

Weekly Market Commentary

Introducing the IPO Class of 2026

Thomas Shipp

Head of Equity Research

Tucker Beale

Sr. Equity Research Analyst

Client Summary

Positive Factors

- **IPO market is reopening meaningfully:** A stronger macro backdrop and improved risk appetite are driving a renewed wave of public offerings after a multi-year drought.
- **Pipeline includes high-quality, large-scale companies:** Potential IPOs (especially in AI and tech) could bring innovative, industry-leading businesses to public markets.
- **Long-term opportunity set is compelling:** Historically, some IPOs with strong fundamentals have been the starting point for exceptional long-term growth potential despite short-term volatility.
- **Economic and market fundamentals remain supportive:** The broader environment still reflects solid fundamentals, supporting equity exposure overall.

Concerning Factors

- **Valuation risk is significant:** Strong companies can still be poor investments if IPO prices already reflect optimistic growth assumptions.
- **Large IPO supply could pressure markets:** Significant issuance may require investors to sell existing holdings, potentially increasing volatility.
- **AI narrative faces potential scrutiny:** New IPOs could shift the narrative if profitability and economics of AI models come into question.

LPL Research's Perspective

- **Take a disciplined, selective approach:** Investors should evaluate business quality, valuation, and path to profitability rather than chase IPO hype.
- **Patience is critical with new issues:** Waiting for post-IPO volatility, lockup expirations, or better entry points may provide additional perspective.
- **Balanced outlook on IPO wave:** LPL sees both opportunity and risk, emphasizing that not all new issues will be attractive investments.
- **Balanced approach to equity overweight:** LPL Research maintains its tactical equity overweight, expressed via a defensive factor tilt, and holds a neutral view toward growth and value due to stretched market positioning after the recent growth-led rally.

LPL Financial does not offer access to or purchase of initial public offerings (IPOs).

This material is intended for informational and educational purposes only and does not constitute investment research, a research report, or a recommendation regarding any specific security or issuer.

Weekly Market Commentary Client Summary

Disclosures

This material is for general information only and is not intended to provide specific advice or recommendations for any individual. There is no assurance that the views or strategies discussed are suitable for all investors or will yield positive outcomes. Investing involves risks including possible loss of principal. Any economic forecasts set forth may not develop as predicted and are subject to change.

References to markets, asset classes, and sectors are generally regarding the corresponding market index. Indexes are unmanaged statistical composites and cannot be invested into directly. Index performance is not indicative of the performance of any investment and do not reflect fees, expenses, or sales charges. All performance referenced is historical and is no guarantee of future results.

Any company names noted herein are for educational purposes only and not an indication of trading intent or a solicitation of their products or services. LPL Financial doesn't provide research on individual equities.

Bonds are subject to market and interest rate risk if sold prior to maturity. Bond values will decline as interest rates rise and bonds are subject to availability and change in price.

The fast price swings in commodities will result in significant volatility in an investor's holdings. Commodities include increased risks, such as political, economic, and currency instability, and may not be suitable for all investors.

All information is believed to be from reliable sources; however, LPL Financial makes no representation as to its completeness or accuracy.

Because of their narrow focus, sector investing will be subject to greater volatility than investing more broadly across many sectors and companies.

The Standard & Poor's 500 Index (S&P500) is a capitalization-weighted index of 500 stocks designed to measure performance of the broad domestic economy through changes in the aggregate market value of 500 stocks representing all major industries.

All index data from FactSet.

This research material has been prepared by LPL Financial LLC.

Not Insured by FDIC/NCUA or Any Other Government Agency	Not Bank/Credit Union Guaranteed	Not Bank/Credit Union Deposits or Obligations	May Lose Value
---	----------------------------------	---	----------------