

# PNC's Metals Industry Update

## Issue 49



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Welcome to Issue 49 of PNC's Metals Industry Update. This Issue begins with our cover story on the economic outlook for 2H 2025. PNC Economics has an outlook that anticipate tariffs putting pressure on economic growth, metals demand, and the value of the US dollar. The good news is that PNC Economics sees this softness as a temporary weakness before demand and prices for metals gradually firm in 2026. This is certainly something all of us will be watching closely. This story is followed by our recurring sections on metals pricing, the bond market, and the syndicated bank loan market. We are going to declare Q2 as the “wait and see quarter”. Prices generally moved sideways. Activity in the bond and bank market for metals companies was weaker than normal with no new issuance of public debt and a 50% decline in volume in Q1 for syndicated bank loans. Worth noting as part of this “wait and see” quarter is the completion of Nippon Steel's acquisition of US Steel on June 18 bringing an end to a saga that lasted almost two years. This has the potential to significantly change the landscape for carbon steel production in the US.

Thank you for reading our quarterly Update. Please reach out with any questions or comments. We want to make certain our Update continues to deliver information you need and can use.

### Tariff Swings to Weigh on Growth and Metals Demand in 2H 2025<sup>1</sup>

- **US economic growth is slowing in 2025, and trade uncertainties and increased risk of recession have pushed gold prices higher.**
- **US manufacturing demand and hot-rolled coil steel prices both showed a lack of momentum.**
- **Iron ore and steel rebar prices fell from the end of 2024 as expected. Tariff policies have driven large price swings for nonferrous metals this year.**
- **PNC Economics expects tariffs and elevated uncertainty to keep gold prices high and weigh on the US dollar. Base metal prices and iron ore and steel prices will likely drop in the second half of 2025.**
- **Tariff policies and associated uncertainties remain the primary risks to metals demand in the second half of 2025.**

Big changes in tariff policy in 2025 have driven huge swings in US imports and exports. Imports from the US Census Bureau jumped 29% between October 2024, right before the election, to March 2025, as businesses tried to import ahead of large tariff increases under the Trump administration's “Liberation Day.” As a result US real GDP fell 0.5% annualized in the first quarter, with a much larger trade deficit subtracting 4.6 percentage points from annualized growth in the quarter, according to the Bureau of Economic Analysis. Inflation-adjusted consumer spending grew a modest 0.5% at a seasonally-adjusted annualized rate in the first quarter, a slowing from Q4 2024, and residential fixed investment

## Tariff Swings to Weigh on Growth and Metals Demand in 2H 2025 *(Continued)*

contracted 1.3% as high mortgage rates remained a drag on housing. Tariff uncertainties, mixed with a slowing US labor market in mid-2025, have increased the probability of a US recession over the next 12 months to about 35%, up from 15% at the beginning of this year. With higher tariffs and hostilities between Israel and Iran in June, Bloomberg's gold prices surged over 30% from January, from roughly \$2,600 per ounce to over \$3,300 surpassing expectations for a smaller rise in gold prices this year.

The seasonally adjusted ISM manufacturing purchasing managers' index improved in January 2025, jumping to expansionary territory for the first time since October 2022. This PMI tracks economic activities in US's manufacturing industry, including production, new orders, inventories, etc. A reading of above 50 indicates expansion and a reading below 50 shows contraction in the industry. It fell back to the contractionary field again in March (to 49 from 50.3), and has been below 50 for a four straight month in June 2025. Early 2025's brief factory expansion offers little support for hot-rolled coil steel prices by mid-year, due to subdued manufacturing demand (Chart 1).

Soft homebuilding in both the US and China point to further weakness in demand for iron ore and steel rebar in 2025. US housing starts came in far below consensus expectations in May and were down 4.6% on a year-ago basis (Chart 2). A 30-year fixed mortgage rate of close to 7% continues to weigh on residential construction. China's Q1 real GDP came in stronger than the consensus, up 5.4% on a year-over-year basis, while gross capital formation contributed less than 10% to GDP growth, the lowest share since early 2022 (Chart 3). China's real estate sector continues to face challenges in mid-2025 with home prices and housing starts down deeply from the same time last year. In May sale prices from the National Bureau of Statistics of China for newly constructed residential buildings were up in only three of 70 large and medium-sized cities on a year-ago basis.

The National Bureau of Statistics of China's construction purchasing managers' index has improved from the start of 2025 but was still near a five-year low in June; January's construction PMI was in contractionary territory for the first time since February 2020. To support small business borrowing, boost domestic demand, and offset the ongoing real estate downturn the People's Bank of China further cut the reserve requirement ratio and multiple key interest rates in May. The real estate inventory absorption period in most cities was above 20 months in June 2025, according to China Real Estate Information Corp., pointing to a consistent oversupply of homes, weak demand for homebuilding, and weaker iron and steel consumption in the second half of 2025.

Prices of most nonferrous metals, including aluminum, copper, and tin, have increased this year with sharp tariff-

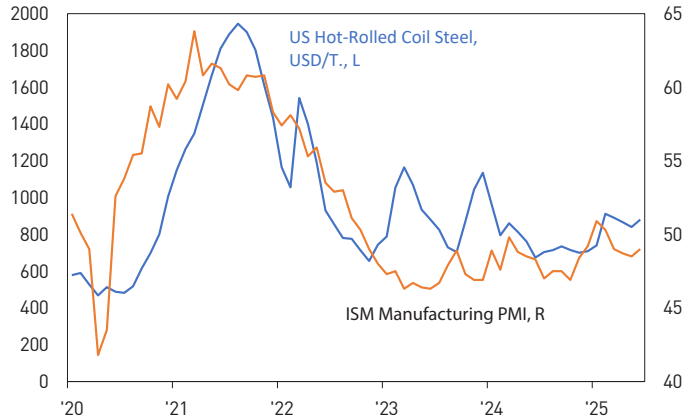
related volatility. Larger-than-expected tariffs in early April lowered forecasts for global economic growth and reduced demand for these metals, weighing on prices. For example, prices of aluminum and copper fell sharply in April, but have gradually recovered as the administration has reversed or delayed many of the reciprocal and auto tariffs (Chart 4). The producer price index (PPI) for all nonferrous metals still rose 8% in May 2025 on a year-ago basis, according to the Bureau of Labor Statistics.

Tariffs of 50% on copper announced in early July by the Trump administration, to be effective on August 1, drove the spread between COMEX copper and LME copper much wider than usual due to expected higher prices in the future. Headwinds for base metals price are greater than usual with tariff uncertainties and a sluggish Chinese economic recovery, although demand could benefit from economic recovery in the eurozone over the next year. PNC Economics expects US job growth to soften further in 2025, with temporary weakness in demand for auto-related metals like aluminum, copper, and nickel due to slowing wage growth, more cautious consumer spending, and tariff-driven auto price increases (Chart 5). This is consistent with the Federal Open Market Committee (FOMC)'s June Summary of Economic Projections for weaker growth, a higher unemployment rate, and higher inflation in 2025, all compared to the March SEP.

PNC Economics expects the FOMC to cut the federal funds rate once this year, by 25 basis points, in December 2025, and by two times in 2026 as a tariff-driven reacceleration in inflation in mid-2025 starts to ease. More favorable credit conditions in 2026 will benefit private business investment, driving a recovery in fixed capital spending and metals demand (Chart 6). Demand for and prices of base metals will therefore experience temporary weakness before gradually firming in 2026. There is very little upside potential for iron and steel prices in 2025 under slower Chinese economic growth and temporarily weak US construction spending. A lower fed funds rate would likely support gold prices instead of the dollar in 2025. Risks to the outlook in 2025 are tilted to the downside with ongoing trade uncertainties. Higher US tariffs would also weigh on metals demand in the near term.

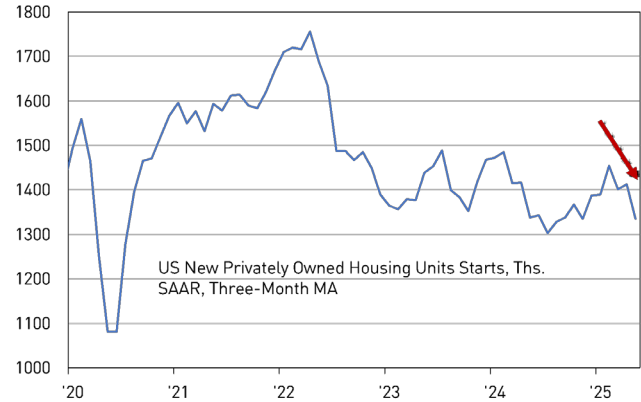
## Tariff Swings to Weigh on Growth and Metals Demand in 2H 2025 *(Continued)*

**Chart 1. Steel Price Momentum Remains Muted Alongside Weak Manufacturing Demand**



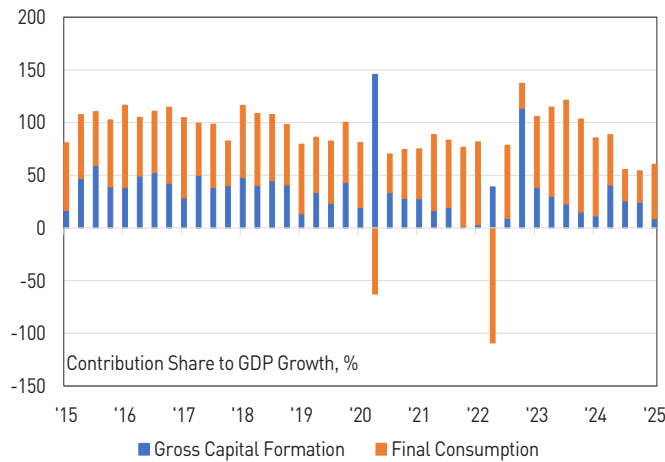
Source: Bloomberg, Institute for Supply Management

**Chart 2. Elevated Mortgage Rates to Weigh On US Homebuilding and Metals Demand**



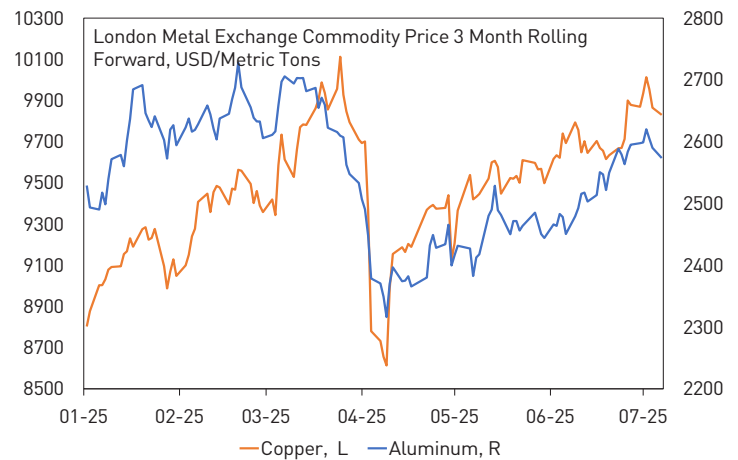
Source: US Census Bureau

**Chart 3. China's Investment-Driven Growth in the Rear Mirror; Iron and Steel Prices to Fall**



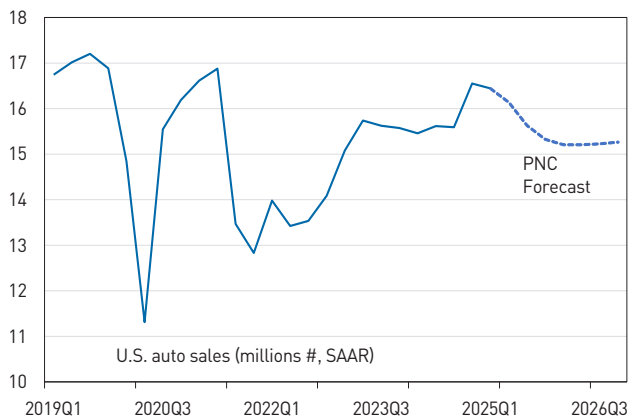
Source: National Bureau of Statistics of China

**Chart 4. Copper and Aluminum Prices Fell Sharply in April and Face Headwinds Ahead**



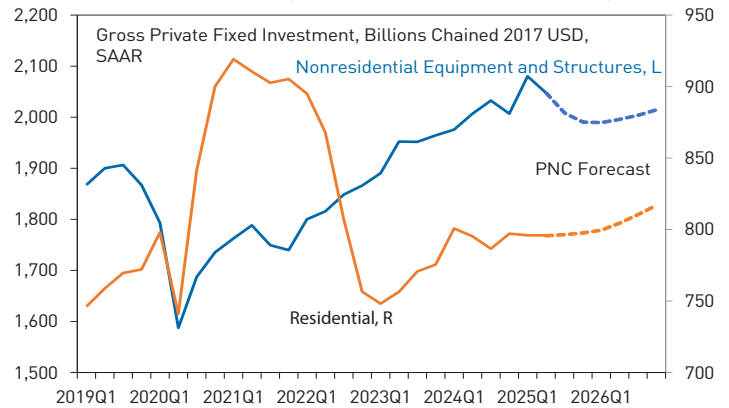
Source: Bloomberg

**Chart 5. US Autos Sales and Major Nonferrous Metals Demand to Weaken in 2025**



Source: Moody's Analytics, PNC Economics June 2025 Forecast

**Chart 6. Lower Fixed Investments Will Weigh on Metals Demand; Lower Rates Should Bring a Gradual Recovery in the Coming Years**



Source: BEA, PNC Economics June 2025 Forecast

## Metals Pricing

Following a first quarter that saw 21 of the 23 products we track increase in price, prices in Q2 were relatively stable. Of the products we track, eleven increased, eight decreased and 4 remained flat. Ferrous products traded relatively flat within a band of plus or minus 2% except for scrap which saw HMS down 3% and shred down 7.3%. This will bode well for steel producers' margins in the next quarter. Aluminum prices responded to the prospect of a 50% import tariff as the MWTP jumped 14.28%. Still the increase remains well short the proposed full tariff amount. The other product responding to tariff increasing during the quarter is Iron Ore Pellets, up 28.5%. The US relies on imports of iron units to supply the growing number of electric arc furnaces that intend to supply markets previously supported exclusively by the integrated producers. See the complete list of product prices.

| Carbon Flat-Rolled Steel \$/NT<br>April - June 2025 |       |       |       |
|---|-------|-------|-------|
| Product   | April | May   | June  |
| Hot-Rolled  | 895   | 850   | 880   |
| Cold-Rolled   | 1,120 | 1,070 | 1,060 |
| Galvanized  | 1,180 | 1,140 | 1,180 |

| Discrete Plate \$/NT<br>April - June 2025 |       |       |       |
|---|-------|-------|-------|
| Product                                   | April | May   | June  |
| A36                                       | 1,095 | 1,140 | 1,200 |
| A514                                      | 2,240 | 2,285 | 2,345 |
| AR400                                     | 2,260 | 2,305 | 2,365 |

| Wide Flange Beam \$/cwt.<br>April - June 2025 |       |       |       |
|---|-------|-------|-------|
| Size  | April | May   | June  |
| 24"x12¾"                                      | 67.50 | 67.50 | 67.50 |
| 18"x6"  | 64.25 | 64.25 | 64.25 |

| MBQ \$/cwt.<br>April - June 2025 |       |       |       |
|----------------------------------|-------|-------|-------|
| Shape                            | April | May   | June  |
| 1" A36 round                     | 52.70 | 52.70 | 52.70 |

| Rebar \$/cwt. - Grade 60<br>April - June 2025 |       |       |       |
|---|-------|-------|-------|
| Size  | April | May   | June  |
| 16 mm - #5                                    | 39.00 | 39.00 | 40.00 |

| SBQ \$/cwt. - 1" round<br>April - June 2025 |        |        |        |
|---|--------|--------|--------|
| Grade                                       | April  | May    | June   |
| HR 4140 Q&T                                 | 105.50 | 104.25 | 102.90 |

| Pipe & Tube \$/NT<br>April - June 2025 |       |       |       |
|--|-------|-------|-------|
| Product                                | April | May   | June  |
| OCTG J55                               | 1,400 | 1,500 | 1,450 |
| Linepipe, ERW                          | 1,400 | 1,500 | 1,450 |

| Aluminum \$/lb<br>April - June 2025 |       |      |      |
|-------------------------------------|-------|------|------|
| Alloy                               | April | May  | June |
| 3003                                | 2.46  | 2.29 | 2.26 |
| LME                                 | 1.08  | 1.11 | 1.14 |
| MWTP                                | 1.47  | 1.49 | 1.68 |

| Stainless \$/lb - Cold-Rolled Coil<br>April - June 2025 |       |      |      |
|---|-------|------|------|
| Grade   | April | May  | June |
| 304   | 1.60  | 1.58 | 1.58 |

| Copper \$/lb<br>April - June 2025 |       |      |      |
|-----------------------------------|-------|------|------|
|                                   | April | May  | June |
| Comex Avg.                        | 4.64  | 4.64 | 4.88 |

| Nickel \$/lb<br>April - June 2025 |       |      |      |
|-----------------------------------|-------|------|------|
|                                   | April | May  | June |
| LME Avg.                          | 6.90  | 6.95 | 6.80 |

| Ferrous Scrap \$/GT Midwest<br>April - June 2025 |       |     |      |
|--|-------|-----|------|
| GRADE  | April | May | June |
| No. 1 HMS  | 330   | 310 | 320  |
| Shredded   | 410   | 390 | 380  |

| Iron Ore \$/LT U.S.<br>April - June 2025 |       |        |        |
|--|-------|--------|--------|
| GRADE                                    | April | May    | June   |
| Furnace Pellets                          | 91.00 | 119.00 | 117.00 |

| Met Coal \$/MT U.S. East Coast<br>April - June 2025 |       |     |      |
|---|-------|-----|------|
| GRADE   | April | May | June |
| low vol   | 176   | 181 | 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](mailto:mdawson@sector3appraisals.com).



Metals Bond Update<sup>2</sup>

Markets Seesaw on Tariff & Geopolitical Tensions

Concerns that began to build in late Q1 extended into the second quarter, triggered by escalating geopolitical tensions and a new wave of U.S. tariffs on imported goods. Trump’s broad “Liberation Day” tariff announcements brought issuance to a standstill in April as markets grew increasingly cautious around policy direction. Following a supply-starved month with just \$114.6BN pricing in April, issuers returned in May after the administration temporarily paused further tariff action and overall sentiment improved, setting the stage for a stronger tone in June. By the end of the quarter, softening inflation data revived hopes for a September Fed cut, further helping markets rebound. The S&P 500 weathered the quarter’s volatility and reached a new all-time high on June 30th, closing 10.6% higher from 4/1/25 to 6/30/25. Meanwhile, 10-year Treasury yields widened ~2 bps to 4.228% over the same period. Driven by spread tightening, the average yield of the Investment Grade index tightened 15 bps (from 5.16% to 5.01%), while the average yield of the High Yield index tightened 68 bps (from 7.73% to 7.05%) in the second quarter.

Investment Grade issuers priced \$386.0BN in 2Q25. Year-to-date issuance volume ended June at \$940.8BN, well

surpassing 1H24’s volume of \$666.1BN as favorable market conditions persisted despite the volatile macro background. The average Investment Grade new issue concession and order book subscription level remained healthy at 3 bps and 3.74x, respectively. Throughout the quarter, A-rated and BBB-rated yields decreased 0.13% and 0.17%, supported by credit spread tightening of 8 bps and 12 bps on average. PNC’s IG Metals Bond Index reflected yield tightening of 0.08% and a 17 bps decrease in spreads in 2Q25. No Investment Grade metals issuers priced new offerings in the second quarter.

High Yield issuers combined to price \$73.3BN in 2Q25, bringing total year-to-date issuance to \$141.1BN. Despite the surge of new-issue activity in May and June following the tariff-induced pause in April, issuance still lags 12% behind the first half of 2024’s \$160.4BN figure. After increasing dramatically following Liberation Day on April 4th, BB-rated and B-rated spreads ended the quarter 60 bps and 75 bps tighter on average. The average spread of issuers in the PNC HY Metals Bond Index tightened 42 bps, while yields tightened 0.53% in the second quarter. No High Yield metals issuers priced new offerings in the second quarter.

Metals Bond Index

| As of Date                                 | PNC IG Metals Bond Index |          |        | PNC HY Metals Bond Index |          |        |
|--|--------------------------|----------|--------|--------------------------|----------|--------|
|  | 6/30/2025                | 4/1/2025 | (Δ)    | 6/30/2025                | 4/1/2025 | (Δ)    |
| Effective Maturity (Years)                 | 9.30                     | 8.35     | 0.95   | 4.92                     | 5.01     | -0.09  |
| Composite Rating                           | BBB+                     | BBB+     | -      | BB-                      | BB-      | -      |
| Weighted Avg. Coupon                       | 4.56%                    | 4.36%    | 0.20%  | 6.05%                    | 6.05%    | 0.00%  |
| Yield to Worst                             | 4.93%                    | 5.01%    | -0.08% | 6.27%                    | 6.80%    | -0.53% |
| Option Adjusted Spread to Treasuries (bps) | 79.4                     | 96.5     | -17.0  | 230.9                    | 272.6    | -41.7  |

Source: Bloomberg

Note: PNC IG 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 6/30/2025 |              | Since 4/1/2025  |                   |              |
|---------------|--------------------------------|---------------------------|--------------|----------------|------------|------------|-------------|-------------------|-------------------------------|-----------------|--------------|-----------------|-------------------|--------------|
|               |                                |                           |              |                |            |            |             |                   |                               | Yield to Worst  | Spread (OAS) | 4/1/2025 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                       | 11.802%         | 798 bps      | 826 bps         | -28 bps           | -3.4%        |
| 3/11/2019     | ArcelorMittal SA               | \$401                     | Sr Unsecured | Baa3           | BBB        | 3/11/2026  | 4.550%      | 99.72             | 200 bps                       | 4.628%          | 66 bps       | 82 bps          | -16 bps           | -19.4%       |
| 11/29/2022    | ArcelorMittal SA               | \$1,200                   | Sr Unsecured | Baa3           | BBB        | 11/29/2027 | 6.550%      | 99.91             | 255 bps                       | 4.589%          | 92 bps       | 91 bps          | 1 bps             | 1.3%         |
| 7/16/2019     | ArcelorMittal SA               | \$500                     | Sr Unsecured | Baa3           | BBB        | 7/16/2029  | 4.250%      | 99.00             | 225 bps                       | 4.609%          | 86 bps       | 86 bps          | 0 bps             | 0.3%         |
| 11/29/2022    | ArcelorMittal SA               | \$1,000                   | Sr Unsecured | Baa3           | BBB        | 11/29/2032 | 6.800%      | 99.37             | 305 bps                       | 5.146%          | 112 bps      | 113 bps         | -1 bps            | -0.8%        |
| 3/7/2011      | ArcelorMittal SA               | \$434                     | Sr Unsecured | Baa3           | BBB        | 3/1/2041   | 6.750%      | 99.18             | 230 bps                       | 6.202%          | 161 bps      | 163 bps         | -2 bps            | -1.5%        |
| 9/18/2020     | Big River Steel LLC            | \$720                     | Secured      | Ba2 +          | BB- +      | 1/31/2029  | 6.625%      | 100.00            | 604 bps                       | 2.164%          | -139 bps     | -160 bps        | 21 bps            | -13.1%       |
| 2/6/2025      | Cleveland-Cliffs Inc           | \$850                     | Sr Unsecured | Ba3            | BB-        | 9/15/2031  | 7.500%      | 100.00            | 305 bps                       | 8.260%          | 422 bps      | 425 bps         | -3 bps            | -0.7%        |
| 10/22/2024    | Cleveland-Cliffs Inc           | \$900                     | Sr Unsecured | Ba3            | BB-        | 5/1/2033   | 7.375%      | 100.00            | 339 bps                       | 8.480%          | 433 bps      | 433 bps         | 0 bps             | 0.0%         |
| 10/22/2024    | Cleveland-Cliffs Inc           | \$900                     | Sr Unsecured | Ba3            | BB-        | 11/1/2029  | 6.875%      | 100.00            | 303 bps                       | 7.312%          | 342 bps      | 342 bps         | 0 bps             | -0.1%        |
| 5/13/2019     | Cleveland-Cliffs Inc           | \$555                     | Sr Unsecured | Ba3            | BB-        | 6/1/2027   | 5.875%      | 96.13             | -                             | 5.673%          | 258 bps      | 154 bps         | 104 bps           | 67.2%        |
| 2/17/2021     | Cleveland-Cliffs Inc           | \$368                     | Sr Unsecured | Ba3            | BB-        | 3/1/2029   | 4.625%      | 100.00            | 368 bps                       | 7.163%          | 341 bps      | 342 bps         | -2 bps            | -0.5%        |
| 4/14/2023     | Cleveland-Cliffs Inc           | \$750                     | Sr Unsecured | Ba3            | BB-        | 4/15/2030  | 6.750%      | 100.00            | 325 bps                       | 7.669%          | 379 bps      | 374 bps         | 4 bps             | 1.1%         |
| 2/17/2021     | Cleveland-Cliffs Inc           | \$325                     | Sr Unsecured | Ba3            | BB-        | 3/1/2031   | 4.875%      | 100.00            | 374 bps                       | 8.055%          | 420 bps      | 418 bps         | 2 bps             | 0.4%         |
| 3/18/2024     | Cleveland-Cliffs Inc           | \$1,425                   | Sr Unsecured | Ba3            | BB-        | 3/15/2032  | 7.000%      | 100.00            | 276 bps                       | 8.112%          | 411 bps      | 413 bps         | -3 bps            | -0.6%        |
| 1/28/2022     | Commercial Metals Co           | \$300                     | Sr Unsecured | Ba2            | BB+        | 1/15/2030  | 4.125%      | 100.00            | 249 bps                       | 5.184%          | 132 bps      | 132 bps         | 0 bps             | 0.1%         |
| 2/2/2021      | Commercial Metals Co           | \$300                     | Sr Unsecured | Ba2            | BB+        | 2/15/2031  | 3.875%      | 100.00            | 279 bps                       | 5.604%          | 170 bps      | 167 bps         | 3 bps             | 1.7%         |
| 1/28/2022     | Commercial Metals Co           | \$300                     | Sr Unsecured | Ba2            | BB+        | 3/15/2032  | 4.375%      | 100.00            | 267 bps                       | 5.760%          | 173 bps      | 173 bps         | 0 bps             | -0.1%        |
| 4/16/2014     | GUSAP III LP                   | \$481                     | Sr Unsecured | Baa2           | BBB        | 4/16/2044  | 7.250%      | 100.00            | 368 bps                       | 6.263%          | 154 bps      | 158 bps         | -4 bps            | -2.8%        |
| 3/5/2025      | Nucor Corp                     | \$500                     | Sr Unsecured | Baa1           | A-         | 6/1/2030   | 4.650%      | 99.77             | 70 bps                        | 4.457%          | 66 bps       | 67 bps          | -1 bps            | -0.9%        |
| 3/5/2025      | Nucor Corp                     | \$500                     | Sr Unsecured | Baa1           | A-         | 6/1/2035   | 5.100%      | 99.73             | 95 bps                        | 5.083%          | 84 bps       | 86 bps          | -3 bps            | -3.0%        |
| 5/23/2022     | Nucor Corp                     | \$500                     | Sr Unsecured | Baa1           | A-         | 5/23/2027  | 4.300%      | 99.84             | 145 bps                       | 4.120%          | 35 bps       | 39 bps          | -3 bps            | -9.0%        |
| 4/26/2018     | Nucor Corp                     | \$500                     | Sr Unsecured | Baa1           | A-         | 5/1/2028   | 3.950%      | 99.85             | 100 bps                       | 4.105%          | 36 bps       | 38 bps          | -2 bps            | -5.2%        |
| 5/22/2020     | Nucor Corp                     | \$500                     | Sr Unsecured | Baa1           | A-         | 6/1/2030   | 2.700%      | 99.72             | 205 bps                       | 4.468%          | 66 bps       | 68 bps          | -2 bps            | -3.3%        |
| 3/11/2022     | Nucor Corp                     | \$550                     | Sr Unsecured | Baa1           | A-         | 4/1/2032   | 3.125%      | 99.67             | 130 bps                       | 4.711%          | 72 bps       | 74 bps          | -3 bps            | -3.5%        |
| 3/11/2022     | Nucor Corp                     | \$550                     | Sr Unsecured | Baa1           | A-         | 4/1/2052   | 3.850%      | 99.07             | 165 bps                       | 5.619%          | 81 bps       | 84 bps          | -3 bps            | -3.5%        |
| 12/7/2020     | Nucor Corp                     | \$329                     | Sr Unsecured | Baa1           | A-         | 12/15/2055 | 2.979%      | 99.29             | 130 bps                       | 5.628%          | 85 bps       | 91 bps          | -6 bps            | -6.8%        |
| 3/12/2025     | Steel Dynamics Inc             | \$400                     | Sr Unsecured | Baa2           | BBB        | 5/15/2055  | 5.750%      | 97.03             | 140 bps                       | 4.730%          | 122 bps      | 125 bps         | -3 bps            | -2.5%        |
| 3/12/2025     | Steel Dynamics Inc             | \$600                     | Sr Unsecured | Baa2           | BBB        | 5/15/2035  | 5.250%      | 98.98             | 115 bps                       | 4.730%          | 102 bps      | 105 bps         | -3 bps            | -2.9%        |
| 7/3/2024      | Steel Dynamics Inc             | \$600                     | Sr Unsecured | Baa2           | BBB        | 8/15/2034  | 5.375%      | 98.65             | 123 bps                       | 4.518%          | 97 bps       | 101 bps         | -4 bps            | -3.7%        |
| 12/6/2016     | Steel Dynamics Inc             | \$400                     | Sr Unsecured | Baa2           | BBB        | 12/15/2026 | 5.000%      | 100.00            | 266 bps                       | 4.040%          | -17 bps      | -70 bps         | 53 bps            | -75.5%       |
| 10/9/2020     | Steel Dynamics Inc             | \$350                     | Sr Unsecured | Baa2           | BBB        | 10/15/2027 | 1.650%      | 99.30             | 120 bps                       | 4.798%          | 62 bps       | 63 bps          | -1 bps            | -2.2%        |
| 12/11/2019    | Steel Dynamics Inc             | \$600                     | Sr Unsecured | Baa2           | BBB        | 4/15/2030  | 3.450%      | 99.74             | 165 bps                       | 4.798%          | 78 bps       | 80 bps          | -1 bps            | -1.8%        |
| 6/5/2020      | Steel Dynamics Inc             | \$500                     | Sr Unsecured | Baa2           | BBB        | 1/15/2031  | 3.250%      | 98.96             | 260 bps                       | 4.798%          | 78 bps       | 79 bps          | -1 bps            | -0.8%        |
| 10/9/2020     | Steel Dynamics Inc             | \$400                     | Sr Unsecured | Baa2           | BBB        | 10/15/2050 | 3.250%      | 96.33             | 185 bps                       | 4.798%          | 104 bps      | 108 bps         | -4 bps            | -3.6%        |
| 2/11/2021     | United States Steel Corp       | \$475                     | Sr Unsecured | B1 +           | BB- +      | 3/1/2029   | 6.875%      | 100.00            | 592 bps                       | 4.506%          | 45 bps       | 77 bps          | -33 bps           | -42.1%       |
| 5/21/2007     | United States Steel Corp       | \$274                     | Sr Unsecured | B1 +           | BB- +      | 6/1/2037   | 6.650%      | 99.41             | 180 bps                       | 5.971%          | 160 bps      | 152 bps         | 8 bps             | 5.3%         |
| Distribution  |                                |                           |              |                |            |            |             |                   |                               |                 |              |                 |                   |              |
| 8/3/2020      | Reliance Inc                   | \$400                     | Sr Unsecured | Baa1           | BBB+       | 8/15/2025  | 1.300%      | 99.69             | 110 bps                       | 4.947%          | 130 bps      | 116 bps         | 14 bps            | 11.8%        |
| 8/3/2020      | Reliance Inc                   | \$500                     | Sr Unsecured | Baa1           | BBB+       | 8/15/2030  | 2.150%      | 99.72             | 160 bps                       | 4.674%          | 88 bps       | 86 bps          | 2 bps             | 2.6%         |
| 11/20/2006    | Reliance Inc                   | \$250                     | Sr Unsecured | Baa1           | BBB+       | 11/15/2036 | 6.850%      | 99.43             | 220 bps                       | 5.630%          | 132 bps      | 131 bps         | 0 bps             | 0.1%         |
| Specialty     |                                |                           |              |                |            |            |             |                   |                               |                 |              |                 |                   |              |
| 7/13/2020     | Alcoa Nederland Holding BV     | \$141                     | Sr Unsecured | Ba1            | BB         | 12/15/2027 | 5.500%      | 100.00            | 255 bps                       | 5.801%          | 189 bps      | 190 bps         | -1 bps            | -0.5%        |
| 5/17/2018     | Alcoa Nederland Holding BV     | \$219                     | Sr Unsecured | Ba1            | BB         | 5/15/2028  | 6.125%      | 100.00            | 314 bps                       | 5.365%          | 156 bps      | 143 bps         | 13 bps            | 9.4%         |
| 3/24/2021     | Alcoa Nederland Holding BV     | \$500                     | Sr Unsecured | Ba1            | BB         | 3/31/2029  | 4.125%      | 100.00            | 274 bps                       | 5.522%          | 177 bps      | 175 bps         | 2 bps             | 1.3%         |
| 3/21/2024     | Alcoa Nederland Holding BV     | \$750                     | Sr Unsecured | Ba1            | BB         | 3/15/2031  | 7.125%      | 100.00            | 301 bps                       | 5.670%          | 145 bps      | 152 bps         | -7 bps            | -4.7%        |
| 3/17/2025     | Alumina Pty Ltd                | \$500                     | Sr Unsecured | Ba1            | BB         | 9/15/2032  | 6.375%      | 100.00            | 226 bps                       | 5.987%          | 177 bps      | 182 bps         | -5 bps            | -2.6%        |
| 3/17/2025     | Alumina Pty Ltd                | \$500                     | Sr Unsecured | Ba1            | BB         | 3/15/2030  | 6.125%      | 100.00            | 211 bps                       | 5.743%          | 178 bps      | 177 bps         | 1 bps             | 0.4%         |
| 8/10/2023     | Arsenal AIC Parent LLC         | \$700                     | Secured      | Ba3            | B+         | 10/1/2030  | 8.000%      | 100.00            | 396 bps                       | 5.811%          | 146 bps      | 140 bps         | 5 bps             | 3.9%         |
| 11/22/2019    | ATI Inc                        | \$350                     | Sr Unsecured | B1             | BB-        | 12/1/2027  | 5.875%      | 100.00            | 414 bps                       | 5.635%          | 142 bps      | 124 bps         | 19 bps            | 15.1%        |
| 9/14/2021     | ATI Inc                        | \$325                     | Sr Unsecured | B1             | BB-        | 10/1/2029  | 4.875%      | 100.00            | 255 bps                       | 5.414%          | 139 bps      | 148 bps         | -9 bps            | -6.0%        |
| 9/14/2021     | ATI Inc                        | \$350                     | Sr Unsecured | B1             | BB-        | 10/1/2031  | 5.125%      | 100.00            | 255 bps                       | 5.579%          | 142 bps      | 147 bps         | -5 bps            | -3.1%        |
| 8/11/2023     | ATI Inc                        | \$425                     | Sr Unsecured | B1             | BB-        | 8/15/2030  | 7.250%      | 100.00            | 313 bps                       | 5.848%          | 98 bps       | 106 bps         | -9 bps            | -8.1%        |
| 7/24/2020     | Carpenter Technology Corp      | \$400                     | Sr Unsecured | B1             | BB+        | 7/15/2028  | 6.375%      | 100.00            | 587 bps                       | 5.848%          | 21 bps       | -25 bps         | 46 bps            | -183.4%      |
| 3/16/2022     | Carpenter Technology Corp      | \$300                     | Sr Unsecured | B1             | BB+        | 3/15/2030  | 7.625%      | 100.00            | 566 bps                       | 5.848%          | 95 bps       | 110 bps         | -15 bps           | -13.9%       |
| 4/14/2021     | Century Aluminum Co            | \$250                     | Secured      | B3             | B          | 4/1/2028   | 7.500%      | 100.00            | 615 bps                       | 5.011%          | 104 bps      | 111 bps         | -7 bps            | -6.6%        |
| 9/1/2021      | Howmet Aerospace Inc           | \$700                     | Sr Unsecured | Baa1           | BBB        | 1/15/2029  | 3.000%      | 100.00            | 255 bps                       | 4.343%          | 62 bps       | 62 bps          | 0 bps             | -0.3%        |
| 1/25/2007     | Howmet Aerospace Inc           | \$625                     | Sr Unsecured | Baa1           | BBB        | 2/1/2037   | 5.950%      | 99.62             | 113 bps                       | 5.223%          | 84 bps       | 86 bps          | -2 bps            | -2.4%        |
| 11/26/2019    | Kaiser Aluminum Corp           | \$500                     | Sr Unsecured | B2             | BB-        | 3/1/2028   | 4.625%      | 100.00            | 289 bps                       | 5.438%          | 165 bps      | 170 bps         | -5 bps            | -3.1%        |
| 5/20/2021     | Kaiser Aluminum Corp           | \$550                     | Sr Unsecured | B2             | BB-        | 6/1/2031   | 4.500%      | 100.00            | 288 bps                       | 5.823%          | 186 bps      | 186 bps         | 0 bps             | 0.0%         |
| 1/13/2025     | Novelis Corp                   | \$750                     | Sr Unsecured | B1             | BB         | 1/30/2030  | 6.875%      | 100.00            | 836 bps                       | 5.770%          | 173 bps      | 175 bps         | -2 bps            | -1.3%        |
| 8/11/2021     | Novelis Corp                   | \$750                     | Sr Unsecured | B1             | BB         | 11/15/2026 | 3.250%      | 100.00            | 836 bps                       | 4.331%          | 52 bps       | 51 bps          | 2 bps             | 3.4%         |
| 1/16/2020     | Novelis Corp                   | \$1,600                   | Sr Unsecured | B1             | BB         | 1/30/2030  | 4.750%      | 100.00            | 836 bps                       | 5.871%          | 202 bps      | 196 bps         | 6 bps             | 3.0%         |
| 8/11/2021     | Novelis Corp                   | \$750                     | Sr Unsecured | B1             | BB         | 8/15/2031  | 3.875%      | 100.00            | 836 bps                       | 5.904%          | 199 bps      | 195 bps         | 3 bps             | 1.6%         |
| 6/10/2015     | Precision Castparts Corp       | \$275                     | Sr Unsecured | Aa2            | AA         | 6/15/2035  | 4.200%      | 99.40             | 130 bps                       | 4.624%          | 37 bps       | 37 bps          | 0 bps             | -0.9%        |
| 12/20/2012    | Precision Castparts Corp       | \$500                     | Sr Unsecured | Aa2            | AA         | 1/15/2043  | 3.900%      | 99.38             | 100 bps                       | 5.600%          | 87 bps       | 87 bps          | 0 bps             | -0.4%        |
| 6/10/2015     | Precision Castparts Corp       | \$325                     | Sr Unsecured | Aa2            | AA         | 6/15/2045  | 4.375%      | 99.67             | 145 bps                       | 5.646%          | 86 bps       | 86 bps          | 0 bps             | -0.2%        |
| 3/18/2025     | JW Aluminum Continuous Cast Co | \$350                     | Secured      | B3             | B          | 4/1/2030   | 10.250%     | 100.00            | 624 bps                       | 9.841%          | 594 bps      | 593 bps         | 0 bps             | 0.0%         |

Denotes new issuance since 4.1.2025 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

Syndicated Bank Loan activity declined by over 50% during the second quarter when compared to the first quarter. Total volume for the quarter was \$2.4 billion spread across 5 transactions, down from \$5.4 billion and 8 deals in the preceding quarter. The most notable transaction was done by Allegheny Technologies which raised \$900,000,000 including a ABL Revolver, Term Loan and a Delayed Draw Term Loan. Other deals during the quarter were transaction done for LB Foster, Olympic Steel, and Ampco-Pittsburgh. Radius did amend their Revolver in a reduced amount to transition the financing until the \$1.34 billion acquisition by Toyota Tsusho (see Issue 48) closes later this year.

| (\$ in millions)  | L.B. Foster Company            |             |           | Ampco-Pittsburgh Corporation                             |                 |                 | ATI Inc.                          |   | Olympic Steel Inc.           |                                  |                                   |
|---|--------------------------------|-------------|-----------|--|-----------------|-----------------|-----------------------------------|---|------------------------------|----------------------------------|-----------------------------------|
| Date  | Jun-25                         |             |           | Jun-25   |                 |                 | Jun-25                            |   | Apr-25                       |                                  |                                   |
| Deal Size (\$ in MM)  | \$150.0                        |             |           | \$100.0 / \$13.5   |                 |                 | \$600.0 / \$200.0 / \$100.0       |   | \$595.0 / \$30.0             |                                  |                                   |
| Facility Type   | CF Revolver                    |             |           | ABL Revolver / Term Loan A                               |                 |                 | ABL Revolver / Term Loan A / DDTL |   | ABL Revolver / FILO Revolver |                                  |                                   |
| Tenor   | 5 years                        |             |           | 5 years  |                 |                 | 5 years                           |   | 5 years                      |                                  |                                   |
| Purpose   | Corporate Purposes / Refinance |             |           | Corporate Purposes                                       |                 |                 | Corporate Purposes / Refinance    |   | Corporate Purposes           |                                  |                                   |
| Ratings   |                                |             |           |  |                 |                 |                                   |   |                              |                                  |                                   |
| S&P   | NR                             |             |           | NR   |                 |                 | BB-                               |   | NR                           |                                  |                                   |
| Moody's   | NR                             |             |           | NR   |                 |                 | Ba3                               |   | NR                           |                                  |                                   |
| Amortization  | -                              |             |           | 7-year straight-line; paid monthly                       |                 |                 | -                                 |   | -                            |                                  |                                   |
| Pricing at close (bps)                                      |                                |             |           |  |                 |                 |                                   |   |                              |                                  |                                   |
| All-in Spread   | 225.0                          |             |           | 275.0 / 350.0  |                 |                 | 150.0                             |   | 150.0 / 250.0                |                                  |                                   |
| SOFR Margin   | 225.0                          |             |           | 250.0 / 350.0  |                 |                 | 150.0                             |   | 125.0 / 225.0                |                                  |                                   |
| Facility Fee  | -                              |             |           | 25.0 / -   |                 |                 | -                                 |   | 25.0 / 25.0                  |                                  |                                   |
| Commitment Fee  | 25.0                           |             |           | -  |                 |                 | 25.0                              |   | -                            |                                  |                                   |
| Pricing Detail (bps)  | Net Leverage Ratio             | SOFR Spread | Comm. Fee | Avg. Undrawn Availability                                | RCF SOFR Spread | TLA SOFR Spread | Not disclosed                     |   | Avg. Daily Availability      | ABL RCF SOFR Spread <sup>1</sup> | FILO RCF SOFR Spread <sup>1</sup> |
|   | < 1.00x                        | 125.0       | 17.5      | ≥ 66.7%  | 200.0           | 300.0           |                                   |   | ≥ \$195.0                    | 125.0                            | 225.0                             |
|   | < 1.75x                        | 150.0       | 20.0      | ≥ 33.3%  | 225.0           | 325.0           |                                   |   | ≥ \$97.5                     | 150.0                            | 250.0                             |
|   | < 2.25x                        | 175.0       | 22.5      | < 33.3%  | 250.0           | 350.0           |                                   |   | < \$97.5                     | 175.0                            | 275.0                             |
|   | < 3.00x                        | 200.0       | 25.0      |  |                 |                 |                                   |   |                              |                                  |                                   |
|   | < 3.50x                        | 225.0       | 30.0      |  |                 |                 |                                   |   |                              |                                  |                                   |
|   | ≥ 3.50x                        | 250.0       | 35.0      |  |                 |                 |                                   |   |                              |                                  |                                   |
| SOFR Adjustment (bps) (1-mo / 3-mo / 6-mo)                  | -                              |             |           | 1-mo: 11.4 bps / 3-mo: 26.2 bps                          |                 |                 | Not disclosed                     |   | 10.0 bps all tenors          |                                  |                                   |
| Financial Covenants   |                                |             |           |  |                 |                 |                                   |   |                              |                                  |                                   |
| Fixed Charge Coverage Ratio                                 | 1.10x                          |             |           | 1.05x  |                 |                 | 1.00x                             |   | 1.00x                        |                                  |                                   |
| Interest Coverage Ratio                                     | -                              |             |           | -  |                 |                 | -                                 |   | -                            |                                  |                                   |
| Total Leverage Ratio  | 3.50x <sup>1</sup>             |             |           | -  |                 |                 | -                                 |   | -                            |                                  |                                   |
| Net Leverage Ratio  | -                              |             |           | -  |                 |                 | -                                 |   | -                            |                                  |                                   |
| Secured   | Yes                            |             |           | Yes  |                 |                 | Yes                               |   | Yes                          |                                  |                                   |
| Sources: S&P Capital IQ , Moody's, Refinitiv Loan Connector |                                |             |           | <sup>1</sup> Steps up to 4.00x during Acquisition Period |                 |                 |                                   | <sup>1</sup> 25.0 bps reduction in pricing in ≥ \$97.5 tier and < \$97.5 tier if Leverage Ratio is < 4.00x for the trailing four consecutive quarters |                              |                                  |                                   |

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

1 <https://www.pnc.com/en/about-pnc/media/economic-reports.html>

2 Bloomberg

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