

# Equity Capital Markets Update

October 2025



## Key U.S. Macro Themes

### Trade, Economic Growth and GDP

- Fed stated that U.S. economic growth has “changed little on balance” in the latest Beige Book, but there is softness reported in industries where tariff burdens are more salient, such as durable goods, manufacturing, and agriculture
- Tariff policy continues to be a wild card, with the U.S. administration announcing an incremental 100% tariff on Chinese imports in response to China’s tightened export controls on rare earth metals
- U.S. real GDP growth forecasted to land in the 1.4 – 1.7% range, with the latest projections expected to be released following the October FOMC meeting

### Monetary Policy, Labor Market, and Inflation

- Chairman Powell signaled the Fed may stop shrinking the balance sheet in the coming months and highlighted growing signs of weakness in the employment landscape
- Market is pricing a 98% probability of a 25bp cut in October and a 96% probability of a 25bp cut in December
- Government shutdown is in effect and delaying the release of critical data – nonfarm payroll additions in September estimated at ~17k
- Latest CPI readout expected October 24<sup>th</sup> and the median economist projection is 3.1% – 20bps higher than the last print

## U.S. Equities Overview

### Public Equity Markets

- S&P 500, Dow, and NASDAQ performance has been mixed since September 26<sup>th</sup> amidst resurgent trade tensions and a persistent government shutdown
  - Finished the period up **+0.3%**, **(0.1%)**, and **+0.9%**, respectively
  - YTD performance is **+13.3%**, **+8.9%**, and **+17.5%**, respectively

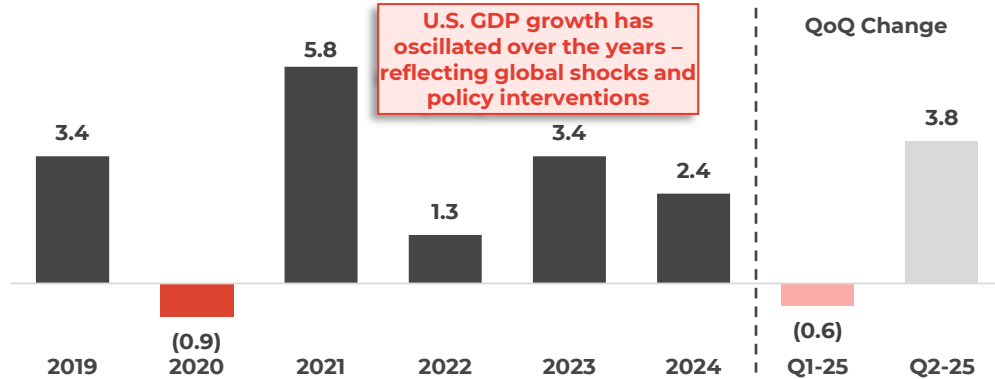
### Equity Capital Markets

- Over the last three weeks, 14 IPOs representing >\$2BN and 29 follow-ons representing ~\$6BN have priced
- Notable transactions include:
  - Phoenix Education – \$156mm IPO – **+13.3%** offer-to-current
  - Alliance Laundry – \$950mm IPO – **+12.1%** offer-to-current
  - Neptune Insurance – \$424mm IPO – **+25.7%** offer-to-current
  - Fermi – \$785mm IPO – **+28.7%** offer-to-current
- We expect U.S. IPO and follow-on issuance levels to level off as we get closer to the holiday period and the SEC’s ability to process deal documents remains hampered by the government shutdown

# U.S. Macroeconomic Backdrop

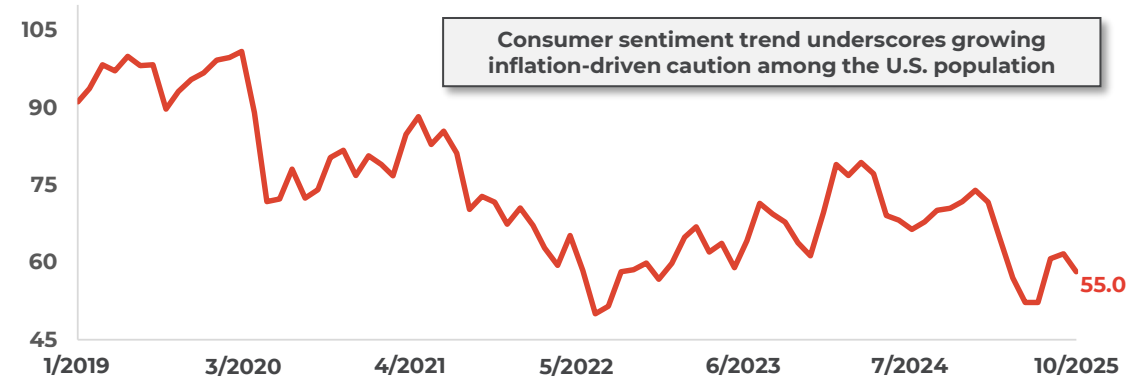
## U.S. GDP Growth Moderating from Post-Pandemic Levels...

YoY and QoQ Change in Real U.S. GDP on a Percentage Basis



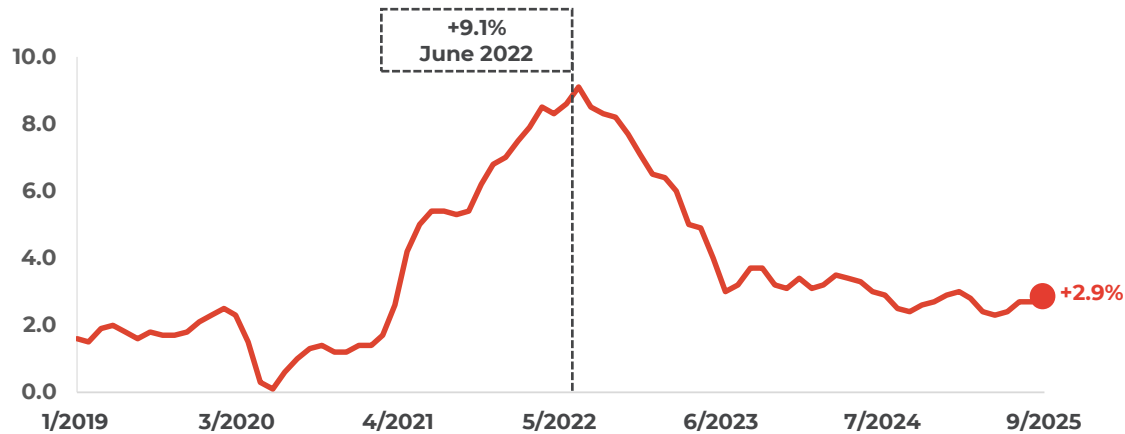
## ...and U.S. Consumer Sentiment Lags Pre-Pandemic Highs

University of Michigan Consumer Sentiment Index Since 2019



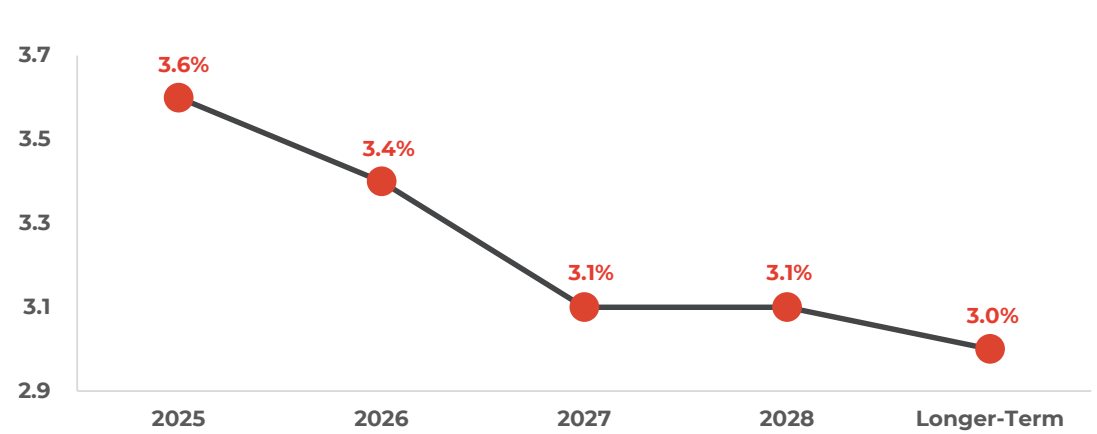
## Inflation Remains Elevated Above Fed's 2% Target...

YoY Change in Consumer Price Index Since 2019



## ...Fed Outlook Indicates Future Cuts to Benchmark Rates

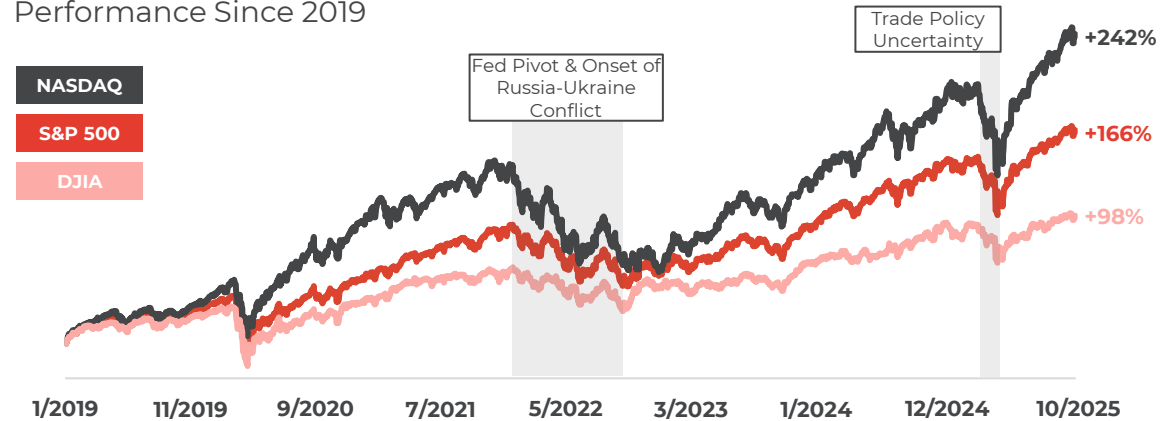
Median Federal Funds Rate Projections as of September 2025



# U.S. Equity Capital Markets Activity

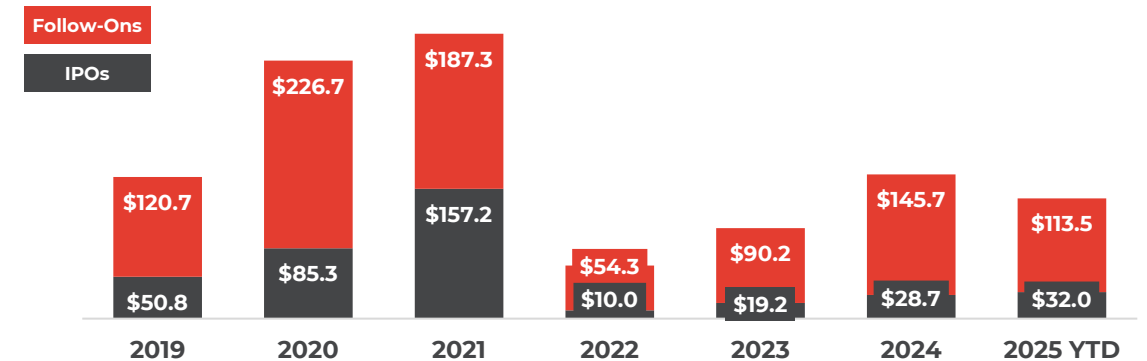
## U.S. Equities Continue to Outperform...

Performance Since 2019



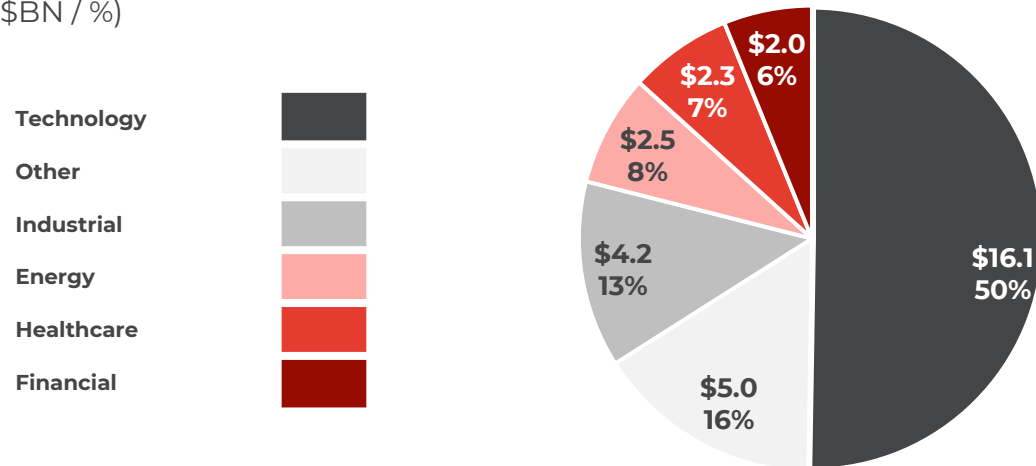
## ...as Primary Equity Issuance Begins to Rebound from Lows

(\$BN)



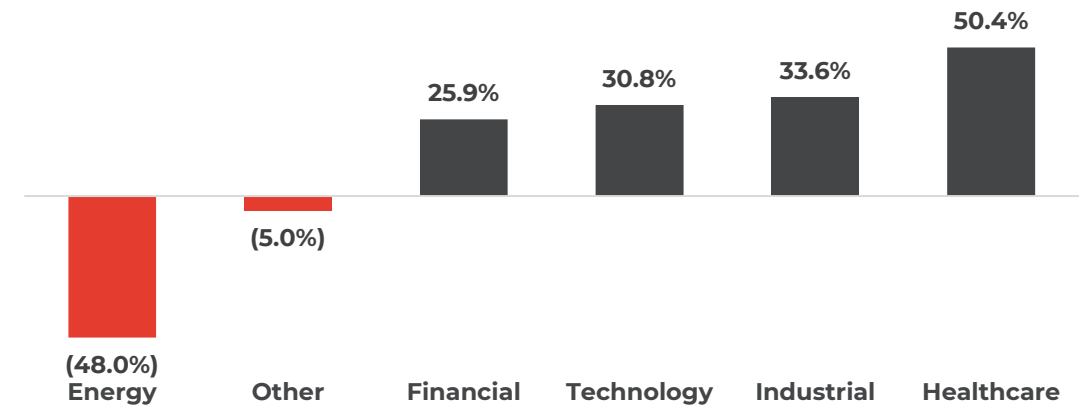
## Growth Sectors Are Majority of IPO Volume YTD...

(\$BN / %)



## ...and Most Sectors Are Trading Above Offer Price

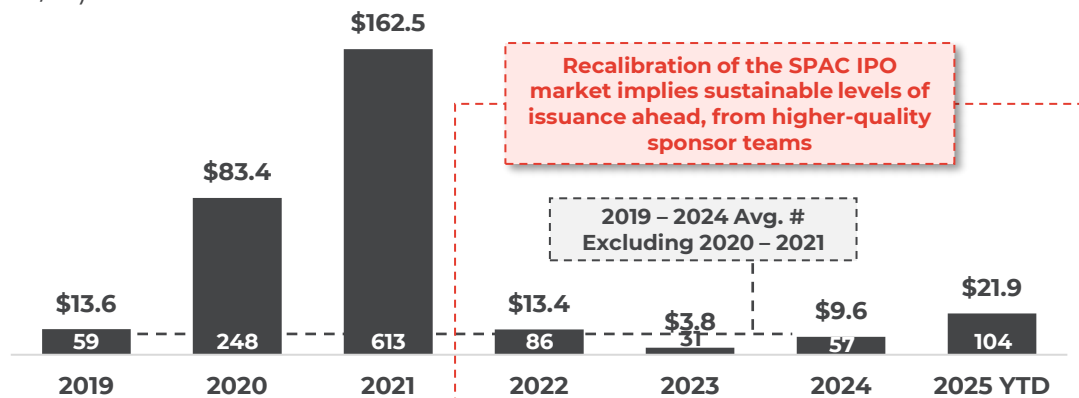
2025 YTD Average IPO Offer-to-Current Performance by Sector



# U.S. SPAC Market Activity

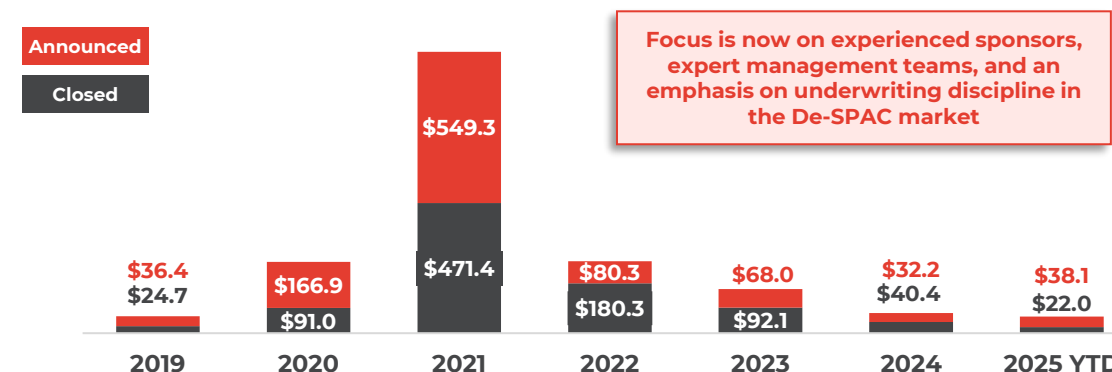
## SPAC IPO Issuance Recovers from Post-2021 Freeze...

(\$BN / #)



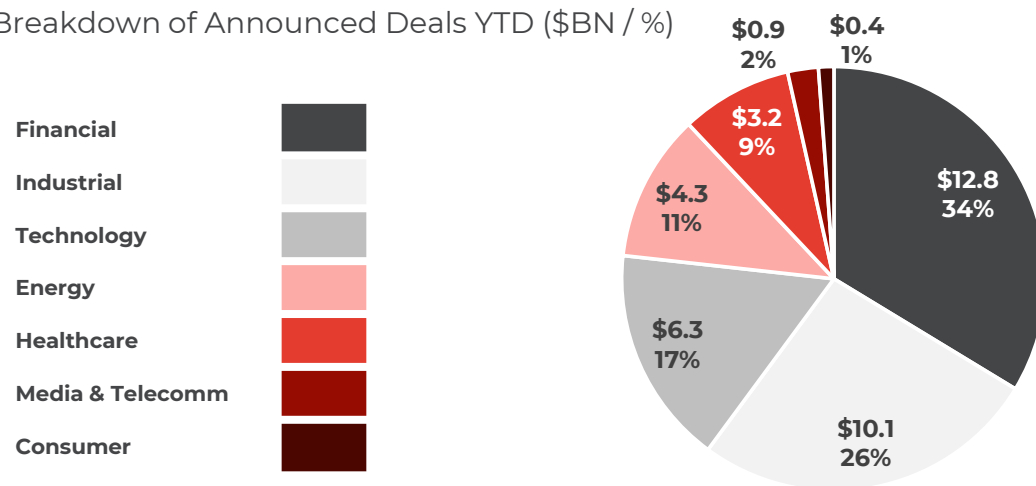
## ...and De-SPAC Activity Stabilizing to Pre-Pandemic Levels

(\$BN TEV)



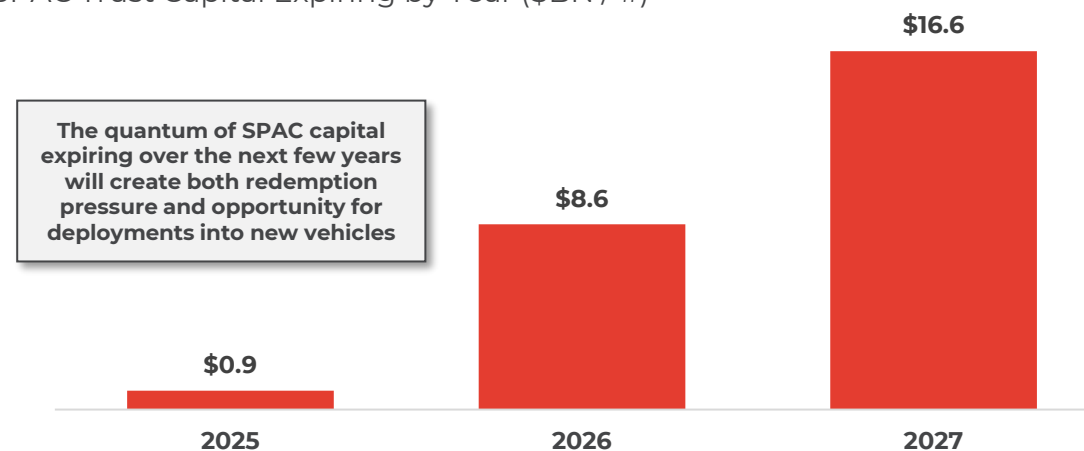
## De-SPACs Are Occurring Across a Variety of Sectors...

Breakdown of Announced Deals YTD (\$BN / %)



## ...while Billions in Fresh Capital Hunts for Transactions

SPAC Trust Capital Expiring by Year (\$BN / #)



# ARC Securities' Experienced Capital Markets Team



**Roger Salazar, Jr.**  
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- Roger Salazar, Jr. is a Managing Director and Head of Global Capital Markets at ARC Securities
- Roger has proven expertise in cultivating strong relationships with financial sponsors, boards, and corporations spanning various sectors, with a primary focus on growth equity, particularly in the technology and healthcare industries
- Most recently, Roger was a Senior Managing Director and Head of SPACs at SVB
- Prior to that he held roles at Citigroup, RBC, and Societe Generale
- He's raised over 125 (\$55BN+) SPACs and completed over 60 (\$180BN+ EV) mergers along with over 100 bookrun equity transitions, raising over \$50BN in proceeds
- B.Sc. in Finance and Economics from NYU Stern



**Enna Weng**  
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- Enna Weng is a Managing Director in Global Capital Markets at ARC Securities
- Previously a Managing Director at Freedom Capital Markets, focusing on equity capital markets, venture and family office investing
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- Allen Jaswal is a Vice President in Global Capital Markets at ARC Securities
- Prior to joining ARC Securities, Allen served in Scotiabank's Global Technology Investment Banking Group
- Previously, he was part of the SPAC Group at SVB Securities
- He began his career at Citigroup, where he was a key member of the Healthcare and SPAC Equity Capital Markets teams
- B.Sc. in Finance from University of Connecticut

## Senior Execution Leadership



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- Ian Hanna is a Partner and Chief Executive Officer of ARC Securities
- Previously, he served as the CEO at Giga Carbon Neutrality, leading a business that delivered zero emissions transportation solutions to the Chinese market
- Before Giga Carbon Neutrality, Ian served General Motors for 15+ years in an engineering leadership capacity, where he drove large, global teams to multiple successful vehicle launches
- B.S. in Mechanical Engineering and M.S. in Automotive & Manufacturing Engineering from University of Michigan



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