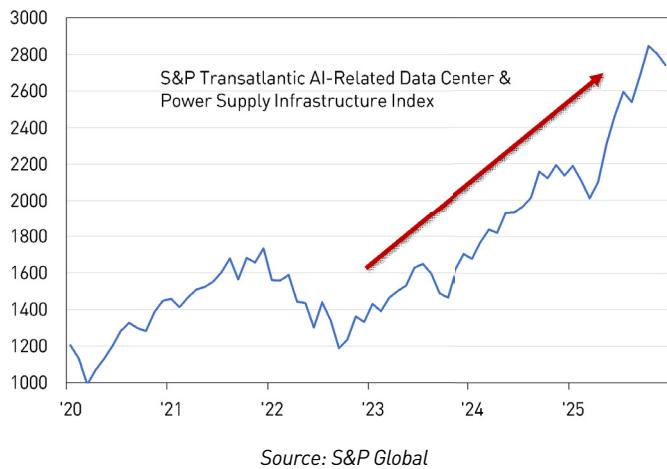
Source: Bureau of Economic Analysis

Chart 2. Gold Price Surged to Another Record High



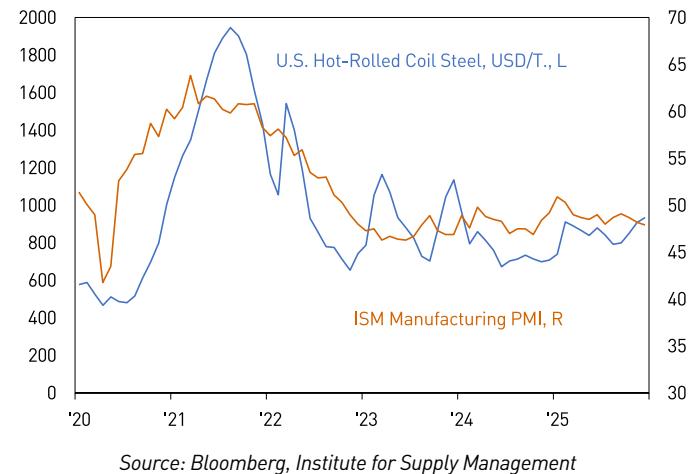
Source: Bloomberg

Chart 3. Rising AI-Related Business Spending Aids Base Metals in 2026



Source: S&P Global

Chart 4. Manufacturing Activity to Grow at a Slow Pace Under More Favorable Credit Conditions This Year



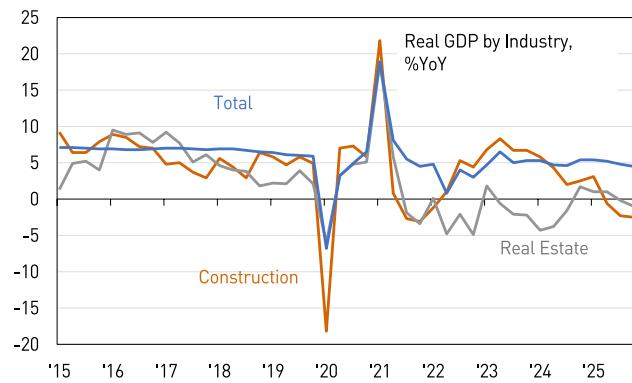
Source: Bloomberg, Institute for Supply Management

Chart 5. Weak U.S. Homebuilding Remains a Temporary Drag to Rebar



Source: U.S. Census Bureau

Chart 6. Chinese Real Estate Remains a Drag to Steel in 2026



Source: National Bureau of Statistics of China

Metals Pricing

Metal prices ended the year with a mixed bag of ups and downs. Of the 21 products we track during the fourth quarter, thirteen increased, eight declined and one remained flat. Carbon steel sheet prices led the way. HRC prices increased \$100 per ton or 13.3%. CRC and Galv increased just over 6%. This resulted in a \$40 per ton decline in the spread over HRC. At the same time, the plate products we track declined by \$20 per ton. The other carbon steel products we track, including raw materials, were traded within a narrow range. Aluminum saw significant increases during the fourth quarter. Both LME and the Midwest Premium increased resulting in an 6.8% or 14 cents per pound rise in the Midwest transaction price. Product prices during the quarter are listed below.

Carbon Flat-Rolled Steel \$/NT October - December 2025			
Product	October	November	December
Hot-Rolled	750	790	850
Cold-Rolled	960	980	1,020
Galvanized	970	1,000	1,030

Discrete Plate \$/NT October - December 2025			
Product	October	November	December
A36	1,040	1,020	1,020
A514	2,260	2,240	2,240
AR400	2,280	2,260	2,260

Wide Flange Beam \$/cwt. October - December 2025			
Size	October	November	December
24" x 12 3/4"	71.25	71.25	72.75
18" x 6"	68.00	68.00	69.50

MBQ \$/cwt. October - December 2025			
Shape	October	November	December
1" A36 round	54.70	54.70	54.70

Rebar \$/cwt. - Grade 60 October - December 2025			
Size	October	November	December
16 mm - #5	45.00	45.50	46.25

SBQ \$/cwt. - 1" round October - December 2025			
Grade	October	November	December
HR 4140 Q&T	103.10	102.10	101.00

Pipe & Tube \$/NT October - December 2025			
Product	October	November	December
OCTG J55	1,450	1,450	1,400
Linepipe, ERW	1,400	1,380	1,330

Aluminum \$/lb October - December 2025			
Alloy	October	November	December
3003	2.75	2.89	2.99
LME	1.26	1.28	1.30
MWTP	2.05	2.15	2.19

Stainless \$/lb - Cold-Rolled Coil October - December 2025			
Grade	October	November	December
304	1.72	1.71	1.70

Copper \$/lb October - December 2025			
	October	November	December
Comex Avg.	5.02	5.02	5.40

Nickel \$/lb October - December 2025			
	October	November	December
LME Avg.	6.84	6.66	6.75

Ferrous Scrap \$/GT Midwest October - December 2025			
GRADE	October	November	December
No. 1 HMS	325	325	335
Shredded	375	365	385

Iron Ore \$/LT U.S. October - December 2025			
GRADE	October	November	December
Furnace Pellets	109.00	109.00	108.00

Met Coal \$/MT U.S. East Coast October - December 2025			
GRADE	October	November	December
low vol	177	177	179

The metals market price guide is courtesy of Sector3 Appraisals, Inc., provider of asset valuation and advisory services for asset-based lending (ABL) lenders, specializing in metals, chemicals and commodities. For more information, contact Michael Dawson - Editor, Market Research at mdawson@sector3appraisals.com.



Metals Bond Update

Historic Shutdown and Fed Cuts Shape Fourth Quarter

The fourth quarter opened under a cloud of uncertainty amid a 43-day U.S. government shutdown, the longest in U.S. history, as lawmakers failed to resolve a prolonged budget standoff. Despite the temporary pause in official data releases during the shutdown, alternative indicators continued to signal labor market softness, prompting the Fed to ultimately deliver two more 25 bps cuts in October and December. As data remained limited and macro risks rose, Treasury yields drifted modestly higher, with the 10-year rising 7 bps from 4.10% on October 1 to 4.17% at year-end. However, climbing yields did little to dampen robust primary market activity and a persistent risk-on tone, with fourth-quarter issuance driving full-year Investment Grade supply to \$1.7TN, up 6% year-over-year. High Yield markets also saw strong momentum, as Q4 volumes helped push annual issuance 16% higher year-over-year to \$323BN. Echoing this resilience, the S&P 500 gained 2.0% during the quarter, buoyed by robust earnings and continued momentum in AI-driven sectors.

In the Investment Grade market, quarterly issuance combined to price \$307BN in the fourth quarter, up 28% from \$241BN in 4Q24. The average Investment Grade new issue concession and order book subscription levels remained range-bound at 2.5 bps and 3.90x, respectively. By quarter-end, A-rated and BBB-rated yields widened 0.05% and 0.08% as credit spreads widened 2 bps and 4 bps on average. PNC's IG Metals Bond Index followed suit, with yields widening 0.01% and a 6 bps increase in spreads

this quarter. Steel Dynamics (Baa2/BBB) came to market in December to price new \$650MM 3-year senior unsecured notes at T+63 bps (4.00%), with a concurrent \$150MM add-on to their existing 5.250% senior unsecured notes due 2035, pricing at T+93 bps.

Undeterred by broader macro uncertainty, High Yield volume of \$65BN in 4Q25 was up 45% from the \$45BN that priced in 4Q24. As BB-rated and B-rated yields dropped 0.15% and increased 0.11% over the quarter, respectively, BB-rated spreads ended the quarter 11 bps tighter while B-rated spreads widened 19 bps. The average spread of issuers in the PNC HY Metals Bond Index tightened 55 bps, while average yields declined 0.20% in the fourth quarter. Cleveland-Cliffs kicked off the quarter with a \$275MM add-on to its existing 7.625% senior unsecured notes due 2034, pricing at 102.75 (6.992% YTW). Kaiser Aluminum (B2/BB-) came to the market in November to price \$500MM 8.3NC3.3 senior unsecured notes at 5.875%, followed in short order by Carpenter Technologies' (Ba2/BB+) \$700MM 8.25NC3.25 senior unsecured notes pricing at 5.625%. Joining the chorus, Commercial Metals (Ba2/BB+) completed an evenly-split \$2BN dual-tranche transaction, pricing their 8NC3 senior unsecured notes at 5.750% and their 10NC5 senior unsecured notes at 6.000%.

Metals Bond Index

As of Date	PNC IG Metals Bond Index			PNC HY Metals Bond Index		
	12/31/2025	10/1/2025	(Δ)	12/31/2025	10/1/2025	(Δ)
Effective Maturity (Years)	8.98	9.29	-0.31	5.86	5.20	0.66
Composite Rating	BBB+	BBB+	-	BB-	BB-	-
Weighted Avg. Coupon	4.62%	4.65%	-0.03%	6.21%	6.24%	-0.03%
Yield to Worst	4.67%	4.66%	0.01%	5.68%	5.88%	-0.20%
Option Adjusted Spread to Treasuries (bps)	72.4	66.5	5.9	266.5	211.4	55.1

Source: Bloomberg

Note: PNC Metals Bond Index excludes bonds of size < \$250 million

Issuance Date	Issuer	Amount Outstanding (\$MM)	Structure	Moody's Rating	S&P Rating	Maturity	Coupon Rate	Price at Issuance	Issuance Spread over Treasury	As of 12/31/2025		Since 10/1/2025		
										Yield to Worst	Spread (OAS)	10/1/2025 Spread	Δ in Spread (bps)	%Δ in Spread
Steel Mills														
4/5/2024	Algoma Steel Inc	\$350	2nd lien	Caa1	B-	4/15/2029	9.125%	100.00	490 bps	16.023%	1251 bps	1104 bps	147 bps	13.3%
3/7/2011	ArcelorMittal SA	\$434	Sr Unsecured	Baa2	BBB	3/1/2041	6.750%	99.18	230 bps	5.811%	165 bps	139 bps	26 bps	18.6%
3/11/2019	ArcelorMittal SA**	\$401	Sr Unsecured	Baa2	BBB	3/11/2026	4.550%	99.72	200 bps	4.501%	104 bps	77 bps	27 bps	34.7%
7/16/2019	ArcelorMittal SA	\$500	Sr Unsecured	Baa3	BBB	7/16/2029	4.250%	99.00	225 bps	4.211%	69 bps	63 bps	6 bps	8.8%
11/29/2022	ArcelorMittal SA**	\$1,200	Sr Unsecured	Baa2	BBB	11/29/2027	6.550%	99.91	255 bps	4.178%	72 bps	71 bps	1 bps	1.1%
11/29/2022	ArcelorMittal SA	\$1,000	Sr Unsecured	Baa2	BBB	11/29/2032	6.800%	99.37	305 bps	4.673%	97 bps	95 bps	2 bps	2.4%
9/18/2020	Big River Steel LLC	\$720	Secured	Ba1	BB+	1/31/2029	6.625%	100.00	604 bps	0.129%	-333 bps	174 bps	-507 bps	-291.7%
2/17/2021	Cleveland-Cliffs Inc	\$368	Sr Unsecured	Ba3	B+	3/1/2029	4.625%	100.00	368 bps	5.152%	163 bps	217 bps	-54 bps	-25.0%
2/17/2021	Cleveland-Cliffs Inc	\$325	Sr Unsecured	Ba3	B+	3/1/2031	4.875%	100.00	374 bps	5.819%	212 bps	263 bps	-51 bps	-19.3%
4/14/2023	Cleveland-Cliffs Inc	\$750	Sr Unsecured	Ba3	B+	4/15/2030	6.750%	100.00	325 bps	5.445%	199 bps	231 bps	-32 bps	-13.8%
3/18/2024	Cleveland-Cliffs Inc	\$1,425	Sr Unsecured	Ba3	B+	3/15/2032	7.000%	100.00	276 bps	6.167%	265 bps	257 bps	8 bps	3.1%
10/22/2024	Cleveland-Cliffs Inc	\$900	Sr Unsecured	Ba3	B+	5/1/2033	7.375%	100.00	339 bps	6.290%	259 bps	276 bps	-17 bps	-6.3%
10/22/2024	Cleveland-Cliffs Inc	\$900	Sr Unsecured	Ba3	B+	11/1/2029	6.875%	100.00	303 bps	5.510%	205 bps	244 bps	-39 bps	-15.9%
2/6/2025	Cleveland-Cliffs Inc	\$850	Sr Unsecured	Ba3	B+	9/15/2031	7.500%	100.00	305 bps	6.005%	230 bps	285 bps	-55 bps	-19.3%
9/8/2025	Cleveland-Cliffs Inc	\$1,125	Sr Unsecured	Ba3	B+	1/15/2034	7.625%	100.00	267 bps	6.547%	284 bps	285 bps	-1 bps	-0.4%
2/2/2021	Commercial Metals Co	\$300	Sr Unsecured	Ba2	BB+	2/15/2031	3.875%	100.00	279 bps	5.023%	132 bps	157 bps	-25 bps	-15.7%
1/28/2022	Commercial Metals Co	\$300	Sr Unsecured	Ba2	BB+	1/15/2030	4.125%	100.00	249 bps	4.937%	124 bps	147 bps	-23 bps	-15.8%
1/28/2022	Commercial Metals Co	\$300	Sr Unsecured	Ba2	BB+	3/15/2032	4.375%	100.00	249 bps	5.068%	135 bps	154 bps	-19 bps	-12.2%
11/26/2025	Commercial Metals Co*	\$1,000	Sr Unsecured	Ba2	BB+	11/15/2033	5.750%	100.00	249 bps	5.220%	152 bps	-	-	-
11/26/2025	Commercial Metals Co*	\$1,000	Sr Unsecured	Ba2	BB+	12/15/2035	6.000%	100.00	193 bps	5.594%	143 bps	-	-	-
4/16/2014	GUSAP III LP	\$481	Sr Unsecured	Baa2	BBB	4/16/2044	7.250%	100.00	368 bps	5.952%	116 bps	127 bps	-11 bps	-8.3%
4/26/2018	Nucor Corp	\$500	Sr Unsecured	A3	A-	5/1/2028	3.950%	99.85	100 bps	3.953%	50 bps	36 bps	14 bps	37.6%
5/22/2020	Nucor Corp	\$500	Sr Unsecured	A3	A-	6/1/2030	2.700%	99.72	205 bps	4.172%	47 bps	53 bps	-6 bps	-11.9%
12/7/2020	Nucor Corp	\$329	Sr Unsecured	A3	A-	12/15/2055	2.979%	99.29	130 bps	5.558%	76 bps	80 bps	-4 bps	-5.0%
3/11/2022	Nucor Corp	\$550	Sr Unsecured	A3	A-	4/1/2032	3.125%	99.67	130 bps	4.422%	72 bps	62 bps	10 bps	16.3%
3/11/2022	Nucor Corp	\$550	Sr Unsecured	A3	A-	4/1/2052	3.850%	99.07	165 bps	5.559%	71 bps	73 bps	-2 bps	-2.5%
5/23/2022	Nucor Corp**	\$500	Sr Unsecured	A3	A-	5/23/2027	4.300%	99.84	145 bps	3.775%	32 bps	36 bps	-4 bps	-11.7%
3/5/2025	Nucor Corp	\$500	Sr Unsecured	A3	A-	6/1/2030	4.650%	99.77	70 bps	4.108%	41 bps	56 bps	-15 bps	-26.4%
3/5/2025	Nucor Corp	\$500	Sr Unsecured	A3	A-	6/1/2035	5.100%	99.73	95 bps	4.774%	61 bps	75 bps	-14 bps	-18.9%
12/11/2019	Steel Dynamics Inc	\$600	Sr Unsecured	Baa2	BBB	4/15/2030	3.450%	99.74	165 bps	4.311%	61 bps	64 bps	-3 bps	-5.1%
6/5/2020	Steel Dynamics Inc	\$500	Sr Unsecured	Baa2	BBB	1/15/2031	3.250%	98.96	260 bps	4.354%	65 bps	66 bps	-1 bps	-1.4%
10/9/2020	Steel Dynamics Inc	\$400	Sr Unsecured	Baa2	BBB	10/15/2050	3.250%	96.33	185 bps	5.633%	78 bps	83 bps	-5 bps	-6.4%
10/9/2020	Steel Dynamics Inc**	\$350	Sr Unsecured	Baa2	BBB	10/15/2027	1.650%	99.30	120 bps	3.969%	51 bps	53 bps	-2 bps	-3.6%
7/3/2024	Steel Dynamics Inc	\$600	Sr Unsecured	Baa2	BBB	8/15/2034	5.375%	98.65	123 bps	4.842%	68 bps	82 bps	-14 bps	-17.1%
3/12/2025	Steel Dynamics Inc	\$400	Sr Unsecured	Baa2	BBB	5/15/2055	5.750%	97.03	140 bps	5.768%	92 bps	93 bps	-1 bps	-1.4%
3/12/2025	Steel Dynamics Inc	\$750	Sr Unsecured	Baa2	BBB	5/15/2035	5.250%	98.98	115 bps	4.927%	76 bps	83 bps	-7 bps	-8.7%
11/21/2025	Steel Dynamics Inc*	\$650	Sr Unsecured	Baa2	BBB	12/15/2028	4.000%	99.40	63 bps	4.024%	57 bps	-	-	-
5/21/2007	United States Steel Corp	\$274	Sr Unsecured	Ba3	BB+	6/1/2037	6.650%	99.41	180 bps	5.967%	180 bps	192 bps	-12 bps	-6.4%
2/11/2021	United States Steel Corp	\$475	Sr Unsecured	Ba3	BB+	3/1/2029	6.875%	100.00	592 bps	3.956%	50 bps	85 bps	-35 bps	-41.3%
Distribution														
8/3/2020	Reliance Inc	\$500	Sr Unsecured	Baa1	BBB+	8/15/2030	2.150%	99.72	160 bps	4.435%	73 bps	76 bps	-3 bps	-4.3%
11/20/2006	Reliance Inc	\$250	Sr Unsecured	Baa1	BBB+	11/15/2036	6.850%	99.43	220 bps	5.268%	111 bps	119 bps	-8 bps	-6.8%
Specialty														
3/24/2021	Alcoa Nederland Holding BV	\$500	Sr Unsecured	Ba1	BB	3/31/2029	4.125%	100.00	274 bps	4.784%	127 bps	149 bps	-22 bps	-14.5%
3/21/2024	Alcoa Nederland Holding BV	\$750	Sr Unsecured	Ba1	BB	3/15/2031	7.125%	100.00	301 bps	4.655%	120 bps	154 bps	-34 bps	-22.3%
3/17/2025	Alumina Pty Ltd	\$500	Sr Unsecured	Ba1	BB	9/15/2032	6.375%	100.00	226 bps	5.329%	163 bps	162 bps	1 bps	0.5%
3/17/2025	Alumina Pty Ltd	\$500	Sr Unsecured	Ba1	BB	3/15/2030	6.125%	100.00	211 bps	5.022%	150 bps	151 bps	-1 bps	-0.9%
8/10/2023	Arsenal AIC Parent LLC	\$700	Secured	Ba3	B+	10/1/2030	8.000%	100.00	396 bps	4.713%	126 bps	168 bps	-42 bps	-25.1%
11/22/2019	ATI Inc**	\$350	Sr Unsecured	Ba3	BB	12/1/2027	5.875%	100.00	414 bps	4.033%	58 bps	20 bps	38 bps	184.0%
9/14/2021	ATI Inc	\$325	Sr Unsecured	Ba3	BB	10/1/2029	4.875%	100.00	255 bps	4.903%	139 bps	151 bps	-12 bps	-7.6%
9/14/2021	ATI Inc	\$350	Sr Unsecured	Ba3	BB	10/1/2031	5.125%	100.00	255 bps	5.095%	158 bps	145 bps	13 bps	9.2%
8/11/2023	ATI Inc	\$425	Sr Unsecured	Ba3	BB	8/15/2030	7.250%	100.00	313 bps	3.953%	50 bps	96 bps	-46 bps	-48.0%
11/20/2025	Carpenter Technology Corp*	\$700	Sr Unsecured	Ba2	BB+	3/1/2034	5.625%	100.00	163 bps	5.233%	153 bps	-	-	-
7/22/2025	Century Aluminum Co	\$400	Secured	B3	B	8/1/2032	6.875%	100.00	113 bps	6.105%	240 bps	198 bps	42 bps	21.4%
1/25/2007	Howmet Aerospace Inc	\$625	Sr Unsecured	Baa1	BBB+	2/1/2037	5.950%	99.62	113 bps	4.985%	82 bps	70 bps	12 bps	17.9%
9/1/2021	Howmet Aerospace Inc	\$700	Sr Unsecured	Baa1	BBB+	1/15/2029	3.000%	100.00	255 bps	4.059%	54 bps	51 bps	3 bps	6.2%
3/18/2025	JW Aluminum Continuous Cast Co	\$350	1st lien	B3	B	4/1/2030	10.250%	100.00	624 bps	8.685%	517 bps	475 bps	42 bps	8.9%
5/20/2021	Kaiser Aluminum Corp	\$550	Sr Unsecured	B2	BB-	6/1/2031	4.500%	100.00	288 bps	5.252%	155 bps	190 bps	-35 bps	-18.5%
11/25/2025	Kaiser Aluminum Corp*	\$500	Sr Unsecured	B2	BB-	3/1/2034	5.875%	100.00	199 bps	5.772%	207 bps	-	-	-
1/16/2020	Novelis Corp	\$1,600	Sr Unsecured	B1	BB	1/30/2030	4.750%	100.00	836 bps	5.693%	199 bps	205 bps	-6 bps	-2.8%
8/11/2021	Novelis Corp	\$750	Sr Unsecured	B1	BB	8/15/2031	3.875%	100.00	836 bps	5.778%	208 bps	190 bps	18 bps	9.2%
1/13/2025	Novelis Corp	\$750	Sr Unsecured	B1	BB	1/30/2030	6.875%	100.00	836 bps	5.552%	203 bps	177 bps	26 bps	14.8%
8/18/2025	Novelis Corp	\$750	Sr Unsecured	B1	BB	8/15/2033	6.375%	100.00	836 bps	6.032%	233 bps	197 bps	36 bps	18.5%
12/20/2012	Precision Castparts Corp	\$500	Sr Unsecured	Aa2	AA	1/15/2043	3.900%	99.38	100 bps	5.401%	61 bps	67 bps	-6 bps	-9.0%
6/10/2015	Precision Castparts Corp	\$275	Sr Unsecured	Aa2	AA	6/15/2035	4.200%	99.40	130 bps	4.568%	41 bps	21 bps	20 bps	91.1%
6/10/2015	Precision Castparts Corp	\$325	Sr Unsecured	Aa2	AA	6/15/2045	4.375%	99.67	145 bps	5.464%	67 bps	69 bps	-2 bps	-3.5%

*Denotes new issuance since 10.1.2025

**Denotes bond that matures in the next two years

*+/- - Indicates ratings currently on review for upgrade/downgrade

Source: Bloomberg

Syndicated Bank Loan Market

Syndicated Bank Loan activity finished 2025 with the strongest quarterly results of the year. Total dollar volume in the 4th quarter was \$8.16 billion resulting from 14 closed transactions. This brings the total dollar volume for the year to \$19.86 billion. Despite the strong Q4, the full year was down 12.8% or \$2.94 billion from the prior year. The most notable deal for the quarter was acquisition financing for Commercial Metals' purchase of CP&P and Foley. This included a \$1.8 billion bridge loan and an increase in its revolver to \$1 billion. Other significant deals for the quarter included revolver amend & extends including; Carpenter Technology - \$500 million (which went from secured to unsecured), Kaiser Aluminum - \$575 million, Commonwealth Rolled Products - \$426.5 million, and Ta Chen - \$975 million. Details for some of these deals are shown below.

(\$ in millions)	Commercial Metals Company	Carpenter Technology Corporation	CommonWealth Rolled Products Inc.	Ta Chen International Inc.	Kaiser Aluminum Corporation				
Date	Dec-25	Nov-25	Oct-25	Oct-25	Oct-25				
Deal Size (\$ in MM)	\$1,000.0	\$500.0	\$300.0 / \$126.5	\$975.0	\$575.0				
Facility Type	CF Revolver	CF Revolver	ABL Revolver / Term Loan A	ABL Revolver	ABL Revolver				
Tenor	5 years	5 years	5 years / 5 years	5 years	5 years				
Purpose	Corporate Purposes / Acquisition	Corporate Purposes	Corporate Purposes	Corporate Purposes	Corporate Purposes / Refinance				
Ratings									
S&P	BB+	BB+	NR	NR	BB-				
Moody's	Ba1	Ba2	NR	NR	B1				
Amortization	-	-	Not Disclosed	-	-				
Pricing at close (bps)									
All-in Spread	150.0	162.5	225.0 / 275.0	150.0	125.0				
SOFR Margin	150.0	162.5	225.0 / 275.0	125.0	125.0				
Facility Fee	-	-		25.0	-				
Commitment Fee	30.0	22.5	Not Disclosed	-	25.0				
Pricing Detail (bps)	Debt Ratings	RCF SOFR Spread	RCF Comm. Fee	Total Lev. Ratio	RCF SOFR Spread	RCF Comm. Fee	Average Excess Availability	RCF SOFR Spread	
	≥ BBB / Ba2	100.0	20.0	≤ 0.50x	137.5	20.0		≥ 40%	125.0
	BBB- / Ba3	125.0	25.0	≤ 2.00x	162.5	22.5	Not Disclosed	Not Disclosed	< 40% 150.0
	BB+ / Ba1	150.0	30.0	≤ 2.75x	187.5	25.0			Average Revolver Usage Unused Fee
	BB / Ba2	175.0	35.0	> 2.75x	215.0	30.0			> 50% 20.0
	≤ BB- / Ba3	200.0	40.0						< 50% 25.0
SOFR Adjustment (bps) (1-mo / 3-mo / 6-mo)	None		None		Not Disclosed		Not Disclosed		None
Rate Floor	-		-		-		-		0.00%
OID	-		-		-		-		-
Call Protection	-		-		-		-		-
Financial Covenants									
Fixed Charge Coverage Ratio	-		-						1.00 ¹
Interest Coverage Ratio	2.50x		3.00x						-
Total Leverage Ratio	0.60x (Debt to Cap)		-		Not Disclosed		Not Disclosed		-
Net Leverage Ratio	-		3.50x ¹						-
Secured	Yes ¹		No		Yes		Yes		Yes

Sources: S&P Capital IQ, Moody's, Refinitiv Loan Connector

¹ Collateral released upon investment grade rating
¹ Defined as (Total Debt - (i) Domestic Unrestricted Cash + (ii) Non-Domestic Unrestricted Cash ≤ \$40mm) / EBITDA; provided that

¹ Defined as (EBITDA - Net Capital Expenditures) / (Cash Interest + Principal Payments + Cash Income Taxes + Cash Dividends)

Sources: S&P Capital IQ, Moody's, Refinitiv Loan Connector

1 <https://www.gold.org/goldhub/data/gold-reserves-by-country>

2 <https://www.gold.org/goldhub/data/gold-etfs-holdings-and-flows>

3, 4 https://www.pnc.com/content/dam/pnc-com/pdf/aboutpnc/EconomicReports/EconomicUpdates/2026/PNC_Economics_Research_2026_Economic_Outlook_January_2026.pdf

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