

LUNDY INVESTORS

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RESEARCH NOTE

The Great AI Listing:

Anatomy of a \$220 Billion IPO Supercycle

Dot-Com Parallels, Liquidity Mechanics & Investment Bank Earnings Impact

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Executive Summary

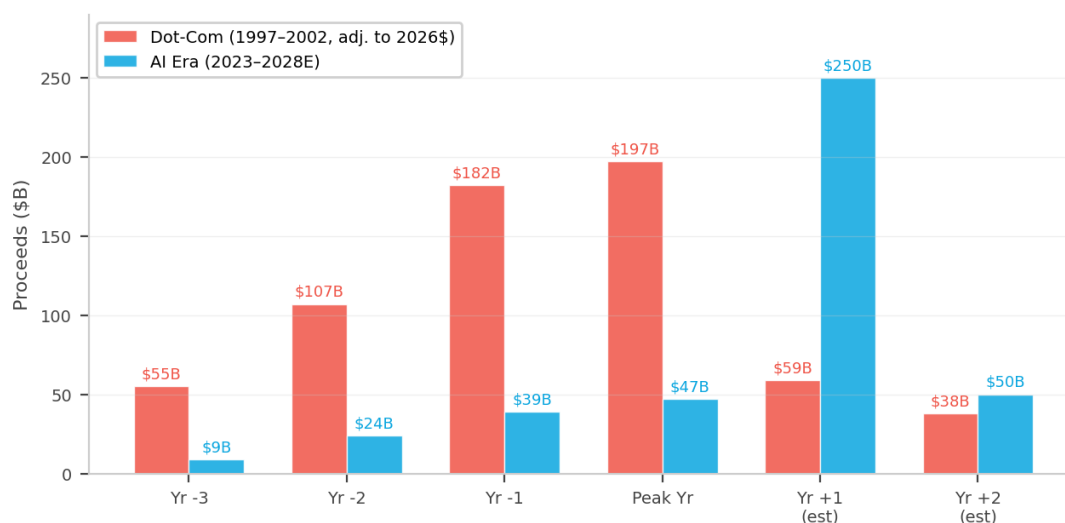
Between June and October 2026, the US equity market faces a capital absorption event without modern precedent. Five companies — SpaceX, OpenAI, Anthropic, Databricks, and Stripe — are preparing initial public offerings that collectively target approximately \$220 billion in primary capital raises at combined implied valuations exceeding \$3.4 trillion. To contextualise this: the entire US IPO market raised \$47.4 billion across 216 deals in all of 2025. The pipeline for three months of summer 2026 is approaching five times that figure, concentrated in just five listings.

This note examines the macro-cycle parallels to the dot-com era, the liquidity mechanics of how \$220 billion in new equity supply will be absorbed, the sectors and asset classes most vulnerable to capital reallocation, and the material earnings uplift this pipeline delivers to the lead underwriting banks — principally Goldman Sachs, Morgan Stanley, and JPMorgan Chase.

Metric	Dot-Com Peak (2000)	AI Era (H2 2026E)
Total IPO Proceeds (Inflation-Adj)	~\$197B (446 deals)	~\$250B+ (5 mega + ~100 others)
Largest Single IPO	AT&T; Wireless \$10.6B (~\$19B adj.)	SpaceX \$75B (+ \$11.2B greenshoe)
NASDAQ P/E	~200x (many cos. no earnings)	~30x (Mag 7 profitable)
Fed Funds Rate	6.5% (tightening)	3.50–3.75% (easing cycle)
30-Year Treasury	~5.8%	5.02% and rising

Source: SEC filings, Bloomberg, Renaissance Capital, Lundy estimates. Inflation-adjusted figures use CPI-U to 2026 dollars.

US IPO Proceeds by Cycle Year (\$B, Inflation-Adjusted to 2026)



Source: Renaissance Capital, SEC EDGAR, Lundy estimates. Dot-com figures adjusted to 2026 dollars using CPI-U. AI Era 'Peak Yr' includes estimated mega-IPO proceeds.

1. NASDAQ Cycle Overlay: Dot-Com vs AI Era

From January 1995 to its March 2000 peak, the NASDAQ Composite surged 572% from 751 to 5,049. The current AI-driven rally, measured from the October 2022 trough at approximately 10,300 to the June 1 2026 all-time high of 27,087, represents a gain of approximately 163% over 44 months.

Indexing both cycles to 100 at their respective starting points reveals that the AI rally has been steadier and shallower than the dot-com's parabolic final phase. The dot-com cycle doubled between December 1997 and December 1999 alone (a roughly 160% gain in 24 months), with an additional 24% surge in the first ten weeks of 2000. By contrast, the AI cycle has produced no single calendar year with an 85%+ gain comparable to NASDAQ in 1999.

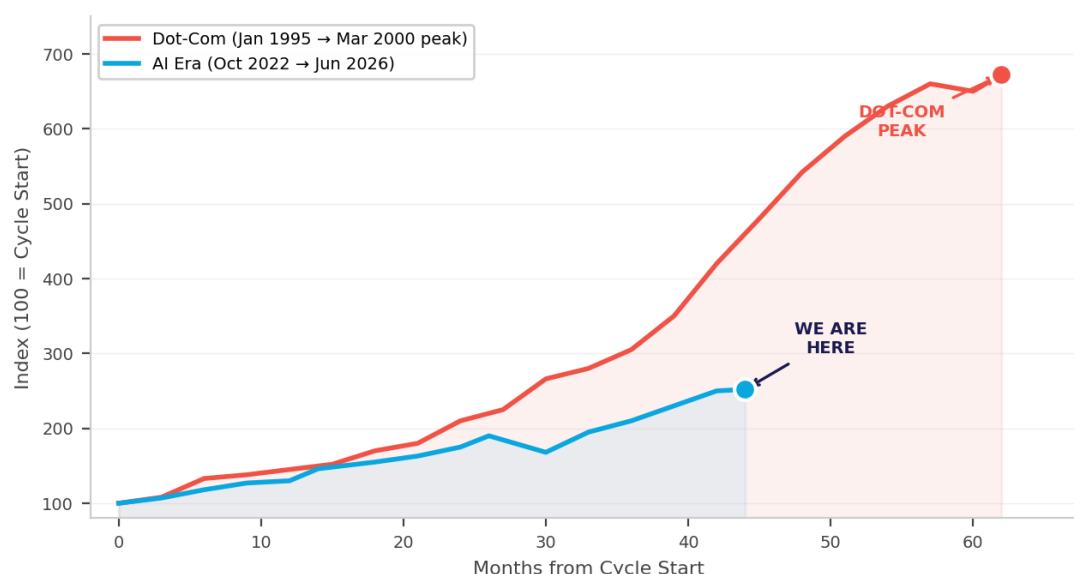
Phase Mapping

On pure price action, the current cycle maps to approximately late 1997 through mid-1998 in the dot-com timeline — the phase where early believers have been generously rewarded, the narrative is well-established, but the truly manic final acceleration has not yet occurred.

- **Accumulation (1995–97 / Oct 2022–Dec 2023):** Steady institutional rotation into the theme. NASDAQ roughly doubles from cycle lows. Smart money positioning.
- **Acceleration (1998–99 / Jan 2024–Jun 2026):** Broadening participation, retail engagement increases, IPO pipeline builds. **We place the current market here.**
- **Blowoff (late 1999–Mar 2000 / not yet occurred):** Parabolic price action, massive first-day IPO pops, widespread retail speculation, companies listing with no revenue.
- **Distribution/Crack (Q2–Q4 2000 / forward risk):** Preceded by rate tightening and the evaporation of IPO appetite within a single quarter.

Critical Divergence: The Earnings Floor

NASDAQ Cycle Comparison: Dot-Com vs AI Era



Source: Bloomberg, NASDAQ historical data. Both series indexed to 100 at cycle start. Current position marked as of 9 June 2026.

The most important structural difference between the cycles is the earnings quality of the underlying market. The NASDAQ-100 P/E ratio currently sits near 30x, versus approximately 200x at the dot-com peak where many constituent companies had no earnings whatsoever. The Magnificent Seven alone generated over \$200 billion in capex in 2024, funded from operational cash flow rather than speculative capital. This provides a valuation floor that simply did not exist in March 2000.

However, the IPO candidates themselves are a different story. OpenAI is projected to lose \$14 billion in 2026 alone and does not expect profitability until 2030. SpaceX posted a \$4.28 billion net loss in Q1 2026, driven by \$7.7 billion in AI-related capital expenditure in a single quarter. Anthropic does not expect breakeven until 2028,

with compute commitments exceeding \$180 billion. The parallel to dot-com is not in the existing NASDAQ constituents but in the companies seeking to join them.

2. The \$220 Billion Pipeline: Quarter-by-Quarter

Q2 2026: SpaceX Sets the Tone

SpaceX filed its public S-1 on 20 May 2026, with Goldman Sachs as lead-left bookrunner and 21 banks in the syndicate. The company is offering 555.6 million Class A shares at a fixed price of \$135, targeting a \$75 billion primary raise at a \$1.77 trillion valuation. The overallotment option adds a further \$11.2 billion. This would make it the largest IPO in history by a factor of three, eclipsing Saudi Aramco's \$26 billion listing in 2019. Pricing is expected after market close on 11 June with first trading on 12 June under ticker SPCX on NASDAQ. Notably, 30% of the offering is reportedly earmarked for retail investors — three times the standard mega-cap allocation.

Q3 2026: The AI Duopoly Lists

OpenAI filed confidential IPO paperwork with the SEC on 9 June 2026, with Goldman Sachs and Morgan Stanley leading. The company is targeting a valuation of up to \$1 trillion, with a minimum raise of \$60 billion. OpenAI's revenue surpassed \$20 billion annually by end-2025 and is on a \$25 billion+ run-rate, but the company is burning approximately \$1.22 for every dollar earned. A September 2026 listing is the internal target.

Anthropic, the Claude AI developer, confidentially filed its own IPO prospectus on 1 June 2026. The company was valued at \$380 billion post-money in its February 2026 Series G and is reportedly in discussions for a raise exceeding \$60 billion at a potential \$900 billion valuation. Revenue has crossed \$30 billion annualised on 1,400% year-over-year growth. Goldman Sachs, JPMorgan, and Morgan Stanley are in discussions as underwriters, with an October 2026 listing window.

Q4 2026 / Q1 2027: Enterprise AI and Fintech

Databricks is the most IPO-ready private software company globally, valued at \$134 billion in its December 2025 Series L and now reportedly eyeing a \$175 billion raise. Uniquely among the AI IPO candidates, Databricks is cash-flow positive, with \$5.4 billion in annualised revenue growing 65% year-over-year. CEO Ali Ghodsi has noted that 2026 — with SpaceX dominating the calendar — may be the “worst year” to list, suggesting patience.

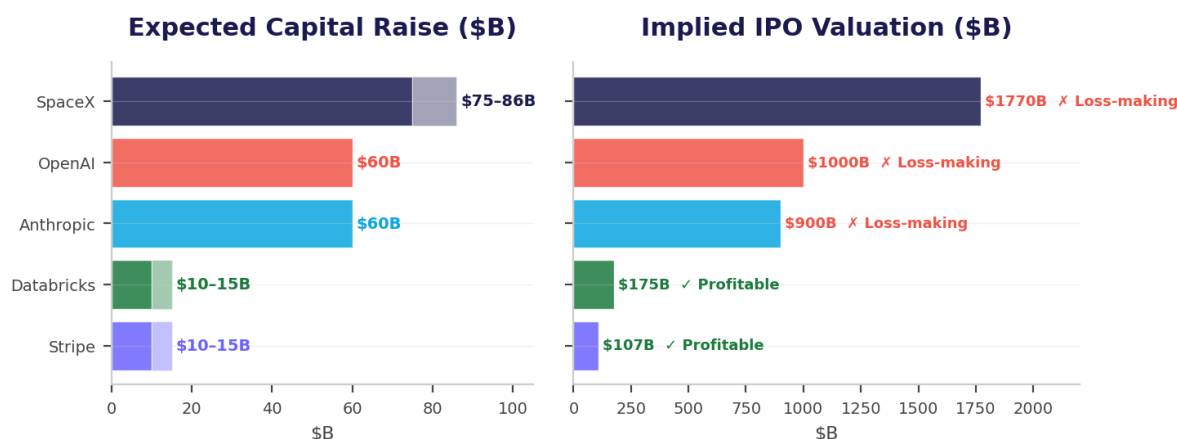
Stripe, valued at approximately \$107 billion, has repeatedly delayed IPO plans but is reportedly targeting late 2026. As a profitable payments infrastructure company, Stripe represents the most fundamentally sound listing in the pipeline and could raise \$10–15 billion.

Exhibit 1: AI IPO Supercycle Pipeline

Company	Target Val.	Raise (\$B)	Revenue (Ann.)	Profitable ?	Expected Date
SpaceX	\$1.77T	\$75–86	\$18.7B (FY25)	No	12 Jun 2026 (confirmed)
OpenAI	\$1.0T+	\$60+	\$25B+ run-rate	No ('30)	Sep 2026 (target)
Anthropic	\$380B–900B	\$60+	\$30B+ run-rate	No ('28)	Oct 2026 (target)
Databricks	\$134–175B	\$10–15	\$5.4B run-rate	Yes (FCF+)	Q4 26 / Q1 27
Stripe	~\$107B	\$10–15	~\$20B+ (est.)	Yes	Late 2026 / 2027

Source: SEC S-1 filings, CNBC, Bloomberg, The Information, company disclosures. Valuations as reported; final IPO pricing may differ.

Exhibit 1: AI IPO Supercycle Pipeline — Capital Raise & Valuation



Source: Company filings, Bloomberg, The Information, Lundy estimates. Green tick = cash-flow positive; red cross = loss-making.

3. Liquidity Mechanics: Where Does \$220 Billion Come From?

The capital required to absorb this IPO pipeline must be reallocated from existing holdings or newly created. Understanding the mechanics of this reallocation is essential to identifying the sectors and asset classes most at risk of capital outflow.

3.1 Sources of IPO Capital

Institutional Rebalancing. The primary source of IPO allocation for institutional investors is portfolio rebalancing. Pension funds, sovereign wealth funds, and mutual fund complexes typically trim existing positions to fund new allocations. SpaceX's 30% retail allocation is unusual; the remaining 70% (\$52.5 billion) must come from institutional books. The likely sources:

- **Existing mega-cap tech positions:** Funds overweight in the Magnificent Seven may trim to fund AI pure-play exposure. Apple, Microsoft, and Alphabet are the most liquid sources of rebalancing capital.
- **Fixed income rotation:** With 30-year Treasuries yielding above 5% and the IPO offering growth equity optionality, some fixed-income allocations will shift. The US Treasury expects to borrow \$671 billion in Q3 2026 alone — creating simultaneous competing demand.
- **Private-to-public conversion:** Many institutional investors already hold pre-IPO positions. The IPO creates liquidity for existing positions rather than requiring new capital, but this capital is typically recycled into other investments.

Retail Participation. SpaceX's 30% retail allocation would direct approximately \$22.5 billion to individual investors. This is unprecedented for a listing of this scale and will be sourced from brokerage cash balances, margin lending, and liquidation of existing retail holdings.

Lock-Up Expirations. Lock-up periods (typically 90–180 days post-IPO) create a deferred wave of additional supply. If all five companies list by Q1 2027, lock-up expirations could release an additional \$100–200 billion in secondary supply between Q1 and Q3 2027. The dot-com bubble's sharpest declines coincided with cascading lock-up expirations in mid-2000.

3.2 Competing Capital Demands: The Liquidity Squeeze

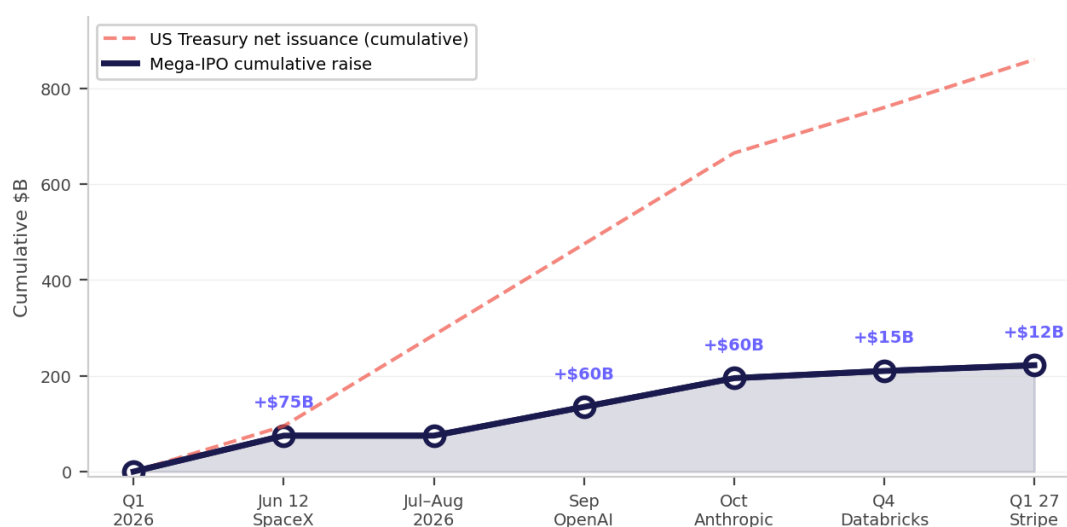
The IPO pipeline does not exist in isolation. The US Treasury announced in May 2026 that it expects to borrow \$671 billion in privately-held net marketable debt during Q3 2026 alone. This represents a simultaneous pull on

the same pool of institutional capital that will be asked to absorb \$135–195 billion in IPO issuance during the same quarter.

Capital Demand (Q2–Q4 2026)	Estimated Size
Mega-IPO primary raises	\$215–251B
Smaller IPOs and follow-ons	\$30–40B
US Treasury net issuance (Q2–Q4)	~\$860B
IG and HY corporate issuance	\$350–400B
Total incremental capital demand	\$1.46–1.52 trillion

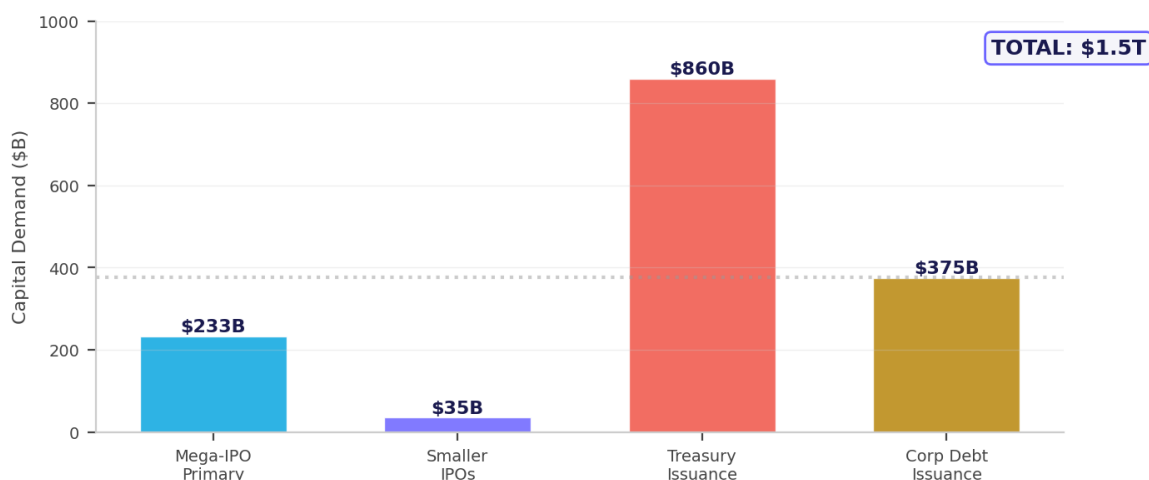
Source: US Treasury Borrowing Advisory Committee (May 2026), Bloomberg, Renaissance Capital, Lundy estimates.

Cumulative Capital Absorption: Mega-IPOs vs Treasury Issuance (\$B)



Source: SEC filings, US Treasury TBAC (May 2026 refunding announcement). Treasury issuance is cumulative net marketable debt from Q2 2026.

Competing Capital Demands: Q2–Q4 2026 (\$B)



Source: US Treasury, Bloomberg, Renaissance Capital, SIFMA, Lundy estimates. Corporate debt issuance estimated from H1 2026 run-rate.

This is a crowded capital market. The aggregate demand exceeds \$1.5 trillion in a six-month window, all competing for broadly the same institutional and retail capital base. The Fed's easing cycle (target rate at 3.50–3.75%) provides some offset, but oil prices — up nearly 60% since the Iran conflict began — are creating inflationary counter-pressure that limits further cuts. The TBAC noted in its May 2026 letter to the Treasury Secretary that “10-year bond yields in many G10 countries were at or above the highs of the past few years.”

4. What Suffers: Capital Reallocation Casualties

When \$220 billion in high-profile equity issuance competes for capital, the casualties are predictable. Historical precedent from both the dot-com IPO wave and the 2021 SPAC boom identifies the following vulnerable categories:

4.1 Small and Mid-Cap Equities

The most direct casualty of mega-cap IPO absorption is the small and mid-cap universe. Institutional investors with fixed allocation buckets for “growth” or “technology” will fund AI IPO allocations by trimming less liquid, less high-profile positions. Russell 2000 components with market caps between \$1–10 billion and no AI narrative are the most vulnerable.

4.2 Non-AI Technology

Second-tier SaaS companies, legacy enterprise software, and non-AI-adjacent technology names face a double headwind: capital reallocation toward AI pure-plays and narrative displacement. Databricks at \$175 billion directly challenges Snowflake's \$58 billion market cap; Anthropic and OpenAI's listings compress the valuation premium available to public-market AI beneficiaries.

4.3 Emerging Market Equities

Major IPO waves in US markets historically coincide with capital outflows from emerging markets. The combination of the AI IPO pipeline, 5%+ US Treasury yields, and dollar strength creates a powerful gravitational pull on global capital. EM equity and bond allocations are typically the first to be trimmed when institutional investors need to fund domestic opportunities. This is particularly relevant for frontier and smaller EM markets where Lundy has operational presence.

4.4 Long-Duration Fixed Income

With the 30-year Treasury yield at 5.02% and rising, long-duration bonds face both fundamental headwinds (higher rates) and capital reallocation pressure. The competing demand of \$671 billion in Q3 Treasury issuance alongside \$135 billion in IPO issuance compresses the term premium and pushes yields higher.

4.5 Cryptocurrency and Speculative Assets

Speculative capital currently allocated to cryptocurrency and meme stocks is likely to rotate toward the branded IPO opportunities. SpaceX's 30% retail allocation and Elon Musk's retail following specifically compete for the same attention-driven capital that has historically flowed into crypto and speculative equities.

5. Investment Bank Earnings Impact

The AI IPO supercycle represents a generational revenue event for the lead underwriting banks. This section estimates the fee pool and its impact on reported earnings.

5.1 Fee Structure

IPO underwriting fees typically range from 1–7% of gross proceeds, with an inverse relationship between deal size and fee percentage. For mega-cap offerings above \$10 billion, the spread is typically 1.0–2.0%. For deals of \$1–10 billion, spreads run 3.0–5.0%. Additional advisory fees accrue for IPO structuring, restructuring advice (relevant for OpenAI’s nonprofit conversion), and stabilisation activities.

5.2 Estimated Fee Pool

Deal	Raise (\$B)	Est. Spread	Fee (\$B)	Lead Bank	Advisory Add-Ons
SpaceX	\$75–86	1.0–1.25%	\$0.75–1.1	Goldman	xAI merger, dual-class structure
OpenAI	\$60+	1.25–1.75%	\$0.75–1.1	Goldman / MS	PBC conversion, cap table
Anthropic	\$60+	1.25–1.75%	\$0.75–1.1	Goldman / JPM	Compute contract review
Databricks	\$10–15	2.0–3.0%	\$0.2–0.45	MS / JPM	Standard
Stripe	\$10–15	2.0–3.0%	\$0.2–0.45	Goldman / MS	Standard
TOTAL	\$215–251		\$2.65–4.2		+\$0.3–0.5B advisory

Source: Lundy estimates based on historical IPO fee schedules for \$10B+ offerings. Actual fees subject to negotiation.

Total estimated fee pool: \$3.0–4.7 billion across the five mega-IPOs, with an additional \$0.3–0.5 billion in related advisory, restructuring, and stabilisation revenues. This excludes fees from the approximately 100+ smaller IPOs expected in the same period.

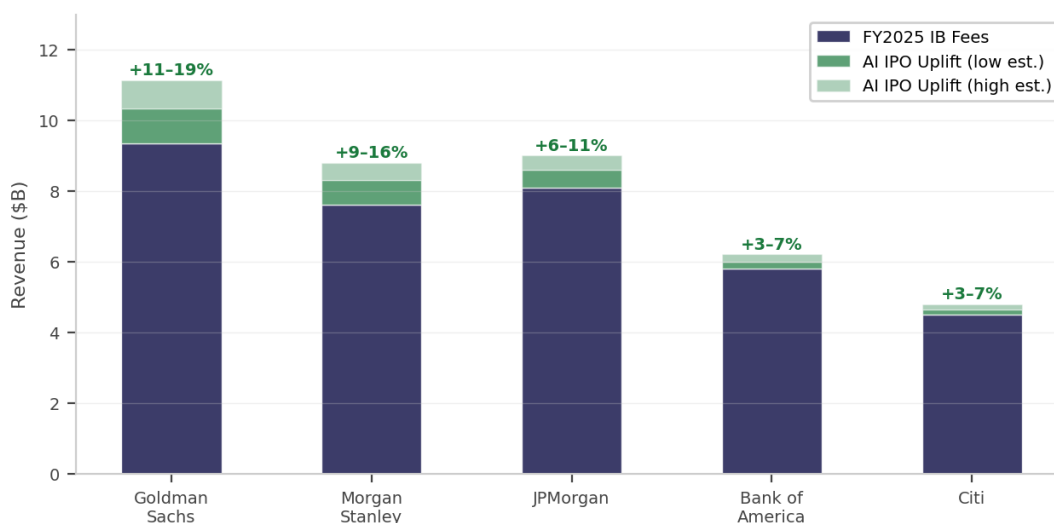
5.3 Impact on Individual Bank Earnings

Goldman Sachs is positioned to capture the largest share of the fee pool, having secured lead-left on SpaceX and co-lead roles on OpenAI and Anthropic. Goldman reported \$1.78 billion in equity underwriting revenue for full-year 2025 and \$9.34 billion in total investment banking fees. Q1 2026 alone generated \$535 million in ECM revenue, with all five major banks achieving double-digit percentage gains versus the same period in 2025.

Bank	FY2025 IB Fees	Est. AI IPO Uplift	% Uplift
Goldman Sachs	\$9.34B	\$1.0–1.8B	+11–19%
Morgan Stanley	\$7.6B (est.)	\$0.7–1.2B	+9–16%
JPMorgan Chase	\$8.1B (est.)	\$0.5–0.9B	+6–11%
Bank of America	\$5.8B (est.)	\$0.2–0.4B	+3–7%
Citi	\$4.5B (est.)	\$0.15–0.3B	+3–7%

Source: Goldman Sachs FY2025 8-K, Bloomberg (Q1 2026 ECM rankings), Lundy estimates for fee share allocation.

Investment Bank IB Fees: FY2025 Base + AI IPO Supercycle Uplift (\$B)



Source: Bank annual reports, SEC filings. Uplift estimates based on assumed fee share from Lundy pipeline analysis. Actual fees subject to negotiation.

For Goldman Sachs specifically, the AI IPO pipeline could drive equity underwriting revenue from \$1.78 billion (FY2025) to \$2.8–3.5 billion in FY2026 — a near-doubling of the line item. This would make Goldman’s Global Banking & Markets division a direct beneficiary of the AI capital cycle regardless of the post-IPO performance of the listed companies. The fee is earned at listing, not at post-listing performance.

The secondary effects are equally significant. Post-IPO trading, market-making, and prime brokerage revenues from the newly listed mega-cap AI companies will create recurring revenue streams for years. Additionally, the lock-up expiry periods will generate follow-on offering fees (typically 2–3% of block trade value) as insiders sell secondary shares.

6. Synthesis: Where Are We in the Cycle?

The evidence permits two simultaneous and partially contradictory conclusions. This is not unusual at inflection points.

The Bull Case: Late 1997 Equivalent

On price action alone, the NASDAQ has roughly 2.5x’d from its October 2022 trough versus the dot-com’s approximately 5.7x run from 1995 to peak. The IPO pipeline — with companies like Anthropic generating \$30 billion in revenue at 1,400% growth — is qualitatively different from the no-revenue dot-com listings. Databricks is profitable. The Fed is easing, not tightening. The “1999 moment” of parabolic excess has not occurred. If the mega-IPOs are absorbed without incident, the market has significant room to run over the subsequent 12–24 months.

The Bear Case: Q1 2000 Equivalent

The sheer scale of capital being extracted from public markets in a concentrated window mirrors the distribution phase of the dot-com. The largest, most credible companies rushing to list simultaneously is itself a cycle indicator — smart management teams IPO when the window is maximally open, not when it’s expanding. Three of the five pipeline companies are deeply loss-making at trillion-dollar valuations. The revenue-to-capex gap in AI (Sequoia’s “\$600 billion question” has now become a “\$1 trillion question”) remains unresolved. The 30-year Treasury above 5% with \$671 billion in Q3 issuance creates a genuine liquidity constraint.

The Lundy View

We believe the most useful framework is probabilistic rather than binary:

- **60% probability:** The SpaceX IPO is absorbed successfully, OpenAI and Anthropic list at or above target valuations, and the market continues to grind higher through Q4 2026, with a correction risk concentrating in H1 2027 around lock-up expirations and the first full-year earnings reports from the newly public AI companies.
- **25% probability:** One or more of the mega-IPOs prices below target or trades poorly in the aftermarket, triggering a recalibration of the entire pipeline and a 10–15% NASDAQ correction in Q3–Q4 2026.
- **15% probability:** An exogenous shock (further Iran escalation, unexpected inflation spike, China-Taiwan tensions) closes the IPO window entirely, stranding hundreds of billions in private capital and triggering a broader risk-off event.

Actionable Signals to Monitor

- **SpaceX first-week trading:** If SPCX holds above \$135 and appreciates 20%+, the pipeline accelerates. If it trades below IPO price within two weeks, the entire calendar recalibrates.
- **30-year Treasury yield:** A sustained move above 5.25% materially compresses the growth equity risk premium and raises the hurdle rate for pre-profit IPOs.
- **Quarterly IPO deal count:** The dot-com crack was signalled by Q4 2000's collapse from 142 deals (Q1) to 58 deals (Q4). Monitor for any quarter below 40 deals.
- **Lock-up expiration calendar:** Track the 90–180 day windows for each mega-IPO. Cascading insider selling in H1 2027 is the highest-probability correction catalyst.
- **AI revenue-to-capex ratio:** The aggregate revenue of the AI application layer versus the cumulative infrastructure capex. When this ratio begins to improve, the fundamental case strengthens materially.

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