

# PNC's Metals Industry Update

## Issue 47



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Welcome to Issue 47 of PNC's *Metals Industry Update*. This Issue begins with a cover story from PNC economist Ershang Liang. PNC Bank ("PNC") is forecasting metals demand to grow in 2025, but the potential tariffs being discussed by the Trump administration present a risk to the forecast. Also, PNC expects a pricing environment that will be more favorable for nonferrous than ferrous. This is similar to the conditions we saw during the fourth quarter. The remainder of our *Update* includes our recurring sections on metal prices, metals bond issues and the syndicated bank loan market.

Thank you for being a reader of PNC's *Metals Industry Update*. We strive to provide you quarterly content, in a user-friendly format, that can help you stay current with market conditions. We appreciate your questions and comments and look forward to hearing from you.

### Metals Demand to Grow in 2025, with Tariffs the Major Risk

- The price of gold increased in 2024 but has retreated entering 2025 paired with the dollar strength.
- As expected, iron and steel prices fell toward the end of 2024. Demand for nonferrous metals turned out to be more resilient than expected in the second half of 2024.
- PNC expects gold and nonferrous metal prices to increase this year, while we expect iron and steel prices will be flat to down.
- PNC expects higher U.S. tariffs and potential retaliation to be the primary risks to metals demand in 2025.

Gold extended its price gains in the second half of 2024 but has lost momentum since October. The U.S. dollar, however, rose to a 25-month high at the end of the year. Both gained in value over the year as the appetite for safe assets increased under subdued economic momentum in other advanced economies, including the eurozone. The divergence between gold and the dollar at the end of 2024 reflected a shift in market expectations for the fed funds rate that moved the dollar and gold prices in opposite directions. The expected pace of Federal Reserve easing has slowed, meaning a limited number of fed funds rate cuts in 2025, due to a stronger-than-expected U.S. economy and potentially higher inflation during the Trump administration. In **Chart 1**, the safe-haven currency, the dollar, climbed over 7% in the fourth quarter of 2024 while the price of an ounce of gold pulled back below \$2,700.

Outside of the resilient U.S. economy that is now preparing for a higher-for-longer rate trajectory, China's economic slowdown persisted into late 2024, dragged by its problematic housing downturn.

## Metals Demand to Grow in 2025, with Tariffs the Major Risk *(Continued)*

The People's Bank of China (PBOC)'s stimulus moves proved ineffective in reversing weak housing demand and failed to prevent the Chinese real estate sector from deteriorating at the end of the year. As expected, steel prices retreated in the second half of the year given sluggish construction activity in China. In **Chart 2**, China's construction Purchasing Managers' Index decreased to a four-year low in November 2024 and fell into contractionary territory (below 50). Construction business activity, after seasonal adjustments, improved in December 2024 from last month but is still down from 2023. Areas of commodity building starts and under construction were also firmly down in 2024 from 2023 (**Chart 3**), further weighing on iron and steel demand and prices in the second half of last year.

Unlike iron and steel, prices of nonferrous metals remained resilient in 2024. Although this is down from the peak in 2022, the Producer Price Index (PPI) for nonferrous metals rose almost 10% in November 2024 on a year-ago basis, according to the Bureau of Labor Statistics (BLS). Even lower mining costs in the second half of 2024 did not prevent prices of some metals, like aluminum, from rising at the end of the year.

The resilient U.S. labor market and still-robust wage growth that is running ahead of inflation will continue to support demand for auto sales (**Chart 4**) and demand for auto-related metals such as aluminum, copper and nickel. PNC expects the Federal Open Market Committee (FOMC) to cut the federal funds rate twice, by 25 basis points each time, in the first half of 2025 (**Chart 5**).

This would bring the fed funds rate to a range of between 3.75% to 4.00% by mid-2025, with the rate expected to remain there into 2026. Consumption of durable goods such as household equipment, electronics and home furnishings are expected to continue to grow, albeit at a slower pace given the lagged impacts from tighter monetary policy in 2023 and early 2024 on housing and purchases of big-ticket consumer items (**Chart 5**). However, PNC expects that more favorable credit conditions in 2025 will benefit private business investment, driving a recovery in fixed capital spending and metals demand (**Chart 6**). Demand for and prices of nonferrous metals are therefore expected to rise in 2025 along with autos sales, private business investment and durable goods consumption. However, there is little upside potential for iron and steel prices in 2025 under slower Chinese economic growth and temporarily weak U.S. construction spending. A lower fed funds rate will likely support gold prices instead of the dollar in 2025 as inflation continues to ease, and U.S. economic growth is expected to normalize at around 2% over the next few years.

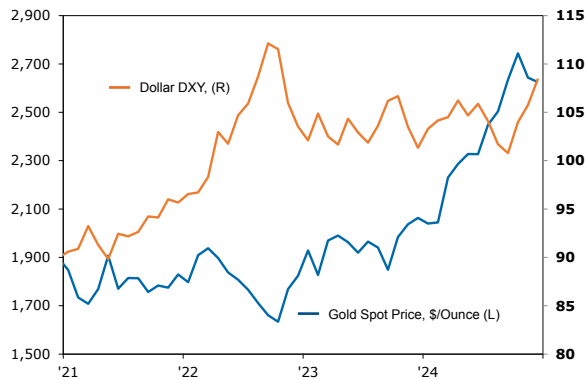
Risks to the outlook in 2025 are tilted to the downside, particularly due to potential higher tariffs under President Trump. PNC expects an improvement in international trade flows this year with a gradual economic recovery overseas supported by further policy interest rate cuts in the eurozone, the UK and China. Nonetheless, higher U.S. tariffs would increase metals prices and weigh on metals demand, while retaliation by U.S. trading partners would also weigh on U.S. exports.

Visit [pnc.com/economicreports](https://pnc.com/economicreports) for more information from PNC Economics.

The material presented is of a general nature and does not constitute the provision of investment or economic advice to any person, or a recommendation to buy or sell any security or adopt any investment strategy. Opinions and forecasts expressed herein are subject to change without notice. Relevant information was obtained from sources deemed reliable. Such information is not guaranteed as to its accuracy. You should seek the advice of an investment professional to tailor a financial plan to your needs.

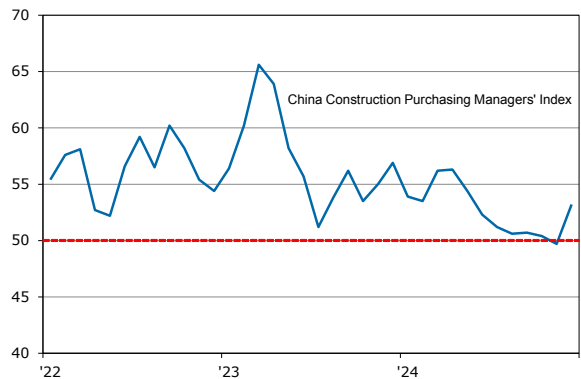
Forward-looking statements are necessarily subject to numerous assumptions, risks and uncertainties, which change over time. Future events or circumstances may change our outlook and may also affect the nature of the assumptions, risks and uncertainties to which our forward-looking statements are subject. Forward-looking statements speak only as of the date made. We do not assume any duty and do not undertake any obligation to update forward-looking statements. Actual results or future events could differ, possibly materially, from those anticipated in forward-looking statements, as well as from historical performance. As a result, we caution against placing undue reliance on any forward-looking statements.

**CHART 1** | After Current Fallback, Gold Prices Expected to Rise in 2025



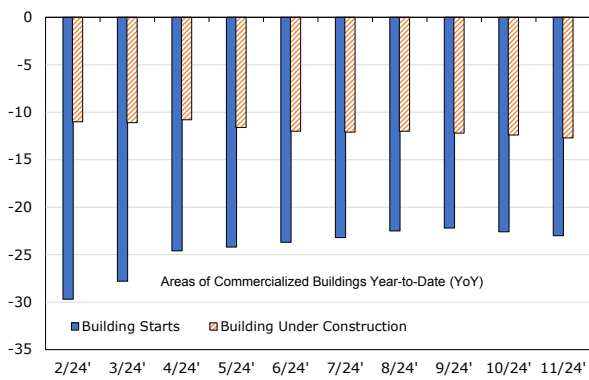
Source: Bloomberg

**CHART 2** | PBOC Stimulus Measures Fail to Prevent Chinese Housing Downturn



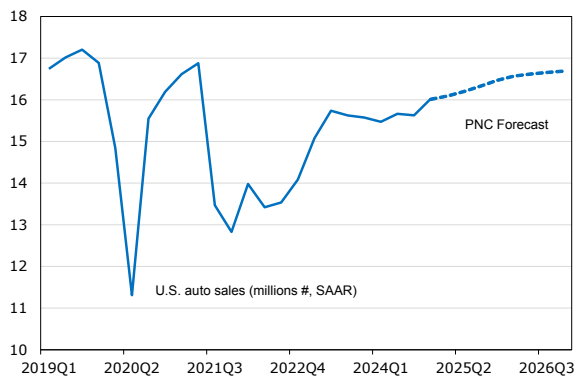
Source: China Federation of Logistics & Purchasing, NBS

**CHART 3** | Chinese Building Starts Softened in 2024 Upon Continued Economic Woes



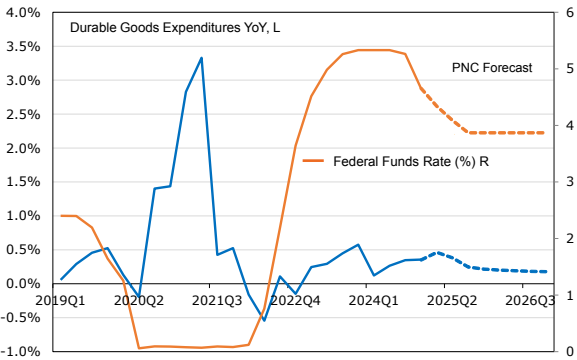
Source: National Bureau of Statistics of China

**CHART 4** | U.S. Auto Sales Expected to Gradually Pick Up in 2025 and 2026



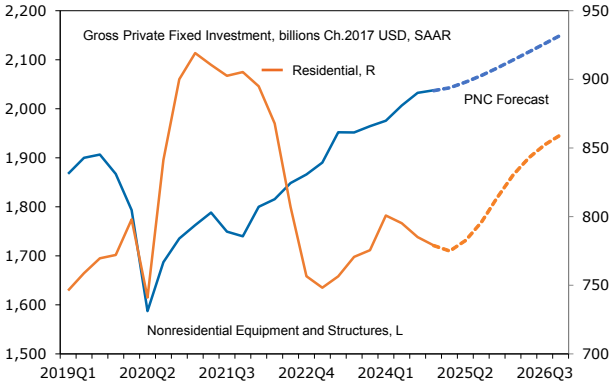
Source: Moody's Analytics, PNC Economics December 2024 Forecast

**CHART 5** | Restrictive Monetary Policy Will Limit Growth in Durable Goods Expenditures



Source: BEA, PNC Economics December 2024 Forecast

**CHART 6** | Better Credit Conditions Will Support Near-Term Recoveries in Residential and Business Investment



Source: BEA, PNC Economics December 2024 Forecast

## Metals Pricing

During the fourth quarter of 2024, we saw some divergence in pricing between ferrous and nonferrous products for the 23 products we track. Prices for all 17 of the ferrous products were either flat or down with carbon steel making inputs down the most (No. 1 HMS down 8.8%, Shredded down 5.12% and Met Coal down 6.8%). This offered producers some hope for better metal spreads despite weak pricing. Comex copper and LME nickel also posted large declines during the quarter (down 6.16% and 7.8%, respectively). However, aluminum and stainless steel proved to be more resilient. For aluminum, an increase in the Midwest Premium resulted in a 70 basis point increase in the Midwest Transaction Price (MWTP) despite a 2.5% decline in LME aluminum, and 304 stainless cold-rolled sheet also increased by 1.8% during the quarter. This is a strong number when you consider the decline in nickel for the same period.

See the complete list of monthly metal prices during the quarter.

Carbon Flat-Rolled Steel \$/NT October–December 2024			
Product	October	November	December
Hot-Rolled	660	660	660
Cold-Rolled	970	960	960
Galvanized	1,010	1,000	1,000

Discrete Plate \$/NT October–December 2024			
Product	October	November	December
A36	940	940	940
A514	2,160	2,160	2,160
AR400	2,180	2,180	2,180

Wide Flange Beam \$/cwt. October–December 2024			
Size	October	November	December
24"x12¾"	62.50	61.50	61.50
18"x6"	59.25	58.25	58.25

MBQ \$/cwt. October–December 2024			
Shape	October	November	December
1" A36 round	47.70	47.70	47.70

Rebar \$/cwt. – Grade 60 October–December 2024			
Size	October	November	December
16 mm - #5	36.50	35.50	35.50

SBQ \$/cwt. – 1" round October–December 2024			
Grade	October	November	December
HR 4140 Q&T	96.55	95.45	95.20

Pipe & Tube \$/NT October–December 2024			
Product	October	November	December
OCTG J55	1,150	1,100	1,150
Linepipe, ERW	1,150	1,100	1,150

Aluminum \$/lb October–December 2024			
Alloy	October	November	December
3003	2.08	2.15	2.10
LME	1.18	1.17	1.15
MWTP	1.37	1.37	1.38

Stainless \$/lb – Cold-Rolled Coil October–December 2024			
Grade	October	November	December
304	1.61	1.66	1.64

Copper \$/lb October–December 2024			
	October	November	December
Comex Avg.	4.38	4.17	4.11

Nickel \$/lb October–December 2024			
	October	November	December
LME Avg.	7.62	7.14	7.02

Ferrous Scrap \$/GT Midwest October–December 2024			
Grade	October	November	December
No. 1 HMS	340	325	310
Shredded	390	385	370

Iron Ore \$/LT U.S. October–December 2024			
Grade	October	November	December
Furnace Pellets	105	103	105

Met Coal \$/MT U.S. East Coast October–December 2024			
Grade	October	November	December
Low-vol	204	206	190

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](mailto:mdawson@sector3appraisals.com).



## Metals Bond Update

### Market Treads Lightly Going into 2025

Heading into the fourth quarter with rate-cut optimism at a high after September's oversized (50 bps) cut, sentiment quickly shifted as consumer and labor market resiliency led to an increasingly hawkish outlook from Fed officials and tempered expectations for further rate cuts. While Donald Trump's decisive victory ignited a broad risk-on rally, especially in equity markets, economic data releases throughout the quarter underscored themes of stubborn inflation. Both November and December rate cuts were just 25 bps each, and the yield curve steepened as longer-term rates increased in response to higher growth and inflation expectations under the Trump administration. Throughout the quarter, 10-year Treasury yields widened ~85 bps from 3.73% on 10/1/24 to 4.56% on 1/2/25.

Climbing Treasury yields did little to deter robust primary market activity, which continued at a steady pace throughout the quarter. Investment Grade issuers priced \$1.6TN of supply in 2024, beating the average estimate for the year by nearly 25%, while High Yield volume of \$279 billion finished up ~61% from last year. The average yield of the Investment Grade index widened 56 bps (from 4.79% to 5.35%), while the average yield of the High Yield index widened 38 bps (from 7.04% to 7.42%) this quarter.

Investment Grade issuers priced \$241 billion in 4Q24 in a rush to take advantage of favorable market conditions before year-end. The average Investment Grade new issue concession and order book subscription level remained healthy at 2 bps and 3.60x, respectively. During the quarter, A-rated and BBB-rated credit spreads tightened 7 bps and 14 bps on average, respectively. In PNC's IG Metals Bond Index, yields widened 0.51% and spreads tightened 6 bps in 4Q24. No Investment Grade metals issuers priced new offerings in the fourth quarter.

High Yield issuers combined to price \$45 billion in 4Q24, maintaining a steady pace despite the election noise and conflicting economic data releases. Secondary yields remained largely rangebound as spreads ground to unprecedented lows to offset the Treasury yield widening. During the quarter, BB-rated spreads and B-rated spreads tightened 3 bps each on average. The average spread of issuers in the PNC HY Metals Bond Index tightened 38 bps, while yields widened 0.21% in the fourth quarter. Notably, Cleveland-Cliffs (Ba3 / BB-) priced a \$1.8 billion (upsized from \$1.6 billion) dual-tranche transaction consisting of \$900 million 5NC2 senior unsecured notes priced at 6.875% and \$900 million 8.5NC3.5 senior unsecured notes priced at 7.375%.

### Metals Bond Index

As of Date	PNC IG Metals Bond Index			PNC HY Metals Bond Index		
	1/2/2025	10/3/2024	Change	1/2/2025	10/3/2024	Change
Effective Maturity (Years)	8.01	8.06	-0.05	5.17	5.19	-0.02
Composite Rating	BBB+	BBB+	–	BB-	BB-	–
Weighted Average Coupon	4.26%	4.22%	0.04%	5.86%	5.80%	0.06%
Yield to Worst	5.19%	4.68%	0.51%	6.53%	6.32%	0.21%
Option Adjusted Spread to Treasuries (bps)	78.9	85.3	-6.4	198.3	236.2	-37.9

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

Source: Bloomberg



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 1/2/2025		Since 10/3/2024		
										Yield to Worst	Spread (OAS)	10/3 Spread	Δ in Spread (bps)	%Δ in Spread
Steel Mills														
4/5/2024	Algoma Steel Inc	\$350	2nd lien	B3	B	4/15/2029	9.125%	100.00	490 bps	8.223%	382 bps	457 bps	-75 bps	-16.4%
3/11/2019	ArcelorMittal SA	\$401	Sr Unsecured	Baa3	BBB-	3/11/2026	4.550%	99.72	200 bps	5.043%	95 bps	85 bps	10 bps	11.8%
11/29/2022	ArcelorMittal SA	\$1,200	Sr Unsecured	Baa3	BBB-	11/29/2027	6.550%	99.91	255 bps	4.995%	76 bps	86 bps	-10 bps	-11.3%
7/16/2019	ArcelorMittal SA	\$500	Sr Unsecured	Baa3	BBB-	7/16/2029	4.250%	99.00	225 bps	5.030%	72 bps	84 bps	-12 bps	-14.5%
11/29/2022	ArcelorMittal SA	\$1,000	Sr Unsecured	Baa3	BBB-	11/29/2032	6.800%	99.37	305 bps	5.684%	118 bps	129 bps	-11 bps	-8.2%
3/7/2011	ArcelorMittal SA	\$434	Sr Unsecured	Baa3	BBB-	3/1/2041	6.750%	99.18	230 bps	6.440%	173 bps	185 bps	-12 bps	-6.4%
9/18/2020	Big River Steel LLC	\$720	Secured	Ba2 +	BB- +	1/31/2029	6.625%	100.00	604 bps	6.522%	141 bps	76 bps	64 bps	84.0%
10/22/2024	Cleveland-Cliffs Inc	\$900	Sr Unsecured	Ba3	BB-	5/1/2033	7.375%	100.00	339 bps	7.592%	284 bps	-	-	-
10/22/2024	Cleveland-Cliffs Inc	\$900	Sr Unsecured	Ba3	BB-	11/1/2029	6.875%	100.00	303 bps	7.112%	251 bps	-	-	-
5/13/2019	Cleveland-Cliffs Inc	\$555	Sr Unsecured	Ba3	BB-	6/1/2027	5.875%	96.13	-	6.015%	133 bps	106 bps	27 bps	25.4%
2/17/2021	Cleveland-Cliffs Inc	\$368	Sr Unsecured	Ba3	BB-	3/1/2029	4.625%	100.00	368 bps	6.459%	212 bps	237 bps	-25 bps	-10.4%
4/14/2023	Cleveland-Cliffs Inc	\$750	Sr Unsecured	Ba3	BB-	4/15/2030	6.750%	100.00	325 bps	7.188%	256 bps	228 bps	28 bps	12.3%
2/17/2021	Cleveland-Cliffs Inc	\$325	Sr Unsecured	Ba3	BB-	3/1/2031	4.875%	100.00	374 bps	6.931%	258 bps	241 bps	17 bps	7.0%
3/18/2024	Cleveland-Cliffs Inc	\$1,425	Sr Unsecured	Ba3	BB-	3/15/2032	7.000%	100.00	276 bps	7.309%	249 bps	267 bps	-18 bps	-6.6%
1/28/2022	Commercial Metals Co	\$300	Sr Unsecured	Ba2	BB+	1/15/2030	4.125%	100.00	249 bps	5.948%	160 bps	155 bps	5 bps	3.5%
2/2/2021	Commercial Metals Co	\$300	Sr Unsecured	Ba2	BB+	2/15/2031	3.875%	100.00	279 bps	6.114%	168 bps	150 bps	18 bps	11.9%
1/28/2022	Commercial Metals Co	\$300	Sr Unsecured	Ba2	BB+	3/15/2032	4.375%	100.00	267 bps	6.135%	163 bps	132 bps	31 bps	23.6%
4/16/2014	GUSAP III LP	\$481	Sr Unsecured	Baa2	BBB	4/16/2044	7.250%	100.00	368 bps	6.395%	164 bps	180 bps	-17 bps	-9.3%
5/23/2022	Nucor Corp	\$500	Sr Unsecured	Baa1	A-	5/23/2025	3.950%	99.94	115 bps	4.780%	70 bps	71 bps	0 bps	-0.5%
5/22/2020	Nucor Corp	\$500	Sr Unsecured	Baa1	A-	6/1/2025	2.000%	99.85	170 bps	4.737%	75 bps	52 bps	23 bps	44.3%
5/23/2022	Nucor Corp	\$500	Sr Unsecured	Baa1	A-	5/23/2027	4.300%	99.84	145 bps	4.655%	39 bps	41 bps	-1 bps	-3.1%
4/26/2018	Nucor Corp	\$500	Sr Unsecured	Baa1	A-	5/1/2028	3.950%	99.85	100 bps	4.856%	58 bps	48 bps	10 bps	20.9%
5/22/2020	Nucor Corp	\$500	Sr Unsecured	Baa1	A-	6/1/2030	2.700%	99.72	205 bps	4.980%	64 bps	61 bps	3 bps	4.5%
3/11/2022	Nucor Corp	\$550	Sr Unsecured	Baa1	A-	4/1/2032	3.125%	99.67	130 bps	5.170%	67 bps	70 bps	-3 bps	-4.0%
3/11/2022	Nucor Corp	\$550	Sr Unsecured	Baa1	A-	4/1/2052	3.850%	99.07	165 bps	5.721%	92 bps	99 bps	-6 bps	-6.5%
12/7/2020	Nucor Corp	\$329	Sr Unsecured	Baa1	A-	12/15/2055	2.979%	99.29	130 bps	5.687%	88 bps	95 bps	-7 bps	-7.3%
7/3/2024	Steel Dynamics Inc	\$600	Sr Unsecured	Baa2	BBB	8/15/2034	5.375%	98.65	123 bps	4.518%	92 bps	109 bps	-17 bps	-15.9%
6/5/2020	Steel Dynamics Inc	\$400	Sr Unsecured	Baa2	BBB	6/15/2025	2.400%	99.62	210 bps	4.730%	90 bps	72 bps	17 bps	24.1%
12/6/2016	Steel Dynamics Inc	\$400	Sr Unsecured	Baa2	BBB	12/15/2026	5.000%	100.00	266 bps	4.040%	-183 bps	-37 bps	-146 bps	395.9%
10/9/2020	Steel Dynamics Inc	\$350	Sr Unsecured	Baa2	BBB	10/15/2027	1.650%	99.30	120 bps	4.798%	50 bps	74 bps	-24 bps	-32.1%
12/11/2019	Steel Dynamics Inc	\$600	Sr Unsecured	Baa2	BBB	4/15/2030	3.450%	99.74	165 bps	4.798%	63 bps	91 bps	-29 bps	-31.2%
6/5/2020	Steel Dynamics Inc	\$500	Sr Unsecured	Baa2	BBB	1/15/2031	3.250%	98.96	260 bps	4.798%	73 bps	93 bps	-21 bps	-22.1%
10/9/2020	Steel Dynamics Inc	\$400	Sr Unsecured	Baa2	BBB	10/15/2050	3.250%	96.33	185 bps	4.798%	101 bps	117 bps	-16 bps	-13.6%
2/11/2021	United States Steel Corp	\$475	Sr Unsecured	B1 +	BB- +	3/1/2029	6.875%	100.00	592 bps	6.457%	184 bps	149 bps	36 bps	24.2%
5/21/2007	United States Steel Corp	\$274	Sr Unsecured	B1 +	BB- +	6/1/2037	6.650%	99.41	180 bps	6.930%	237 bps	241 bps	-4 bps	-1.6%
Distribution														
8/3/2020	Reliance Inc	\$400	Sr Unsecured	Baa2	BBB+	8/15/2025	1.300%	99.69	110 bps	4.888%	78 bps	73 bps	5 bps	7.1%
8/3/2020	Reliance Inc	\$500	Sr Unsecured	Baa2	BBB+	8/15/2030	2.150%	99.72	160 bps	5.146%	74 bps	83 bps	-9 bps	-10.7%
11/20/2006	Reliance Inc	\$250	Sr Unsecured	Baa2	BBB+	11/15/2036	6.850%	99.43	220 bps	5.876%	132 bps	141 bps	-10 bps	-6.8%
Specialty														
7/13/2020	Alcoa Nederland Holding BV	\$750	Sr Unsecured	Ba1	BB	12/15/2027	5.500%	100.00	255 bps	5.038%	42 bps	63 bps	-21 bps	-34.0%
5/17/2018	Alcoa Nederland Holding BV	\$500	Sr Unsecured	Ba1	BB	5/15/2028	6.125%	100.00	314 bps	5.900%	127 bps	65 bps	62 bps	94.7%
3/24/2021	Alcoa Nederland Holding BV	\$500	Sr Unsecured	Ba1	BB	3/31/2029	4.125%	100.00	274 bps	5.908%	156 bps	151 bps	5 bps	3.2%
3/21/2024	Alcoa Nederland Holding BV	\$750	Sr Unsecured	Ba1	BB	3/15/2031	7.125%	100.00	301 bps	6.169%	147 bps	152 bps	-5 bps	-3.4%
8/10/2023	Arsenal AIC Parent LLC	\$700	Secured	Ba3	B+	10/1/2030	8.000%	100.00	396 bps	6.836%	217 bps	173 bps	45 bps	25.9%
11/22/2019	ATI Inc	\$350	Sr Unsecured	B1	BB-	12/1/2027	5.875%	100.00	414 bps	6.092%	154 bps	95 bps	59 bps	62.0%
9/14/2021	ATI Inc	\$325	Sr Unsecured	B1	BB-	10/1/2029	4.875%	100.00	255 bps	5.998%	159 bps	183 bps	-23 bps	-12.8%
9/14/2021	ATI Inc	\$350	Sr Unsecured	B1	BB-	10/1/2031	5.125%	100.00	255 bps	6.170%	162 bps	161 bps	1 bps	0.3%
8/11/2023	ATI Inc	\$425	Sr Unsecured	B1	BB-	8/15/2030	7.250%	100.00	313 bps	5.848%	161 bps	114 bps	47 bps	40.9%
7/24/2020	Carpenter Technology Corp	\$400	Sr Unsecured	B1	BB	7/15/2028	6.375%	100.00	587 bps	5.848%	125 bps	112 bps	13 bps	11.5%
3/16/2022	Carpenter Technology Corp	\$300	Sr Unsecured	B1	BB	3/15/2030	7.625%	100.00	566 bps	5.848%	180 bps	110 bps	70 bps	63.4%
4/14/2021	Century Aluminum Co	\$250	Secured	Caa1	B	4/1/2028	7.500%	100.00	615 bps	6.389%	207 bps	239 bps	-32 bps	-13.6%
9/1/2021	Howmet Aerospace Inc	\$700	Sr Unsecured	Baa1	BBB	1/15/2029	3.000%	100.00	255 bps	4.940%	60 bps	69 bps	-9 bps	-12.6%
1/25/2007	Howmet Aerospace Inc	\$625	Sr Unsecured	Baa1	BBB	2/1/2037	5.950%	99.62	113 bps	5.534%	91 bps	103 bps	-12 bps	-11.7%
5/31/2018	JW Aluminum Continuous	\$300	1st lien	B3	B-	6/1/2026	10.250%	100.00	718 bps	0.405%	-59 bps	197 bps	-256 bps	-129.9%
11/26/2019	Kaiser Aluminum Corp	\$500	Sr Unsecured	B2	BB-	3/1/2028	4.625%	100.00	289 bps	6.506%	223 bps	194 bps	29 bps	14.9%
5/20/2021	Kaiser Aluminum Corp	\$550	Sr Unsecured	B2	BB-	6/1/2031	4.500%	100.00	288 bps	6.769%	234 bps	231 bps	3 bps	1.4%
8/11/2021	Novelis Corp	\$750	Sr Unsecured	Ba3	BB	11/15/2026	3.250%	100.00	836 bps	5.892%	169 bps	134 bps	36 bps	26.7%
1/16/2020	Novelis Corp	\$1,600	Sr Unsecured	Ba3	BB	1/30/2030	4.750%	100.00	836 bps	6.422%	201 bps	166 bps	35 bps	21.1%
8/11/2021	Novelis Corp	\$750	Sr Unsecured	Ba3	BB	8/15/2031	3.875%	100.00	836 bps	6.418%	197 bps	172 bps	25 bps	14.7%
6/10/2015	Precision Castparts Corp	\$850	Sr Unsecured	Aa2	AA	6/15/2025	3.250%	99.80	110 bps	4.590%	48 bps	31 bps	17 bps	56.2%
6/10/2015	Precision Castparts Corp	\$275	Sr Unsecured	Aa2	AA	6/15/2035	4.200%	99.40	130 bps	5.099%	51 bps	56 bps	-5 bps	-8.9%
12/20/2012	Precision Castparts Corp	\$500	Sr Unsecured	Aa2	AA	1/15/2043	3.900%	99.38	100 bps	5.608%	79 bps	85 bps	-6 bps	-6.7%
6/10/2015	Precision Castparts Corp	\$325	Sr Unsecured	Aa2	AA	6/15/2045	4.375%	99.67	145 bps	5.581%	72 bps	82 bps	-10 bps	-12.1%

Denotes new issuance since 10.3.24 Metals Bond Update

Denotes bond that matures in the next two years

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

Source: Bloomberg

## Syndicated Bank Loan Market

The fourth quarter finished as the weakest quarter of the year for metals deals in the syndicated bank loan market. The quarter produced just six deals with a total dollar value of \$2.7 billion. This brings the totals for the full year of 2024 to 31 deals and \$22.8 billion. The deals completed during the quarter were primarily simple maturity extensions to existing credit facilities.

The following provides publicly available details for some of the more notable transactions during the quarter.

	AA Metals, Inc.	TMS International	Triple S Steel Holdings	Commercial Metals Company			Zekelman Industries, Inc.
Date	Feb-22 (Amend. Dec-24)	Dec-24 / Jul-24	Nov-24	Oct-22 (Amend. Oct-24)			Oct-24
Deal Size (\$ in MM)	\$225.0 / \$85.0	\$175.0 / \$446.1 <sup>1</sup>	\$300.0	\$600.0			\$600.0
Facility Type	ABL Revolver	ABL Revolver / TLB	CF Revolver	CF Revolver			ABL Revolver
Tenor	5 years	5 years / 7 years	5 years	5 years			5 year
Purpose	Corporate Purposes	Corporate Purposes	Corporate Purposes	Corporate Purposes			Corporate Purposes
Ratings							
S&P	NR	B+	NR	BB+			BB+
Moody's	NR	B2	NR	Ba1			Ba2
Amortization	-	- / 1.0% per annum	-	-			-
Pricing at close (bps)							
All-in Spread	175.0 / 150.0	200.0 / -	135.0	150.0			125.0
SOFR Margin	<i>Not disclosed</i>	175.0 / 375.0	125.0	150.0			125.0
Facility Fee	-	25.0 / -	-	-			-
Commitment Fee	25.0	-	<i>Not disclosed</i>	30.0			25.0
Sustainability Adjustment	<i>Not disclosed</i>	<i>Not disclosed</i>	<i>Not disclosed</i>	-			<i>Not disclosed</i>
Pricing Detail (bps)				Debt Rating	SOFR Spread	Comm. Fee	<i>Not disclosed</i>
				≥ BBB / Baa2	100.0	20.0	
				BBB- / Baa3	125.0	25.0	
				BB+ / Ba1	150.0	30.0	
				BB / Ba2	175.0	35.0	
				≤ BB- / Ba3	200.0	40.0	
SOFR Adjustment (bps) (1-mo / 3-mo / 6-mo)	<i>Not disclosed</i>	<i>Not disclosed</i>	10.0 / 10.0 / 10.0	<i>Not disclosed</i>			<i>Not disclosed</i>
Rate Floor	<i>Not disclosed</i>	0.50%	<i>Not disclosed</i>	-			<i>Not disclosed</i>
OID	-	99.875	-	-			-
Call Protection	-	101 soft call 6 mo.	-	-			-
Financial Covenants							
Fixed Charge Coverage Ratio				-			
Interest Coverage Ratio				2.50x			
Total Leverage Ratio	<i>Not disclosed</i>	<i>Not disclosed</i>	<i>Not disclosed</i>	-			<i>Not disclosed</i>
Net Leverage Ratio				-			
Funded Debt Ratio				-			
Debt to Capital Ratio				0.60x			
Secured	Yes / No	Yes	No	Yes <sup>1</sup>			Yes

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

<sup>1</sup> Original \$475MM 7-Year deal repriced in Jul-24

<sup>1</sup> Collateral released upon investment grade rating

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

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