PNC's Metals Industry Update

Issue 53

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Welcome to Issue 53 of PNC's Metals Industry Update. Our cover story from PNC Economics provides a positive outlook for industrial and base metals based upon rising industrial production, resilient consumer demand, and accelerating business investment. Following our cover story are our recurring sections on metals prices, the bond market, and the syndicated bank loan market. These sections will support improving market conditions during the second quarter. Prices are trending higher, credit spreads are declining, and conditions in the syndicated bank loan market are robust. We will continue to watch these indicators closely, but 2026 is looking to be much stronger than we expected at the beginning of the year.

Thank you for being a valued reader. Our goal is to share timely insights and perspectives that can help you navigate today's business environment. Please reach out to us with any questions or comments.

Metals Market Outlook: Industrial Demand Strengthens While Precious Metals Pull Back

- Industrial metals continue to benefit from strengthening manufacturing activity and robust AI-related investment, while precious metals prices have retreated from their early-2026 peaks amid easing geopolitical tensions and still-restrictive financial conditions.
- The industrial sector appears positioned for continued expansion with higher demand for base metals.
- Although business investment and manufacturing activity provide a favorable backdrop for industrial metals, conditions in consumer-oriented sectors are less supportive.
- Overall, PNC expects industrial demand, particularly from manufacturing activity and AI-related investment, to remain the primary driver of metals markets through 2026 and into 2027.

Metal and metal product prices increased more than 15% year-over-year in May, according to the Bureau of Labor Statistics, substantially outpacing overall growth in producer prices (Chart 1). Although industrial, ferrous, and precious metals all posted strong gains from a year earlier, price trends have begun to diverge as economic and geopolitical conditions evolve. Industrial metals continue to benefit from strengthening manufacturing activity and robust AI-related investment, while precious metals prices have retreated from their early-2026 peaks amid easing geopolitical tensions and still-restrictive financial conditions.

Metals Market Outlook: Industrial Demand Strengthens While Precious Metals Pull Back *(Continued)*

A key turning point occurred in March 2026, when military conflict between the United States and Iran intensified, contributing to sharp movements across commodity markets. Although gold traditionally benefits from heightened geopolitical uncertainty, gold prices declined from their January 2026 peak as trade uncertainty eased and higher prices for crude oil during the conflict redirected near-term investor interest toward energy markets. At the same time persistent core inflation, a stabilizing labor market, and heightened concerns about energy-driven inflation increased expectations for tighter monetary policy, boosting the relative attractiveness of interest-bearing assets compared with gold and silver.

Market conditions shifted further in June when the United States and Iran signed a Memorandum of Understanding, ending more than three months of military conflict. The partial reopening of the Strait of Hormuz reduced concerns over global energy supply disruptions and pushed the price of a barrel of Brent crude oil down from above $110 to around $70, just above the pre-conflict price. However, more recent hostilities between the U.S. and Iran have increased the risks around energy prices. Meanwhile, expectations for tighter U.S. monetary policy continue to weigh on precious metals. As a result gold prices have remained well below their January highs. Consistent with this trend, private U.S. gold holdings declined by more than 4%, or roughly 85 tons, in March, according to the World Gold Council, while more recent data point to slight weakness in demand, with gold holdings declining by 16 tons in May. Central bank demand has also softened. Global official gold reserves edged lower in the first quarter, led by Turkey, whose gold holdings declined by nearly 80 tons.

Looking ahead PNC expects the U.S. economy to continue expanding in 2026, with year-over-year real GDP growth of approximately 2%. Uncertainty surrounding the U.S.-Iran conflict is likely to continue supporting safe-haven assets, while precious metals volatility should remain contained if the fragile truce between the U.S. and Iran holds. Specifically, if core inflation remains persistent and energy inflation reaccelerates, the probability of fed funds rate hikes could increase. In that scenario stronger investor preference for interest-bearing assets could crowd out demand for gold and silver, limiting their price gains. Conversely, a U.S. recession would likely provide further upside for precious metals prices.

In contrast, the outlook for industrial and base metals remains closely tied to strengthening economic fundamentals. Commodity markets experienced significant disruptions, with prices rising sharply after announcements of higher U.S. tariffs in June and August of 2025. However, because tariffs are largely a one-time cost shock, their direct influence on commodity prices has diminished over time. Instead, recent price gains increasingly reflect improving demand conditions. After several years of stagnation prices for many base metals have reached record highs amid a recovery in industrial activity and strong investment in data centers and AI-related infrastructure (Chart 2). As of June 2026, Bloomberg's COMEX hot-rolled coil index was 53% above its February 7, 2025 level, while aluminum and copper prices were up between 30% and 40% (Chart 3). Rising industrial production, resilient consumer demand, and accelerating business investment have supported these gains in 2026.

Business investment has emerged as one of the most important drivers of metals demand. Real business equipment investment surged 10% in the first quarter from one year earlier, including a 16% annualized increase in the first quarter that contributed 0.8 percentage point to overall real GDP growth, according to the Bureau of Economic Analysis. Demand for metals used in semiconductors, data centers, power infrastructure, and other AI-related applications has been particularly strong, pushing prices significantly higher during the first half of 2026 despite some recent moderation. PNC expects the current AI investment cycle to remain a major source of demand growth in the near term.

More broadly, the industrial sector appears positioned for continued expansion. PNC forecasts industrial production growth of 3% year-over-year in the first quarter of 2027, up from 1.7% in May. Supporting this view the S&P Global Manufacturing Purchasing Managers' Index reached a three-year high in May, while orders for nondefense core capital goods excluding aircraft continued to strengthen. Unfilled orders increased roughly 1% in May and nearly 3% from a year earlier, signaling sustained demand for manufactured goods. Together, these indicators suggest that demand for industrial metals should remain well supported through the second half of 2026.

Although business investment and manufacturing activity provide a favorable backdrop for industrial metals, conditions in consumer-oriented sectors are less supportive. Financial

Metals Market Outlook: Industrial Demand Strengthens While Precious Metals Pull Back *(Continued)*

conditions remain restrictive despite a cumulative 175 basis points of monetary easing since the federal funds rate peaked in 2024. Consumer spending on durable goods increased at only a 0.5% annualized pace in the first quarter, while growth over the past year remained below its long-run average. Vehicle sales have recovered from their early-2026 decline, supported by stronger truck sales, but remain below pre-pandemic levels; total light vehicle unit sales were 16.95 million units in June (Chart 4). Domestic car sales, which account for about 15% of domestic vehicle sales, have finally reversed a three-year decline, rising to 1.81 million units in June and standing 2.4% above their year-ago level. Looking ahead, PNC expects durable goods spending to increase only gradually as labor market conditions soften and wage growth slows. Average hourly earnings increased 3.4% from a year earlier in June, down from growth rates above 4% for much of the past six years. Combined with weak foreign car sales, elevated inflation and still-high borrowing costs, slower income growth is likely to keep inflation-adjusted consumer spending growth below 2% over the next year (Chart 5). There will be less support for demand for metals related to consumer-facing auto sales.

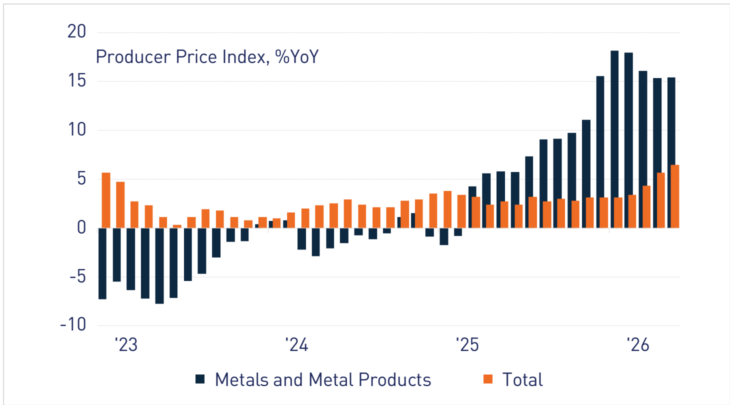
Similarly, PNC expects residential construction to provide only modest support for metals demand over the coming year. Construction activity weakened sharply in early 2026 because of severe weather disruptions, and total construction spending in May remained below its December 2025 level despite several consecutive monthly increases. While residential remodeling activity improved, spending on both new single-family and multifamily construction edged lower during the month. Housing starts were also weak, falling more than 15% in May from the previous month and 7% from a year earlier. Nevertheless, PNC expects homebuilding activity to gradually improve during the second half of 2026 (Chart 6). Easing tariff-related uncertainty, stabilizing mortgage rates, and reduced geopolitical tensions should support housing affordability and buyer confidence. Although the average 30-year fixed mortgage rate remains elevated at roughly 6.5%, it is down from a year ago and should decline further if inflation continues to moderate as expected.

Overall, PNC expects industrial demand—particularly from manufacturing and AI-related investment—to remain the primary driver of metals markets through 2026 and into 2027. While weaker consumer spending growth and sluggish residential construction may constrain demand growth in some end markets, continued expansion in industrial production, capital spending, and technology-related infrastructure investment should provide a solid foundation for industrial metals demand. By contrast, the outlook for precious metals is less favorable as geopolitical risks recede and investors increasingly shift toward interest-bearing assets.

Risks to the outlook are balanced. A more pronounced deterioration in labor market conditions would drag on consumer spending, housing activity, and demand for metals used in appliances, automobiles, and construction. Financial market volatility could also weigh on luxury spending and investment demand for precious metals. However, stronger-than-expected productivity gains associated with AI adoption could boost economic growth, business investment, and industrial output. In addition, faster progress in reducing inflation could create room for monetary policy easing, lowering financing costs for both producers and consumers and providing further support to metals demand. A return to large-scale hostilities between the U.S. and Iran would drive energy prices much higher, weighing on consumer spending growth and perhaps leading to Federal Reserve monetary policy tightening and higher interest rates.

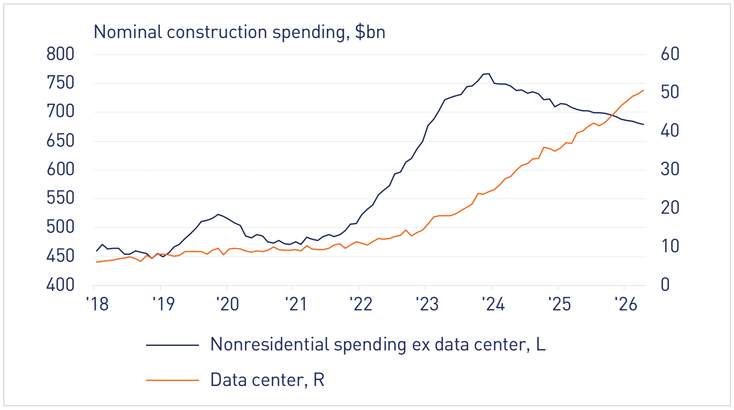
Metals Market Outlook: Industrial Demand Strengthens While Precious Metals Pull Back *(Continued)*

Chart 1 – Metals price up strongly in 2026



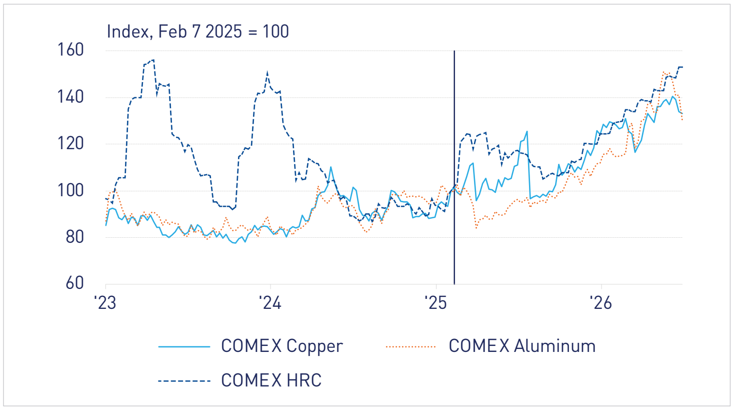
Source: BLS

Chart 2 – AI-related building to support steel and base metals



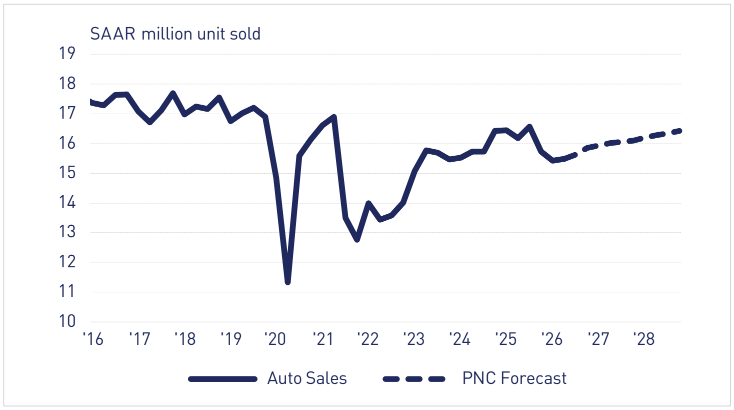
Source: U.S. Census Bureau, PNC Economics

Chart 3 – Tariffs disrupt metals pricing in early 2025



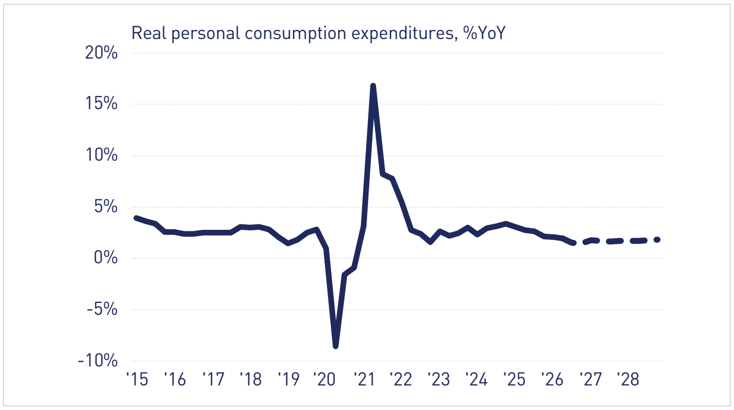
Source: Bloomberg

Chart 4 – Light vehicle sales to improve at a gradual pace



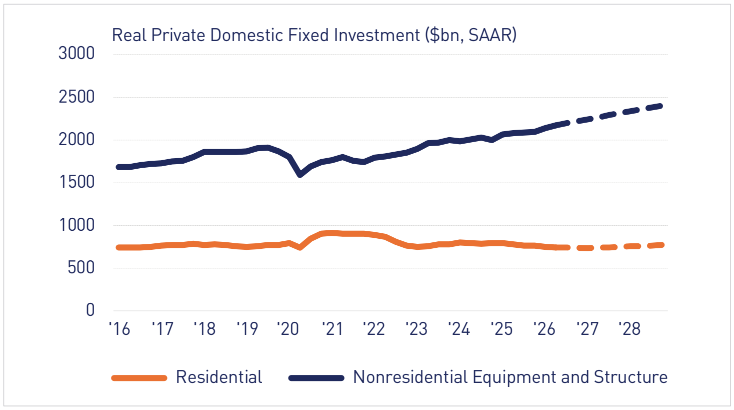
Source: BEA, PNC Economics

Chart 5 – Real consumer spending growth to remain slow



Source: BEA, PNC Economics

Chart 6 – Residential construction to provide only modest support to metals demand



Source: BEA

Metals pricing

Q2 2026 continued the trend of escalating prices established during the first quarter. Nineteen of the 23 products we track saw increases during the quarter, including every carbon steel product price that we track. OCTG and Line Pipe prices lead the way with price increases over 20%. HRC, CRC and GALV were close behind with price increases of 9.5%, 12.9% and 14.2% respectively. The raw materials prices we track had much smaller increases, expanding metal margins for steel producers for consecutive quarters. Of the four prices that declined, the most notable decline came in LME aluminum which is down 3.6% from record highs. This decline is also reflected in the 1% decline in the Midwest Transaction price. See the complete list of price changes below.

Carbon Flat-Rolled Steel $/NT April - June 2026			
Product	April	May	June
Hot-Rolled	950	1000	1040
Cold-Rolled	1,080	1,160	1,220
Galvanized	1,120	1,220	1,280

Discrete Plate $/NT April - June 2026			
Product	April	May	June
A36	1,200	1,200	1,280
A514	2,420	2,420	2,500
AR400	2,440	2,440	2,520

Wide Flange Beam $/cwt. April - June 2026			
Size	April	May	June
24"x12¾"	80.75	81.25	83.75
18"x6"	77.50	78.00	80.50

MBQ $/cwt. April - June 2026			
Shape	April	May	June
1" A36 round	57.2	59.2	61.2

Rebar $/cwt. – Grade 60 April - June 2026			
Size	April	May	June
16 mm - #5	45.50	47.00	47.00

SBQ $/cwt. – 1" round April - June 2026			
Grade	April	May	June
HR 4140 Q&T	107.90	110.90	111.15

Pipe & Tube $/NT April - June 2026			
Product	April	May	June
OCTG J55	1,400	1,700	1,700
Linepipe, ERW	1,400	1,700	1,700

Aluminum $/lb April - June 2026			
Alloy	April	May	June
3003	3.44	3.57	3.65
LME	1.63	1.66	1.57
MWTP	2.77	2.82	2.74

Stainless $/lb – Cold-Rolled Coil April - June 2026			
Grade	April	May	June
304	1.77	1.77	1.84

Copper $/lb April - June 2026			
	April	May	June
Comex Avg.	5.90	6.26	6.32

Nickel $/lb April - June 2026			
	April	May	June
LME Avg.	8.17	8.53	8.01

Ferrous Scrap $/GT Midwest April - June 2026			
GRADE	April	May	June
No. 1 HMS	370	365	365
Shredded	415	425	425

Iron Ore $/LT U.S. April - June 2026			
GRADE	April	May	June
Furnace Pellets	108	111	116

Met Coal $/MT U.S. East Coast April - June 2026			
GRADE	April	May	June
low vol	190	205	200

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.

SECTOR3

Metals bond update

Risk Assets Advance Despite Inflation and Rate Uncertainty

Progress towards deescalation in the US/Iran War and a resilient economic backdrop helped drive strong market performance in the second quarter of 2026. While inflation remained above the Fed's target, concerns about an energy-driven resurgence eased as geopolitical tensions moderated and the Strait of Hormuz gradually reopened. After reaching a peak of $126 per barrel in late April, Brent crude ended the quarter at $72 per barrel, marking a return to pre-conflict levels. Labor market conditions, the other half of the Fed's dual mandate, remained supportive. Payroll growth averaged approximately 114,000 jobs per month through May, while unemployment held near 4.3%, reinforcing expectations that policymakers could maintain a restrictive stance without materially weakening economic activity. In turn, expectations shifted away from near-term rate cuts and toward the possibility of hikes under the newly appointed Fed Chair Kevin Warsh, pushing the 10-year Treasury yield 15 basis points higher to 4.47% from 4.32% at the start of the quarter. Despite rising rates, the S&P 500 gained 14.9% over the quarter, its strongest quarterly return since 2020, as optimism surrounding AI infrastructure investment and semiconductor demand outweighed broader macro concerns.

Investment Grade issuance remained elevated during the second quarter, with issuers raising $561BN, a 45% increase from the $386BN priced in 2Q25. In total, 1H26 volume reached $1.21BN, surpassing 1H20 and marking the largest first half on record for issuance. Investor appetite remained firm, as average new issue concessions held at 2.5 bps and transactions were 4.01x oversubscribed on average. By quarter-end, A-rated yields increased 0.08% while BBB-rated yields rose 0.02%, even as average credit spreads compressed by 12 bps and 18 bps, respectively. Within the metals sector, the average yields in the PNC IG Metals Bond Index tightened 0.02% while spreads tightened 13 bps over the quarter. ArcelorMittal (Baa2/BBB) came to market in May to price $1BN in 10-year unsecured notes at T+102 bps (5.375% coupon).

The High Yield market continued to exhibit strength in the second quarter, with $99BN of volume priced, representing a 35% increase compared to the $73BN raised during 2Q25. In 1H26, High Yield issuance reached $177BN, up 26% from the $141BN raised in 1H25. BB-rated issuers' average yields declined 0.18% and spreads tightened 44 bps, while B-rated credits outperformed further, posting a 0.43% decline in yields alongside a 62 bps reduction in spreads. In the metals sector, the PNC HY Metals Bond Index recorded a substantial 120 bps tightening in average spreads, while average yields fell 0.22% during the quarter. Primary market activity included Worthington Steel (B2/BB-/BB+), which priced $700MM of 7NC3 secured notes at 7.750% in early June. ATI (Ba3/BB) followed with a $450MM offering of 7NC3 unsecured notes at 5.875%, while Hybar (B3/B-) later issued $400MM of 8NC3 secured notes at 7.375%.

	PNC IG Metals Bond Index			PNC HY Metals Bond Index		
As of Date	6/30/2026	3/31/2026	(Δ)	6/30/2026	3/31/2026	(Δ)
Effective maturity (years)	8.25	8.97	-0.72	5.55	5.61	-0.06
Composite rating	BBB+	BBB+	-	BB-	BB-	-
Weighted avg. coupon	4.63%	4.62%	-0.01%	6.28%	6.21%	-0.07%
Yield to worst	4.975%	4.97%	0.02%	6.24%	6.46%	0.22%
Option adjusted spread to treasuries (bps)	63.2	76.2	-13.0	185.8	305.7	-119.9

Source: Bloomberg
Note: PNC Metals bond index excludes bonds of size < $250 million

										As of 6/30/2026			Since 3/31/2026	
Issuance date	Issuer	Amount outstanding ($MM)	Structure	Moody's rating	S&P rating	Maturity	Coupon rate	Price at issuance	Issuance spread over treasury	Yield to worst	Spread (OAS)	3/31/2026 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	11.698%	763 bps	994 bps	-232 bps	-23.3%
3/7/2011	ArcelorMittal SA	$434	Sr Unsecured	Baa2	BBB	3/1/2041	6.750%	99.18	230 bps	5.938%	120 bps	145 bps	-25 bps	-17.0%
7/16/2019	ArcelorMittal SA	$500	Sr Unsecured	Baa3	BBB	7/16/2029	4.250%	99.00	225 bps	4.758%	58 bps	55 bps	3 bps	5.5%
11/29/2022	ArcelorMittal SA**	$1,200	Sr Unsecured	Baa2	BBB	11/29/2027	6.550%	99.91	255 bps	4.673%	58 bps	77 bps	-20 bps	-25.5%
11/29/2022	ArcelorMittal SA	$1,000	Sr Unsecured	Baa2	BBB	11/29/2032	6.800%	99.37	305 bps	4.956%	64 bps	82 bps	-19 bps	-22.6%
9/18/2020	Big River Steel LLC	$720	Secured	Baa3	BBB-	1/31/2029	6.625%	100.00	604 bps	5.046%	113 bps	213 bps	-99 bps	-46.8%
2/17/2021	Cleveland-Cliffs Inc	$368	Sr Unsecured	B2	B+	3/1/2029	4.625%	100.00	368 bps	6.044%	190 bps	251 bps	-61 bps	-24.2%
2/17/2021	Cleveland-Cliffs Inc	$325	Sr Unsecured	B2	B+	3/1/2031	4.875%	100.00	374 bps	7.064%	287 bps	344 bps	-57 bps	-16.6%
4/14/2023	Cleveland-Cliffs Inc	$750	Sr Unsecured	B2	B+	4/15/2030	6.750%	100.00	325 bps	6.714%	224 bps	344 bps	-120 bps	-34.9%
3/18/2024	Cleveland-Cliffs Inc	$1,425	Sr Unsecured	B2	B+	3/15/2032	7.000%	100.00	276 bps	7.061%	253 bps	352 bps	-99 bps	-28.1%
10/22/2024	Cleveland-Cliffs Inc	$900	Sr Unsecured	B2	B+	5/1/2033	7.375%	100.00	339 bps	7.358%	280 bps	351 bps	-71 bps	-20.2%
10/22/2024	Cleveland-Cliffs Inc	$900	Sr Unsecured	B2	B+	11/1/2029	6.875%	100.00	303 bps	6.443%	216 bps	284 bps	-68 bps	-23.9%
2/6/2025	Cleveland-Cliffs Inc	$850	Sr Unsecured	B2	B+	9/15/2031	7.500%	100.00	305 bps	7.103%	274 bps	342 bps	-68 bps	-20.0%
9/8/2025	Cleveland-Cliffs Inc	$1,125	Sr Unsecured	B2	B+	1/15/2034	7.625%	100.00	267 bps	7.636%	305 bps	374 bps	-69 bps	-18.5%
2/2/2021	Commercial Metals Co	$300	Sr Unsecured	Ba2	BB+	2/15/2031	3.875%	100.00	279 bps	5.415%	120 bps	177 bps	-57 bps	-32.1%
1/28/2022	Commercial Metals Co	$300	Sr Unsecured	Ba2	BB+	1/15/2030	4.125%	100.00	249 bps	5.082%	85 bps	160 bps	-75 bps	-46.7%
1/28/2022	Commercial Metals Co	$300	Sr Unsecured	Ba2	BB+	3/15/2032	4.375%	100.00	249 bps	5.520%	122 bps	172 bps	-51 bps	-29.4%
11/26/2025	Commercial Metals Co	$1,000	Sr Unsecured	Ba2	BB+	11/15/2033	5.750%	100.00	249 bps	5.844%	124 bps	151 bps	-27 bps	-17.7%
11/26/2025	Commercial Metals Co	$1,000	Sr Unsecured	Ba2	BB+	12/15/2035	6.000%	100.00	193 bps	6.036%	142 bps	178 bps	-36 bps	-20.2%
4/16/2014	GUSAP III LP	$481	Sr Unsecured	Baa2	BBB	4/16/2044	7.250%	100.00	368 bps	6.125%	130 bps	166 bps	-36 bps	-21.6%
6/25/2026	Hybar LLC*	$400	1st lien	B3	B-	7/1/2034	7.375%	100.00	300 bps	7.241%	267 bps	-	-	-
4/26/2018	Nucor Corp**	$500	Sr Unsecured	A3	A-	5/1/2028	3.950%	99.85	100 bps	4.462%	26 bps	47 bps	-21 bps	-44.0%
5/22/2020	Nucor Corp	$500	Sr Unsecured	A3	A-	6/1/2030	2.700%	99.72	205 bps	4.645%	45 bps	58 bps	-13 bps	-22.4%
12/7/2020	Nucor Corp	$329	Sr Unsecured	A3	A-	12/15/2055	2.979%	99.29	130 bps	5.645%	66 bps	93 bps	-27 bps	-28.8%
3/11/2022	Nucor Corp	$550	Sr Unsecured	A3	A-	4/1/2032	3.125%	99.67	130 bps	4.763%	49 bps	61 bps	-12 bps	-19.3%
3/11/2022	Nucor Corp	$550	Sr Unsecured	A3	A-	4/1/2052	3.850%	99.07	165 bps	5.598%	61 bps	88 bps	-27 bps	-30.4%
5/23/2022	Nucor Corp**	$500	Sr Unsecured	A3	A-	5/23/2027	4.300%	99.84	145 bps	4.252%	25 bps	46 bps	-21 bps	-45.2%
3/5/2025	Nucor Corp	$500	Sr Unsecured	A3	A-	6/1/2030	4.650%	99.77	70 bps	4.633%	41 bps	55 bps	-14 bps	-24.9%
3/5/2025	Nucor Corp	$500	Sr Unsecured	A3	A-	6/1/2035	5.100%	99.73	95 bps	5.035%	60 bps	70 bps	-10 bps	-14.4%
12/11/2019	Steel Dynamics Inc	$600	Sr Unsecured	Baa2	BBB	4/15/2030	3.450%	99.74	165 bps	4.784%	59 bps	77 bps	-18 bps	-23.3%
6/5/2020	Steel Dynamics Inc	$500	Sr Unsecured	Baa2	BBB	1/15/2031	3.250%	98.96	260 bps	4.805%	57 bps	79 bps	-22 bps	-27.9%
10/9/2020	Steel Dynamics Inc	$400	Sr Unsecured	Baa2	BBB	10/15/2050	3.250%	96.33	185 bps	5.794%	79 bps	105 bps	-25 bps	-24.2%
10/9/2020	Steel Dynamics Inc**	$350	Sr Unsecured	Baa2	BBB	10/15/2027	1.650%	99.30	120 bps	4.486%	46 bps	64 bps	-18 bps	-28.2%
7/3/2024	Steel Dynamics Inc	$600	Sr Unsecured	Baa2	BBB	8/15/2034	5.375%	98.65	123 bps	5.201%	81 bps	103 bps	-22 bps	-21.5%
3/12/2025	Steel Dynamics Inc	$400	Sr Unsecured	Baa2	BBB	5/15/2055	5.750%	97.03	140 bps	5.822%	87 bps	116 bps	-29 bps	-25.0%
3/12/2025	Steel Dynamics Inc	$750	Sr Unsecured	Baa2	BBB	5/15/2035	5.250%	98.98	115 bps	5.216%	79 bps	98 bps	-19 bps	-19.6%
11/21/2025	Steel Dynamics Inc	$650	Sr Unsecured	Baa2	BBB	12/15/2028	4.000%	99.40	63 bps	4.666%	47 bps	59 bps	-12 bps	-20.6%
5/21/2007	United States Steel Corp	$274	Sr Unsecured	Ba2	BB+	6/1/2037	6.650%	99.41	180 bps	6.294%	177 bps	206 bps	-29 bps	-14.1%
2/11/2021	United States Steel Corp	$475	Sr Unsecured	Ba2	BB+	3/1/2029	6.875%	100.00	592 bps	1.047%	-153 bps	233 bps	-386 bps	-165.4%
	Distribution													
8/3/2020	Reliance Inc	$500	Sr Unsecured	Baa1	BBB+	8/15/2030	2.150%	99.72	160 bps	4.841%	63 bps	86 bps	-22 bps	-26.1%
11/20/2006	Reliance Inc	$250	Sr Unsecured	Baa1	BBB+	11/15/2036	6.850%	99.43	220 bps	5.327%	86 bps	119 bps	-33 bps	-27.4%
6/1/2026	Worthington Steel Inc*	$700	Secured	B2	BB-	6/1/2033	7.750%	100.00	344 bps	7.087%	266 bps	-	-	-
	Specialty													
3/24/2021	Alcoa Nederland Holding BV	$500	Sr Unsecured	Ba1	BB+	3/31/2029	4.125%	100.00	274 bps	5.134%	96 bps	121 bps	-25 bps	-20.7%
3/21/2024	Alcoa Nederland Holding BV	$750	Sr Unsecured	Ba1	BB+	3/15/2031	7.125%	100.00	301 bps	5.623%	115 bps	116 bps	-1 bps	-0.8%
3/17/2025	Alumina Pty Ltd	$500	Sr Unsecured	Ba1	BB+	9/15/2032	6.375%	100.00	226 bps	5.819%	131 bps	144 bps	-13 bps	-9.0%
3/17/2025	Alumina Pty Ltd	$500	Sr Unsecured	Ba1	BB+	3/15/2030	6.125%	100.00	211 bps	5.534%	120 bps	127 bps	-7 bps	-5.2%
8/10/2023	Arsenal AIC Parent LLC	$700	Secured	Ba3	B+	10/1/2030	8.000%	100.00	396 bps	5.863%	157 bps	197 bps	-40 bps	-20.3%
11/22/2019	ATI Inc**	$0	Sr Unsecured	Ba3	BB	12/1/2027	5.875%	100.00	414 bps	-0.852%	75 bps	108 bps	-34 bps	-30.9%
9/14/2021	ATI Inc	$325	Sr Unsecured	Ba3	BB	10/1/2029	4.875%	100.00	255 bps	5.214%	82 bps	107 bps	-24 bps	-22.9%
9/14/2021	ATI Inc	$350	Sr Unsecured	Ba3	BB	10/1/2031	5.125%	100.00	255 bps	5.334%	90 bps	114 bps	-24 bps	-20.7%
8/11/2023	ATI Inc	$425	Sr Unsecured	Ba3	BB	8/15/2030	7.250%	100.00	313 bps	4.584%	72 bps	118 bps	-46 bps	-39.1%
11/20/2025	Carpenter Technology Corp	$700	Sr Unsecured	Ba1	BB+	3/1/2034	5.625%	100.00	163 bps	5.602%	97 bps	138 bps	-41 bps	-29.7%
7/22/2025	Century Aluminum Co	$400	Secured	B2	B+	8/1/2032	6.875%	100.00	113 bps	6.138%	164 bps	181 bps	-17 bps	-9.2%
1/25/2007	Howmet Aerospace Inc	$625	Sr Unsecured	Baa1	BBB+	2/1/2037	5.950%	99.62	113 bps	5.216%	68 bps	77 bps	-9 bps	-12.0%
9/1/2021	Howmet Aerospace Inc	$700	Sr Unsecured	Baa1	BBB+	1/15/2029	3.000%	100.00	255 bps	4.600%	40 bps	56 bps	-16 bps	-28.6%
3/18/2025	JW Aluminum Continuous Cast Co	$350	1st lien	B3	B	4/1/2030	10.250%	100.00	624 bps	7.954%	361 bps	601 bps	-240 bps	-39.9%
5/20/2021	Kaiser Aluminum Corp	$550	Sr Unsecured	B2	BB-	6/1/2031	4.500%	100.00	288 bps	5.516%	125 bps	174 bps	-49 bps	-28.0%
11/5/2025	Kaiser Aluminum Corp	$500	Sr Unsecured	B2	BB-	3/1/2034	5.875%	100.00	199 bps	6.056%	147 bps	180 bps	-33 bps	-18.5%
1/16/2020	Novelis Corp	$1,600	Sr Unsecured	B1	BB	1/30/2030	4.750%	100.00	836 bps	5.780%	152 bps	242 bps	-90 bps	-37.1%
8/11/2021	Novelis Corp	$750	Sr Unsecured	B1	BB	8/15/2031	3.875%	100.00	836 bps	5.909%	169 bps	235 bps	-66 bps	-27.9%
1/13/2025	Novelis Corp	$750	Sr Unsecured	B1	BB	1/30/2030	6.875%	100.00	836 bps	5.804%	153 bps	252 bps	-99 bps	-39.4%
8/18/2025	Novelis Corp	$750	Sr Unsecured	B1	BB	8/15/2033	6.375%	100.00	836 bps	6.173%	156 bps	240 bps	-83 bps	-34.8%
12/20/2012	Precision Castparts Corp	$500	Sr Unsecured	Aa2	AA	1/15/2043	3.900%	99.38	100 bps	5.530%	64 bps	67 bps	-3 bps	-4.7%
6/10/2015	Precision Castparts Corp	$275	Sr Unsecured	Aa2	AA	6/15/2035	4.200%	99.40	130 bps	4.954%	53 bps	64 bps	-11 bps	-17.7%
6/10/2015	Precision Castparts Corp	$325	Sr Unsecured	Aa2	AA	6/15/2045	4.375%	99.67	145 bps	5.578%	63 bps	77 bps	-13 bps	-17.4%

**Denotes new issuance since 3/31/2026*

***Denotes bond that matures in the next two years*

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

Source: Bloomberg

Syndicated bank loan market

Second quarter activity built on the momentum from Q1. Following a strong Q1 2026 with nine deals for a total of $9.4 billion, Q2 2026 produced thirteen deals for a total of $14.9 billion. The activity for the quarter was supported by routine maturity extensions for a few larger deals including $3 billion for Freeport McMoran, $3 billion for Novelis, and $1.25 billion for Alcoa. The quarter was also influenced by M&A activity with Worthington Steel's acquisition of Klockner Metals and growing working capital needs driven by rising metal prices. Both Kennametal and Arconic increased their facilities in response to rising tungsten and aluminum prices, respectively. Some of this quarter's transactions are detailed below.

($ in millions)	Worthington Steel, Inc.	Novelis Inc.	Kennametal Inc.	Russel Metals Inc.	Arconic Corp.	Alcoa Corp.
Date	Jun-26	Jun-26	Nov-25 (Amend. May-26) / May-26	May-26	May-26	Jun-22 (Amend. May-26)
Deal size ($ in MM)	$550.0 / $700.0	$3,000.0	$850.0 / $500.0	$400.0	$1,600.0	$1,250.0
Facility type	ABL Revolver / TLB	ABL Revolver	CF Revolver / DDTL	CF Revolver / CF Revolver	ABL Revolver	CF Revolver
Tenor	5 years / 7 years	5 years	5 years / 3 years	4 years / 4 years	5 years	5 years
Purpose	Refinance / Acquisition	Corporate Purposes	Accordion Exercise / Corporate Purposes	Corporate Purposes	Corporate Purposes	Tenor Extension / Corporate Purposes
Ratings						
S&P	BB-	BB	BBB	BBB-	NR	BB+
Moody's	B1	Ba3	Baa3	NR	NR	Ba1
Amortization	-	-	- / Bullet Payment at Maturity	***Not Disclosed***	-	-
Pricing at close (bps)						
All-in spread	125.0 / 400.0	110.0	112.5 / 112.5	***Not Disclosed***	175.0	150.0
SOFR margin	125.0 / 400.0	110.0	100.0 / 112.5	***Not Disclosed***	150.0	150.0
Facility fee	- / -	-	12.5 / -	***Not Disclosed***	25.0	-
Commitment fee	20.0 / -	-	-	***Not Disclosed***	-	20.0
Ticking fee	- / 200.0	-	- / 12.5	***Not Disclosed***	-	-
Pricing detail (bps)	See Pricing Detail Table 1	***Not Disclosed***	See Pricing Detail Table 2	***Not Disclosed***	***Not Disclosed***	See Pricing Detail Table 3
SOFR adjustment (bps) (1-mo / 3-mo / 6-mo)	-	***Not Disclosed***	-	***Not Disclosed***	***Not Disclosed***	-
Rate floor	0.00%	***Not Disclosed***	0.00%	***Not Disclosed***	***Not Disclosed***	0.00%
OID	98.50	***Not Disclosed***	-	***Not Disclosed***	***Not Disclosed***	-
Call protection	100 soft call 6 months	***Not Disclosed***	-	***Not Disclosed***	***Not Disclosed***	-
Financial covenants						
Fixed charge coverage ratio	1.00x[2]	1.25x	-	***Not Disclosed***	***Not Disclosed***	-
Interest coverage ratio	-	-	-	***Not Disclosed***		4.00x
Total leverage ratio	-	-	-	***Not Disclosed***		3.25x
Net leverage ratio	-	-	3.75x	***Not Disclosed***		-
Secured	Yes / Yes	Yes	No / No	No / No	Yes	No[8]

Pricing detail table 1: Worthington Steel, Inc.

Average Undrawn Availability	SOFR Spread	Unused Line Fee
⩾	125.0	20.0
< 50.0%	137.5	20.0

Pricing detail table 3: Alcoa Corp.

Ratings	RCF SOFR Spread	Commitment Fee
BBB+/Baa1	112.5	10.0
BBB/Baa2	125.0	12.5
BBB-/Baa3	137.5	17.5
BB+/Ba1	150.0	20.0
< BB+/Ba1	175.0	25.0

Pricing detail table 2: Kennametal Inc.

Ratings	DDTL SOFR Spread	DDTL Ticking Fee	RCF SOFR Spread	RCF Facility Fee	RCF All-in Spread
>BBB+ / Baa1	87.5	9.0	78.5	9.0	87.5
BBB+ / Baa1	100.0	10.0	90.0	10.0	100.0
BBB / Baa2	112.5	12.5	100.0	12.5	112.5
BBB- / Baa3	125.0	15.0	110.0	15.0	125.0
<BBB- / Baa3	150.0	20.0	130.0	20.0	150.0

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