

First to Market

October 1, 2026

IPO DELAYS ARE DISAPPOINTING



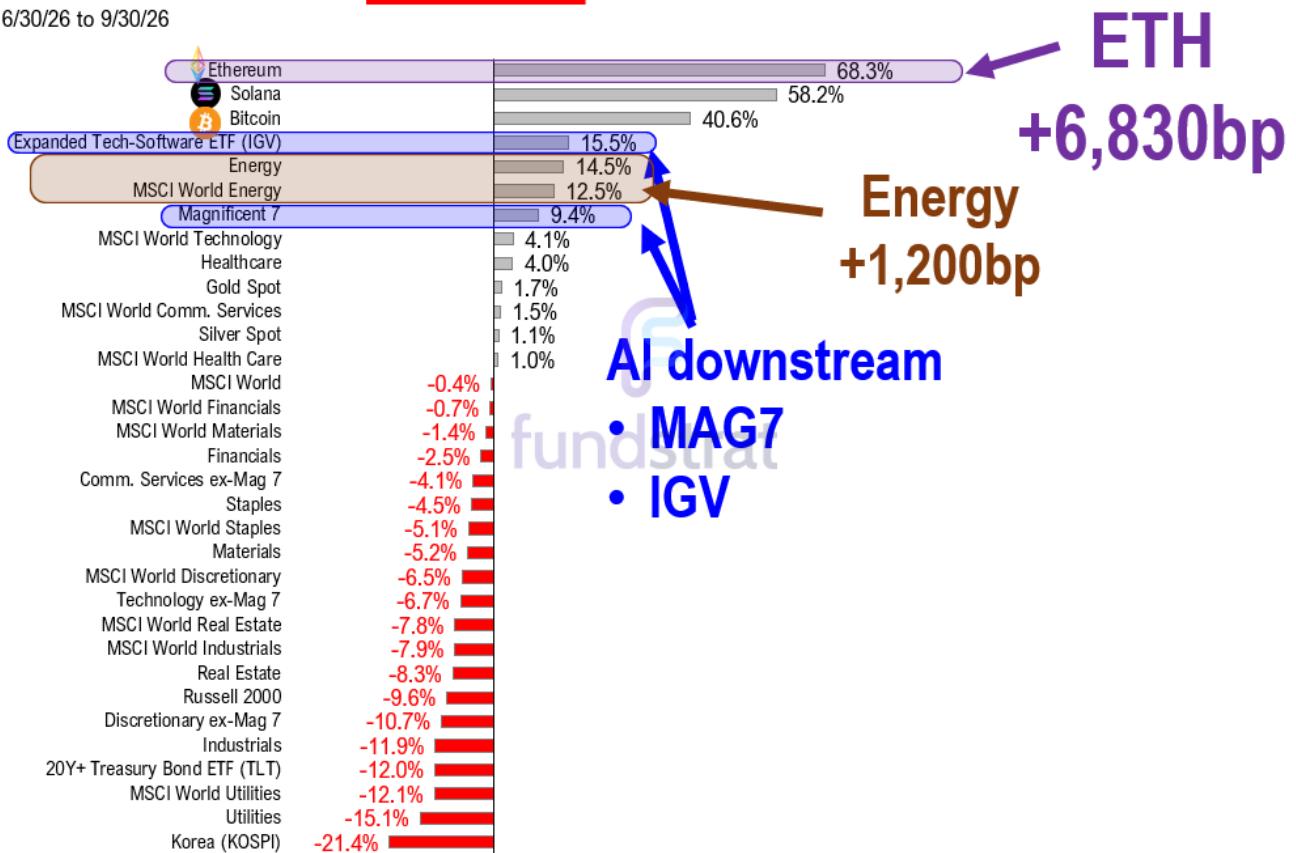
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Chart of the Day

3Q26 LEADERS: Crypto, Software & Mag 7 outperforming

Performance Relative to S&P 500 since start of 3Q26
6/30/26 to 9/30/26



Source: Fundstrat, Bloomberg

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Good morning!

As expected, September didn't go well for stocks, but unexpectedly it didn't pan out for companies' IPO plans either.

Just a handful of weeks ago, I was chatting with a friend about Oura's IPO announcement, which took us both by surprise. The smart-ring maker filed its S-1 on Sept. 3 and was planning to trade under \$OURA within the month. But then on Tuesday, the San Francisco-based company, whose IPO was about four times oversubscribed according to a *Bloomberg* article, said it was delaying its plans, citing "uncertainty in the IPO market."

It's far from the only one pulling back in September, which has historically kicked off a strong IPO season. In recent weeks, nuclear energy technology company Holtec Nuclear, domestic refractory and titanium alloy powders producer Amaero, and property and homeowners insurance provider Bamboo Insurance have all decided to hold off on an IPO due to market conditions.

Hotshot AI companies are taking a breather, too. OpenAI Chief Executive Sam Altman has said in recent weeks that he wants to prioritize AI safety over going public. Meanwhile, the chances of Anthropic going public this year have decreased to 75% from 94% in August, according to Kalshi.

It makes sense to hit pause. For the AI companies, of course there is growing political backlash, but they also have to contend with other broader macro worries, just as with the other planned IPOs.

Stocks are near records, but with government bond yields also at multidecade highs, there are questions about how long this rally can last. Some investors also expect higher interest rates to undo the decades-long "there is no alternative" to stocks regime. Consumer confidence has slid to 12-year lows, dragged down by worries about energy-driven inflation and the labor market. If even OpenAI and Anthropic don't think they can pull off successful debuts under current conditions, then I think the others have no shot.

But here's the thing: If companies are hesitating to go public in this somewhat nerve-racking but also resilient backdrop, then I'd argue they're not sound businesses. I fail

to see a strong reason why Oura would postpone if the IPO was indeed four times oversubscribed. In OpenAI's case, like many others, I think the delay is a convenient excuse for improving the deeply unprofitable company's finances before they get scrutinized in the public market. Anthropic gets a pass because it's expected to post a second straight quarter of positive adjusted operating income, according to a *Financial Times* article.

The deferral of IPOs means that deal volume this year will remain sluggish, even if the overall value increases. In the first five months of 2026, there were 4,653 deals worth \$1.2 trillion compared to 4,851 deals worth \$603 billion in the same period a year earlier, according to PwC research. Megadeals valued at \$5 billion or more explain the difference. In 2026, 39 transactions have been announced, which is 50% higher from a year ago.

To be sure, companies that have gone public have performed quite poorly this year. Of the 10 companies that went public in the last 180 days, about 60% are currently trading below their initial offering price, according to NYSE data through Tuesday. The average loss is 4.1%.

That tracks with historical data. The average IPO this decade, for example, shot up 32% on the first day of trading, but decreased 26% from its offering price after one year, according to J.P.Morgan.

Companies typically aim to go public in the weeks following Labor Day, after investors and traders get back to their desks from the summer but before the earnings season picks up in earnest around mid-October. As such, the fourth quarter has typically logged the largest number of IPOs by U.S. issuers, according to SEC data going back to 2000.

Non-AI companies might regret sitting out this year. If OpenAI and Anthropic do go public next year, then I imagine non-AI companies will be competing with them for investors' money. Waiting is no guarantee of a successful future listing either. Semiconductor company Cerebras was considering a late-2024 IPO, according to a *Wall Street Journal* article, but it didn't come to market until this May. Its stock is up about 5.4% from the offer price.

Share your thoughts

Which IPOs are you looking forward to buying? [Click here](#) to send us your response.

Here's what a reader commented

Q: Do you think Micron's stock has more room to run?

A: If you see the infrastructure growth in Boise or elsewhere it's a clear sign, Peter Lynch style. In 2016 I was at Levi Stadium in Santa Clara for a Coldplay concert and saw an amazing green glass building under construction, it was NVDA HQ. At 6-7 times forward PE MU is worth the risk reward. Past may not be prologue this quarter. The Luddites will never stop progress, cast your negativity biases to the side. This era is a once in a lifetime opportunity.

Catch up with Fundstrat

The S&P 500 limped into month end with a “whimper” finishing the month essentially flat (down -0.4%). This is not the worst outcome given that incoming news for the month was “bad” and “worse” than expected.

Technical

Energy had been the one group outside of Technology showing real relative strength, and even that has begun to stall, while the bond-proxy sectors like Utilities continue to suffer from rising yields, and Financials have broken their own relative uptrend without yet finding a floor.

Crypto

I continue to think durable cycle lows are in. As discussed on today's monthly crypto webinar, my view has turned meaningfully more constructive over the past couple of months, and I think it is right to look for opportunities to get long. That said, the tactical tension we have discussed over the past couple of weeks remains unresolved.

News We're Following

Breaking News

- Fed's Kashkari says inflation is 'still too high' even after softer-than-expected PCE data, labor market is 'pretty good' CNBC

Markets and economy

- Bond Selloff Eases, But Yields Remain at Multidecade Highs WSJ
- Money Managers Are Asking Clients to Give the Bond Market Another Chance WSJ
- How the 'AI put' has become the only thing that matters for stocks MW

Business

- Tech CEOs Privately Questioned Amodeli for Sounding AI Alarm Bells WSJ
- SpaceX set to launch Google AI chips into orbit in push toward space-based data centers CNBC
- Oracle has reportedly signed a \$7 billion deal with Tencent. It could provide relief for the troubled stock. MW

Politics/U.S.

- Democratic Senators Challenge Trump Officials on Pentagon's Venezuela Oil Deal WSJ
- How a Cornell Student Went From Shame to Seeking Justice NYT
- Should Democrats Spend in Deep-Red Texas? A Battle Could Echo in 2028. NYT

Overseas

- South Korea Contests U.S. Claims of New \$50 Billion Alaska Investment WSJ

- Japan's prime minister says her policies will boost confidence in the yen after U.S. intervention falls short CNBC

Of Interest

- The Cockpit Stabbing and Terrifying Nosedive That Brought Chaos to FlyDubai Flight 1073 WSJ

Overnight	
S&P Futures	+14 ▲ point(s) (+0.18% ▲)
overnight range:	-10 ▼ to +52 ▲ point(s)

APAC	
Nikkei	+3.30% ▲
Topix	+0.57% ▲
China SHCOMP	+0.31% ▲
Hang Seng	+0.37% ▲
Korea	+1.95% ▲
Singapore	-0.14% ▼
Australia	-1.99% ▼
India	-0.87% ▼
Taiwan	+0.86% ▲

Europe	
Stoxx 50	-0.84% ▼
Stoxx 600	-0.97% ▼
FTSE 100	-1.50% ▼
DAX	-0.68% ▼
CAC 40	-1.11% ▼

Italy	-0.92% ▼
IBEX	-1.14% ▼

FX

Dollar Index (DXY)	+0.37% ▲ to 101.83
EUR/USD	-0.40% ▼ to 1.1285
GBP/USD	-0.37% ▼ to 1.3216
USD/JPY	-0.63% ▼ to 158.41
USD/CNY	+0.01% ▲ to 6.7060
USD/CNH	-0.17% ▼ to 6.7202
USD/CHF	-0.11% ▼ to 0.8367
USD/CAD	-0.13% ▼ to 1.4251
AUD/USD	-0.10% ▼ to 0.6940

UST Term Structure

2Y-3M Spread narrowed	-0.1bps ▼ to 76.5bps
10Y-2Y Spread widened	1.7bps to 41.1bps
30Y-10Y Spread narrowed	-0.0bps ▼ to 33.9bps

USD HY OaS

All Sectors	+1.3bps ▲ to 346bps
All Sectors ex-Energy	+1.5bps ▲ 323bps
Cons Disc	+4.1bps ▲ to 562bps
Indu	-1.4bps ▼ to 289bps
Tech	+0.3bps ▲ to 223bps
Comm Srvc	+2.8bps ▲ to 339bps

Materials	+0.1bps ▲ to 260bps
Energy	-0.7bps ▼ to 280bps
Fin Snr	+0.4bps ▲ to 217bps
Fin Sub	+1.1bps ▲ to 286bps
Cons Staples	+5.1bps ▲ to 447bps
Healthcare	+1.6bps ▲ to 345bps
Utes	+0.9bps ▲ to 238bps *

DATE			TIME	DESCRIPTION	ESTIMATE	LAST
10/1	9:45 AM	Sep F S&P Manu PMI	57	57		
10/2	8:30 AM	Sep AHE m/m	0.3	0.3		
10/2	8:30 AM	Sep Unemployment Rate	4.1	4.1		
10/2	8:30 AM	Sep Non-farm Payrolls	85	162		
10/2	10:00 AM	Aug F Durable Gds Orders	0	0		
10/5	9:45 AM	Sep F S&P Srvcs PMI	n/a	58.7		
10/5	10:00 AM	Sep ISM Srvcs PMI	55	55.4		
10/6	8:30 AM	Aug Trade Balance	-83.8	-88.576		
10/7	11:00 AM	Sep NYFed 1yr Inf Exp	3.64	3.58		
10/7	2:00 PM	Sep 16 FOMC Minutes	n/a	0		

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