

Key Takeaways:

- IPO craze sets in as SpaceX prepares IPO.
- SpaceX, Anthropic and OpenAI larger than some economies.
- History tells us IPOs are not always winners.
- Valuation and profitability should matter.
- Expect short term consolidation to make way for SpaceX.

Public Does Not Always Mean Profitable

This week equity markets are expected to absorb the largest IPO in history when SpaceX goes public (expected June 12th). SpaceX is targeting to raise \$75 billion which makes it nearly three times larger than the next biggest global IPO (i.e., Saudi Aramco ~\$25 billion in 2019). In fact, if the other two hyped IPOs (Anthropic and OpenAI) go public later this year, it could bring nearly \$3.5 trillion worth of market cap into the market. To put this in perspective that is larger than major economies (e.g. France, Italy, Brazil) and exceeds the market cap of every company in the S&P 500 Energy, Utilities and Materials sector.

We welcome the news of more companies going public, especially since the IPO market was a meager \$45 billion in 2025. However, we caution investors about the excitement around these IPOs and clarify to investors that just because a company is going public does not mean it is a guaranteed winner. In this weekly insights, we look at historical IPOs and how they have performed. In addition, we offer some thoughts around what may be impacted by the upcoming SpaceX IPO.

- **Poor odds for performance:** Of the 20 largest U.S. IPOs that we can gather pricing information for, only eight of the 20 saw their stock prices higher than their IPO price 12 months later. While the average return of these 20 IPOs shows stock prices rose 21% in the 12 months after they went public, it is heavily skewed to a select few companies. For example, Palantir, Airbnb, and Snowflake saw their stock prices rise over 100% in the 12 months after they went public. However, eight of the 20 IPOs saw their stock price 30% or more lower 12 months later. In fact, when looking at the median average of all 20 IPOs, prices are lower six and 12 months after the IPO.
- **Economic cycles matter:** When companies go public also dictates how they may perform. Uber and Lyft went public in 2019 only to be decimated by the pandemic. Blackstone went public in one of the worst bear markets in U.S. history (2007). Meta struggled due to its poor handling of private share trading on the secondary market.
- **Valuations and profitability:** When using 2025 revenue data, SpaceX is going to come to market with a price to sales ratio near 100X and SpaceX, Anthropic and OpenAI are not expected to be profitable this year or possibly not even until 2027 at the earliest.
- **Consolidation likely:** It is likely there may be some rotation from other tech winners to make room for SpaceX. The biggest winners of the tech space this year include names like Advanced Micro Devices and Micron Technologies.

Bottom Line

The upcoming SpaceX IPO is generating investor excitement. However, optimism about a brand does not always translate into positive performance. Valuations and fundamentals matter and SpaceX is not completely profitable (only Starlink) and valuations are excessive. In addition, history shows going public does not always guarantee strong stock performance.

Weekly Economic Recap –

Job market gains momentum

Manufacturing as measured by the ISM Manufacturing Index rose for the third consecutive month in May. The increase was led by new orders which rose to a four month high. The prices paid component dropped from a four year high in April but still remains near historic highs.

According to the JOLTS report, job openings rose to a two year high. As a result, the number of job postings is exceeding those unemployed for the first time in 10 months. Layoffs declined at the fastest rate in five months.

The ISM Services Index rose to a three month high led by strength in new orders and inventories. The prices paid component rose to the highest level since August 2022.

The U.S. economy added 172K jobs in May which was much better than anticipated (estimate +88K). In addition, prior two months were revised higher by 92K jobs. This marks the best three month increase in jobs in two years. The strength was led by leisure and hospitality as well as healthcare and social services. Leisure and hospitality may be driven by the World Cup games. The unemployment rate held steady at 4.3% while average hourly earnings grew slightly less than in May (+3.4% vs. 3.6% YoY in April).

Key Takeaways:

- Manufacturing and services strong.
- Job openings exceed those unemployed.
- Job growth accelerates by most in two years.
- Global equities slide as tech falls.
- Yields rise on rate hike odds.
- Commodities continue downward momentum.

Weekly Market Recap –

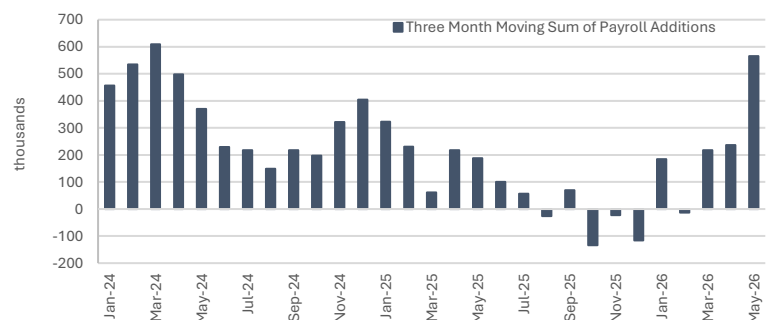
Global equities fall on strong U.S. data

Equities: The MSCI AC World Index fell the most in 13 weeks led by U.S. equities. Disappointing results from a key AI related stock (i.e., Broadcom), profit taking on sectors with stretched valuations and rate hike fears caused global equities to drop from record highs. In the U.S., all the major indices that we monitor declined, led by the Nasdaq, which saw its worst weekly decline since April 2025.

Fixed Income: The Bloomberg Aggregate Index fell for the first time in three weeks as a strong jobs report led to a rise in rate hike odds. While all maturities in Treasuries declined, long term bonds led the way. Investment grade debt also underperformed high yield and EM bonds.

Commodities/FX: The Bloomberg Commodity Index fell for the third consecutive week led by weakness in precious metals and grains. Gold prices fell the most in 11 weeks as yields rose. Grains were led lower by weaker export data while copper and crude oil prices also fell.

Job Market Gaining Momentum



Footnotes: Data is as of May 2026.

Data Source: Bloomberg Finance LP, Verdence Capital Advisors.

Global Equities Fall on Fears of Rate Hikes

U.S. Equities								International Equities							
	Current	1WK	1MO	3MO	1YR	YTD		Current	1WK	1MO	3MO	1YR	YTD		
Dow Jones Industrial Average	50,867	-0.2%	3.5%	6.5%	22.2%	6.6%	MSCI AC World (USD)	1,106	-2.2%	2.2%	8.1%	26.4%	9.7%		
S&P 500	7,384	-2.5%	1.9%	8.4%	25.8%	8.4%	MSCI EAFE (USD)	3,074	-1.4%	2.0%	4.4%	19.8%	7.9%		
Russell 1000 Growth	4,936	-4.0%	1.9%	8.4%	22.3%	3.9%	MSCI Europe ex UK (USD)	3,374	-1.5%	2.0%	5.3%	15.4%	5.2%		
Russell 1000 Value	2,320	-0.7%	1.9%	7.6%	27.5%	12.9%	MSCI Japan (USD)	5,504	-0.4%	5.1%	7.4%	33.0%	15.6%		
Russell 2500	4,963	-2.5%	0.3%	9.7%	33.0%	15.4%	MSCI UK (USD)	1,651	-1.0%	0.5%	1.1%	20.2%	5.9%		
Russell 2000	2,834	-2.9%	-0.3%	10.0%	37.0%	14.8%	MSCI EM (USD)	1,717	-1.9%	4.4%	14.9%	48.0%	23.2%		
Nasdaq	25,709	-4.7%	1.6%	13.2%	34.1%	10.9%	MSCI Asia ex Japan (USD)	1,141	-1.7%	5.7%	17.4%	50.4%	25.7%		

Fixed Income							Commodities						
	Current Yield	1WK	1MO	3MO	1YR	YTD		Current	1WK	1MO	3MO	1YR	YTD
U.S. Aggregate	4.8%	-0.5%	-0.2%	-1.0%	4.4%	-0.2%	Bloomberg Commodity Index	339	-1.8%	-5.7%	5.6%	34.1%	22.8%
U.S. Govt/Credit	4.7%	-0.5%	-0.2%	-1.1%	3.9%	-0.3%	Crude Oil (USD/bbl)	\$91.9	-0.3%	-3.5%	1.0%	27.3%	34.5%
U.S. 10 Year Treasury	4.5%	-0.8%	-0.6%	-2.2%	3.3%	-1.3%	Gold (\$/oz)	\$4,328.5	-3.4%	-8.1%	-15.7%	30.2%	0.3%
U.S. TIPS (1-10YR)	4.4%	-0.6%	-0.5%	0.2%	4.7%	1.2%	Copper	\$628.5	-2.6%	2.1%	10.8%	31.6%	12.3%
U.S. High Yield	7.2%	-0.4%	0.0%	0.7%	6.8%	1.3%	Wheat	\$580.0	-4.8%	-6.4%	-7.4%	-7.3%	9.0%
EM Bonds (USD)	6.1%	-0.2%	0.4%	0.4%	8.8%	1.2%	U.S. Dollar	100	0.7%	2.1%	1.0%	0.7%	1.6%
Municipal Bonds	3.6%	0.4%	0.8%	0.3%	7.2%	1.7%	VIX Index	21.5	40.4%	23.8%	-9.4%	16.4%	43.9%

Footnotes: Data is as of June 5, 2026.

Source: Bloomberg Finance LP, Verdense Capital Advisors.

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