



Equity Capital Markets Update

September 2026

US Market Commentary

The Fed raised rates for the first time since 2023, lifting the target range to 3.75–4.00%, and long-end Treasury yields reached their highest levels in two decades. Equities diverged: the NASDAQ rose 1.9% in September, while both the Dow and Russell 2000 fell (4.3%) and (5.4%), respectively.

TECH LEADS WHILE RATE-SENSITIVE STOCKS LAG

The NASDAQ gained 1.9% in September while the S&P 500 slipped (0.5%), after erasing an intraday gain on the final day of the month. Both the Dow and Russell 2000 fell (4.3%) and (5.4%), respectively, as rising yields weighed on smaller and rate-sensitive companies, with the S&P 500 financials sector down (6.3%) for the month.

HIRING REBOUNDS AS CORE INFLATION COOLS

August payrolls rose 162,000 against a 53,000 consensus, with unemployment steady at 4.1%, and June and July were revised up by a combined 55,000. CPI rose 0.4% MoM and 3.4% YoY, led by a 3.9% jump in gasoline, while core eased to 2.4%, its lowest since March 2021.

FED BEGINS A HIKING CYCLE

The FOMC voted 12–0 on September 16 to raise rates by 25bp, its first hike since July 2023. A softer August PCE report on September 30, with core at 3.0% versus 3.3% expected, cut October hike odds to about 37%. The 10-year ended the month near 5.30% and the 30-year near 5.63%.

US Equities Overview

	September	YTD	LTM	2Y	5Y
SPX	▼ (0.5%)	▲ +11.8%	▲ +14.4%	▲ +32.8%	▲ +77.6%
DJIA	▼ (4.3%)	▲ +5.9%	▲ +9.7%	▲ +20.3%	▲ +50.4%
NASDAQ	▲ +1.9%	▲ +15.6%	▲ +18.5%	▲ +47.7%	▲ +85.9%
R2000	▼ (5.4%)	▲ +12.7%	▲ +14.8%	▲ +25.4%	▲ +26.9%

3.75 - 4.00%

Fed Funds Target · Sep-26

5.63%

30-Yr Treasury Peak · Sep-26

~3.4%

CPI, YoY · Above 2% Target

4.1%

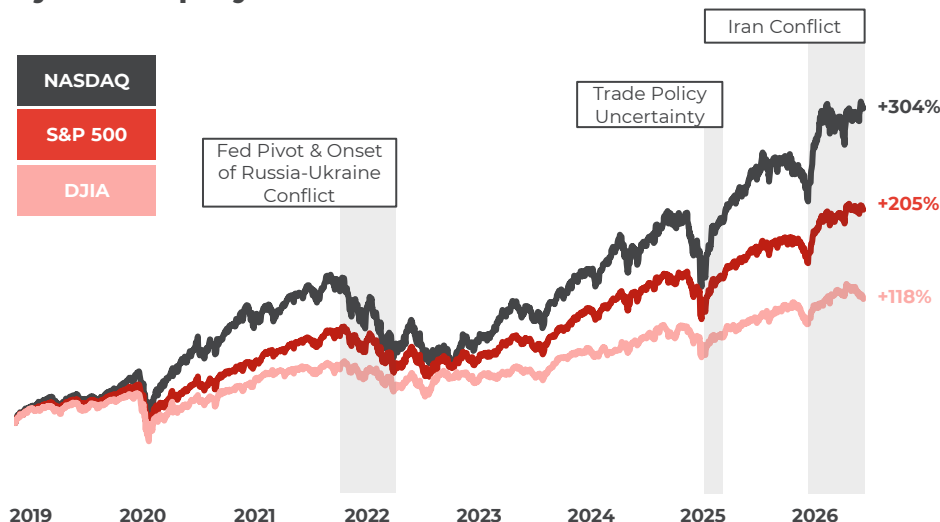
Unemployment Rate

September turned a hawkish signal into a hiking cycle. Softer PCE pushed October hike odds below 40%, yet the 10-year ended near 5.3% and the 30-year hit a 24-year high. Higher discount rates favor current earnings over longer-duration growth stories.

Sources: Federal Reserve; BLS; BEA; US Treasury; S&P Dow Jones Indices; CME FedWatch; Reuters; CNBC. Index returns are price returns. LTM, 2Y and 5Y measured against 9/30/25, 9/30/24 and 9/30/21 closes. Market data as of 9/30/26.

Backdrop for Equity Capital Formation

Major US Equity Index Performance Since 2019

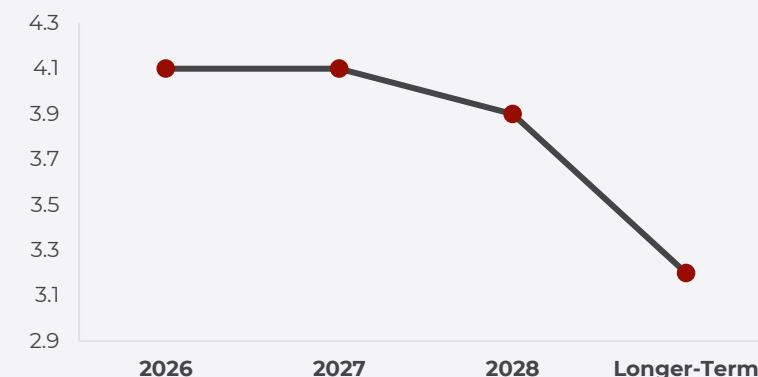


Framing the US Public Equity Capital Raising Landscape

- The Fed's first hike since 2023 pushed the 30-year Treasury to its highest level since 2002, and softer PCE data did little to pull long-end yields back
- Earnings remain the offset: Economists estimate Q3 S&P 500 earnings growth of 29.1%, and Analysts have raised Q3 estimates since June 30 instead of cutting them as usual
- Energy risk intensified as Brent held above \$100 for much of late September amid Houthi attacks on Saudi Arabia, partly offset by a US-China agreement to cut tariffs on \$30B of goods
- The fall calendar stalled: Oura, Holtec Nuclear and Bamboo Insurance postponed citing market conditions, and Acelevation priced below its range

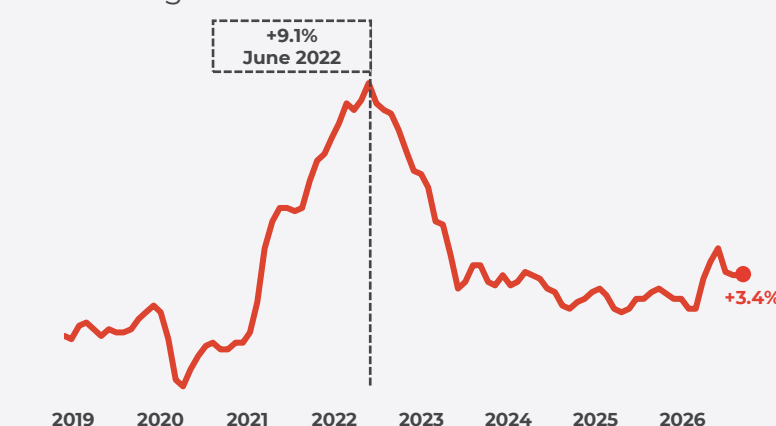
One More Hike Implied, No Easing Until 2028

September 2026 Median Fed Funds Rate Projections



Inflation Remains Elevated Above Target

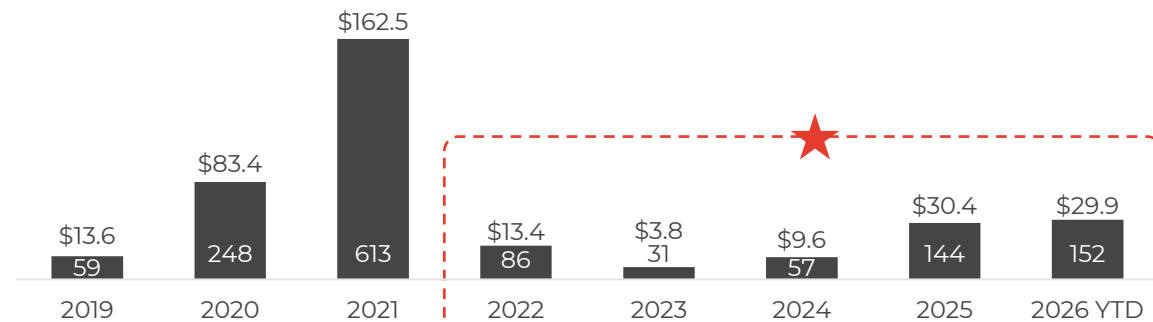
YoY Change in Consumer Price Index Since 2019



US SPAC Market Activity

SPAC IPO Issuance Recovers from Post-2021 Freeze

(\$B / #)



152

SPAC IPOs PRICED • 2026 YTD

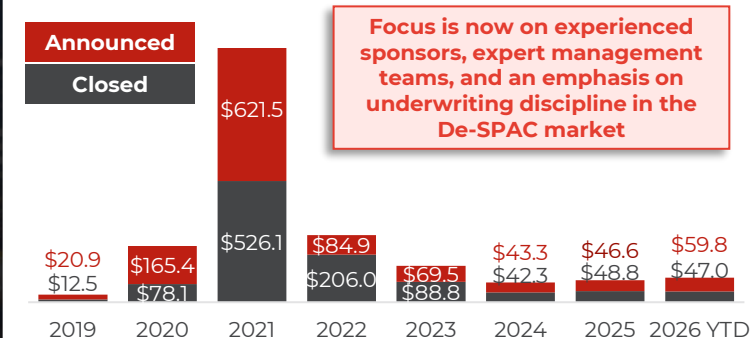
2021 Peak: 613

2019 - 2025 Average Excl. 2020 and 2021: 75

★ *Recalibration of the SPAC IPO market implies sustainable levels of issuance ahead, and from higher-quality sponsor teams*

De-SPAC Activity Stabilizing to Pre-Pandemic Levels

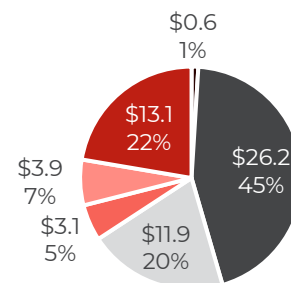
(\$B TEV)



De-SPACs Are Occurring Across a Variety of Sectors

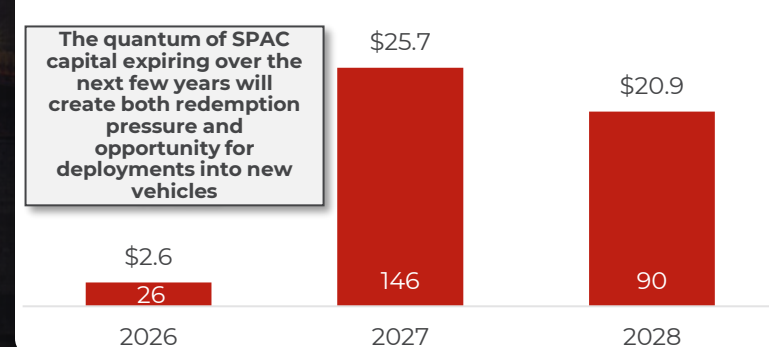
Breakdown of Announced Deals YTD (\$B TEV / %)

- Media & Telecomm
- Technology
- Energy
- Financial
- Healthcare
- Industrial



While Billions in Fresh Capital Hunts for Transactions

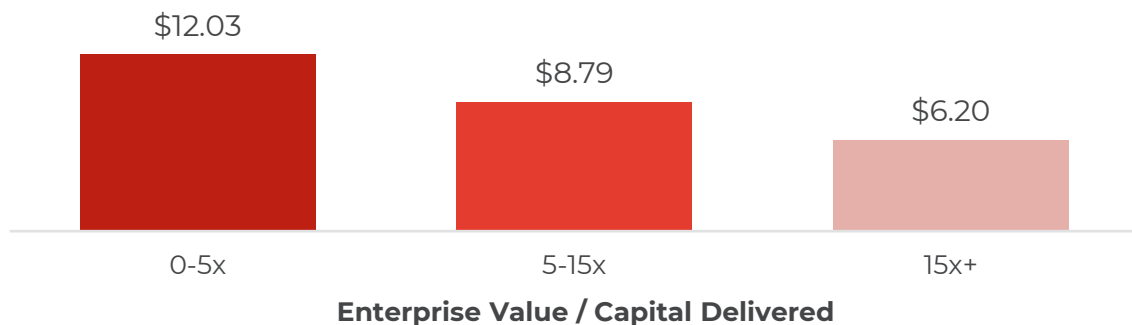
SPAC Trust Capital Expiring by Year (\$B / #)



US SPAC Market Activity

Reasonable Valuation Supports Above-Issue Trading

2026 Closed De-SPACs²: 30-Day Post Close Median Share Price (\$)



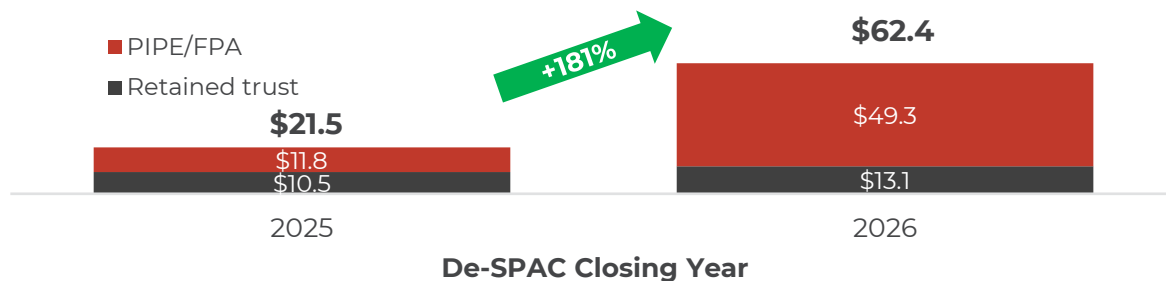
\$12.03

MEDIAN SHARE PRICE WHEN EV / CAPITAL DELIVERED¹ IS BELOW 5x

2026 De-SPACs priced at less than 5x EV to capital delivered are the only cohort still trading above the \$10.00 trust. At 15x and above, the median falls to \$6.20, valuation discipline relative to incoming capital – not deal size or sector – separates the two.

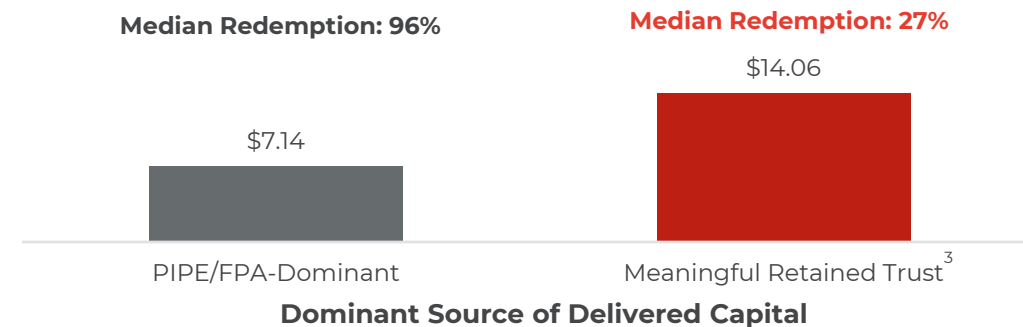
Recovery Is Driven by Committed Capital...

Dollars per \$100 of Original IPO Proceeds



...while Retained Trust Remains the Stronger Signal

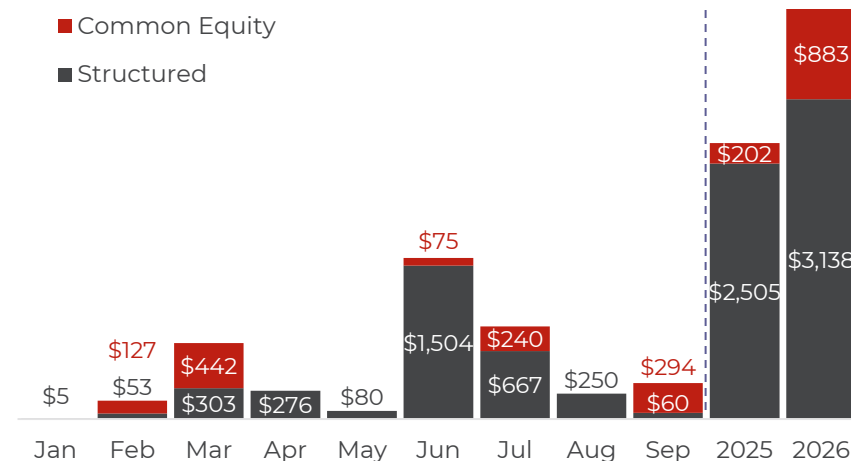
2026 Closed De-SPACs²: Median Current Share Price (\$)



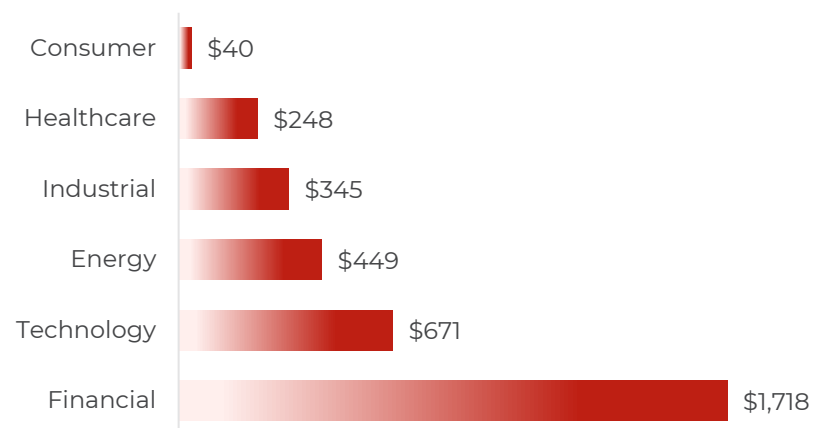
(1) Capital Delivered = PIPE + FPA + Remaining Trust.
 (2) Includes closed 2026 De-SPACs with redemption disclosed and delivered capital ≥ 5% of EV.
 (3) Meaningful retained trust = retained trust > 10% of delivered capital.
 Source: FactSet and SPACResearch as of 9/30/26.

2026 SPAC PIPE Activity Shows Renewed Investor Support

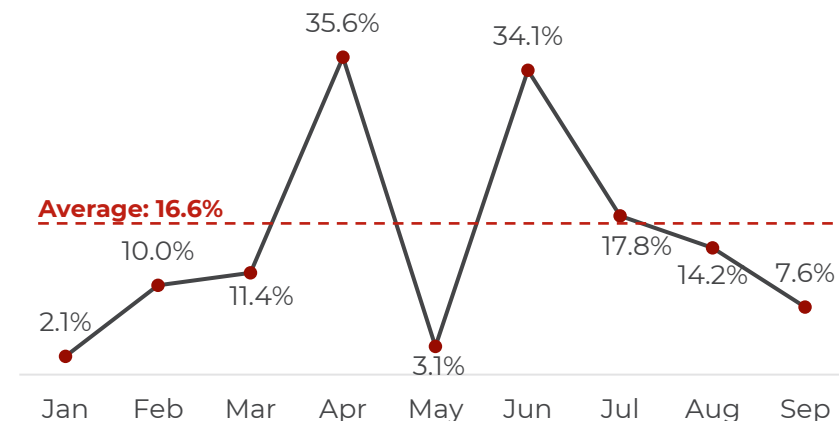
SPAC PIPE Financing Activity YTD (\$M)



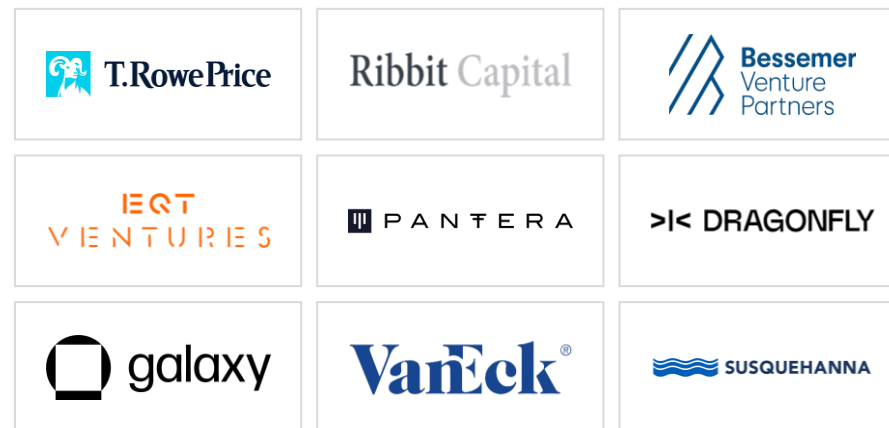
SPAC PIPE Financing Sector Breakdown YTD (\$M)



Monthly PIPE Size as % of Total Enterprise Value (Average)



Select Recent SPAC PIPE Participants



1. Includes closed De-SPACs 2026 YTD deals with PIPE financing.
Sources: SPACResearch as of 9/30/26.

ARC Securities' Experienced Capital Markets Team



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- Most recently, Roger was a Senior Managing Director and Head of SPACs at SVB Securities
- Prior to that he held roles at Citigroup, RBC, and Societe Generale
- He's raised over 125 (\$55B+) SPACs and completed over 60 (\$180B+ EV) mergers along with over 100 bookrun equity transitions, raising over \$50B in proceeds
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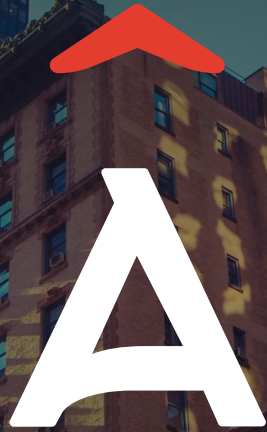
- Andy Hong is an Associate in Global Capital Markets at ARC Securities
- Prior to joining ARC Securities, Andy co-founded and served as Chief Operating Officer of Stimi, a prediction market platform
- Previously, he was an Investment Associate at Hennessy Capital Group, working across SPAC IPO, acquisition and de-SPAC transactions.
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