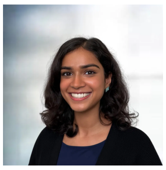
First to Market

August 3, 2026

SPACEX IS BATTLING GRAVITY – AND GRAVITY MIGHT JUST BE WINNING



Hardika Singh

ECONOMIC STRATEGIST, MARKET INTELLIGENCE

Chart of the Day

IPO: Headwind from large IPOs seen 12 months later...

Macro Research

Largest IPOs on US Stock Exchanges
Since 1900

	IPO				S&P 500 Forward Returns			
	Name	Date	Mkt Cap ($B)	% of Wilshire 5000 Mkt Cap	1M	3M	6M	12M
1	Alibaba	9/18/2014	$231	1.1%	-6.2%	0.1%	3.1%	-2.5%
2	Ford	1/17/1956	$3	0.8%	-1.5%	7.8%	9.6%	3.8%
3	Visa	3/19/2008	$92	0.7%	7.1%	4.0%	-8.1%	-41.7%
4	Facebook	5/17/2012	$91	0.7%	2.9%	7.7%	5.3%	25.2%
5	UPS	11/10/1999	$82	0.7%	3.2%	5.0%	3.7%	3.9%
6	AT&T Wireless	4/27/2000	$73	0.6%	-5.9%	-0.9%	-4.6%	-15.2%
7	Kraft Foods	6/13/2001	$54	0.5%	-2.1%	-12.0%	-8.2%	-17.2%
8	Enel	11/2/1999	$55	0.5%	4.5%	3.5%	7.8%	2.4%
9	GM	11/17/2010	$51	0.4%	5.5%	12.7%	12.8%	7.2%
10	Palm	3/2/2000	$51	0.4%	8.5%	2.8%	9.3%	-9.8%
	Average				1.6%	3.1%	3.1%	-4.4%
	Median				3.0%	3.8%	4.5%	-0.1%
	Win Ratio				60%	80%	70%	50%
	SpaceX	6/12/2026	~$2,000	2.7%				

Weaker 12m returns

Source: Fundstrat, Bloomberg

Note: Market capitalization as measured at the close of the first day of trading

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Good morning!

SpaceX's flop performance after its IPO has not been much of a surprise. To me, it always seemed a bit like that viral ramen place your friend insists on trying: When you agree to check it out, you end up waiting in a 30-minute line only for the food to be so mid. Congrats, you're also $30 short because that egg on the side cost an extra $4.

With both stocks and buzzy restaurants, when the hype is so baked in, it doesn't take much for the sentiment to reverse. SpaceX shares are now down roughly 50% from their post-IPO peak of $225.64. Since its IPO quiet period ended on July 7, analysts are now starting to put out price targets, and unfortunately for SpaceX, they're all over the place. That typically hasn't been a good sign.

SpaceX's earnings tomorrow could turn the stock's fortunes around. If Tesla's earnings calls are any guide, Chief Executive Elon Musk will likely boast about his grandiose ideas and make aggressive projections. If he skips that playbook tomorrow because of the recent bloodbath in tech stocks, then that would be a further hit to sentiment. And I don't expect him to go over whether it will achieve profitability anytime soon. A majority of the companies are unprofitable when they IPO, according to data by Jay Ritter, but what's not typical is for them to brag about the unprofitability.

So in any case, Musk has his work cut out for him because the first of the lockups expires Thursday, Aug. 6 — two days after earnings. That release alone frees up 911.5 million shares, or roughly 7% of shares outstanding. That's just the opening tranche: By the time the 180-day lockup fully lifts on Dec. 8, some 4.56 billion shares — about 35% of the company — will have become unlocked and tradable.

Yet even if those investors are persuaded to hold onto their shares, that would still be like a band aid on SpaceX's wounds. That might stop the bleed for now, but historical data show that the pain would likely be far from over. On average, the maximum drawdown seen in the first year of an IPO is 55%, according to an analysis of 30 major IPOs by Truist's Keith Lerner. In the past, large IPOs have tended to notch an average loss of 4.4% in the year following an IPO, even if forward returns are positive in the one-month, three-month, and six-month time frame, according to analysis by our own Alex Wang, as well as our accompanying Chart of the Day.

Bearish sentiment of this nature is a good reminder that no matter how celestial a company may be, at the end of the day, its job is to make money, not to sell stories. Until SpaceX can convince the market that it's on a steady path to doing so, its long-term stock-price outlook will arguably remain on the ground – shaky ground.

Share your thoughts

What are your expectations of SpaceX’s earnings? Click here to send us your response.

✍Here's what a reader commented ✍

Q: Do you think Nvidia is becoming too aggressive in helping its customers?

A: Not at this time, but it should be limited. It would hurt if they lost all its cash flow, but I think earnings and free cash flow will grow rapidly over the next 3-5 years.

Catch up with Fundstrat

We discuss the 5 reasons why we believe the structural bottom is in for AI stocks. A large factor is we believe the massive leverage unwind is largely over.

Technical

Despite Friday’s bounce, I remain unconvinced that lows are officially in place for U.S. equities on this recent consolidation, and this remains a trading environment, not one where chasing strength is apt to be rewarded.

Crypto

If the AI trade has indeed begun carving out a bottom, HYPE is one of the more attractive ways to express that view in the token market. One underappreciated aspect of HYPE's business today is that it has become increasingly tied to activity outside of crypto through HIP-3 builder-deployed markets.

News We're Following

Breaking News

- AstraZeneca holds talks with Bristol Myers Squibb over $400bn tie-up FT

Markets and economy

- Japan confirms joint yen intervention with US, signals readiness for more action REU
- Summertime Blues hit China's factories WSJ

Business

- Capital One says it closed Trump Organization accounts over money-laundering concerns NPR
- Jefferies faces fresh trouble at fund it was already closing BBG
- Chinese state traders make large US soybean purchases REU

Politics/U.S.

- Blanche rescinds fund for Trump allies after GOP senators threaten to block his attorney general bid AP
- California billionaire tax wins support from state Democratic Party WSJ
- US Senator Moreno says Ohio's Miller should not serve in Congress, citing abuse allegations REU

Overseas

- Morocco counts its dead and missing after mass swim to Ceuta FT
- Iran déjà vu: Trump once again threatens massive escalation against Tehran only to walk back AP
- Anthropic, OpenAI among firms facing new scrutiny under EU AI Act enforcement powers CNBC

Of Interest

- Coldcard bitcoin wallets compromised as hackers exploit software flaw BBG
- UEFA threatens legal action over Infantino's failed FIFA commercialisation FT

Overnight	
S&P Futures	+38 ▲ point(s) (+0.50% ▲)
overnight range:	+24 ▲ to +48 ▲ point(s)

APAC	
Nikkei	-0.94% ▼
Topix	-1.08% ▼
China SHCOMP	-0.59% ▼
Hang Seng	+0.48% ▲
Korea	-5.12% ▼
Singapore	-0.29% ▼
Australia	+0.47% ▲
India	+0.76% ▲
Taiwan	+0.62% ▲

Europe	
Stoxx	50 +1.07% ▲
Stoxx	600 +0.45% ▲
FTSE	100 -0.07% ▼
DAX	+1.53% ▲
CAC	40 +1.30% ▲
Italy	+0.91% ▲
IBEX	+0.71% ▲

IBEX	+0.71% ▲
Canada	-0.79% ▼
Mexico	-0.53% ▼
Brazil	+0.47% ▲

FX

Dollar Index (DXY)	-0.10% ▼ to 99.815
EUR/USD	+0.02% ▲ to 1.1529
GBP/USD	-0.19% ▼ to 1.3457
USD/JPY	+0.25% ▲ to 157.01
USD/CNY flat at	6.7531
USD/CNH	-0.01% ▼ to 6.7534
USD/CHF	-0.05% ▼ to 0.8079
USD/CAD	-0.12% ▼ to 1.4038
AUD/USD	-0.16% ▼ to 0.7008

UST Term Structure

2Y-3M Spread narrowed	-4.8bps ▼ to 47.0bps
10Y-2Y Spread narrowed	-0.5bps ▼ to 43.4bps
30Y-10Y Spread widened	0.8bps to 54.2bps

USD HY OaS

All Sectors	-5.3bps ▼ to 304bps
All Sectors ex-Energy	-4.4bps ▼ 299bps
Cons Disc	-3.5bps ▼ to 507bps
Indu	-5.3bps ▼ to 245bps

Tech	-10.9bps ▼ to 216bps
Comm Srvcs	-6.7bps ▼ to 282bps
Materials	-2.5bps ▼ to 265bps
Energy	-5.7bps ▼ to 280bps
Fin Snr	-4.4bps ▼ to 200bps
Fin Sub	-1.0bps ▼ to 291bps
Cons Staples	+1.6bps ▲ to 453bps
Healthcare	-4.9bps ▼ to 318bps
Utes	-5.4bps ▼ to 212bps *

DATE	TIME	DESCRIPTION	ESTIMATE	LAST
8/3	9:45 AM	Jul F S&P Manu PMI	53.8	53.8
8/4	8:30 AM	Jun Trade Balance	-73	-77.585
8/4	10:00 AM	Jun JOLTS	7503.5	7594
8/4	10:00 AM	Jun F Durable Gds Orders	0.3	0.3
8/5	9:45 AM	Jul F S&P Srvcs PMI	53.6	53.6
8/5	10:00 AM	Jul ISM Srvcs PMI	54.5	54
8/6	8:30 AM	2Q P Nonfarm Productivity	0.5	0.3
8/6	8:30 AM	2Q P Unit Labor Costs	2.1	1.8
8/7	8:30 AM	Jul AHE m/m	0.3	0.3
8/7	8:30 AM	Jul Unemployment Rate	4.2	4.2
8/7	8:30 AM	Jul Non-farm Payrolls	80	57
8/7	11:00 AM	Jul NYFed 1yr Inf Exp	n/a	3.67

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