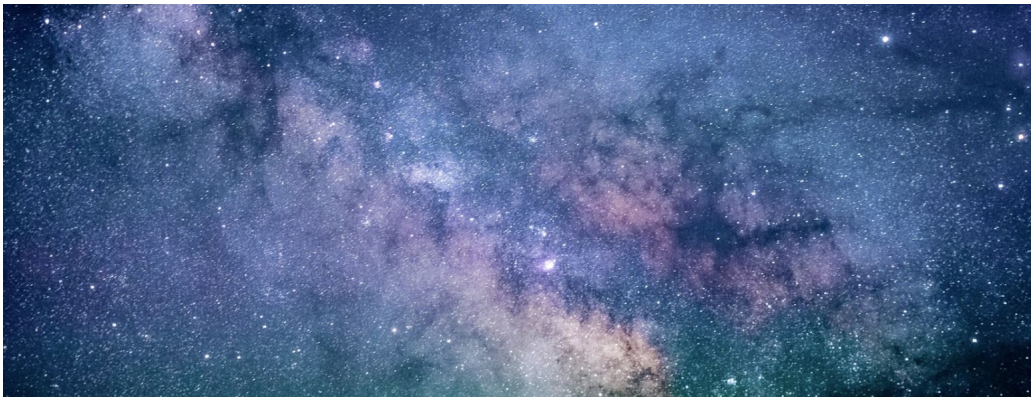


May 22, 2026

Weekly Investment Insights



Written as of 22 May 2026

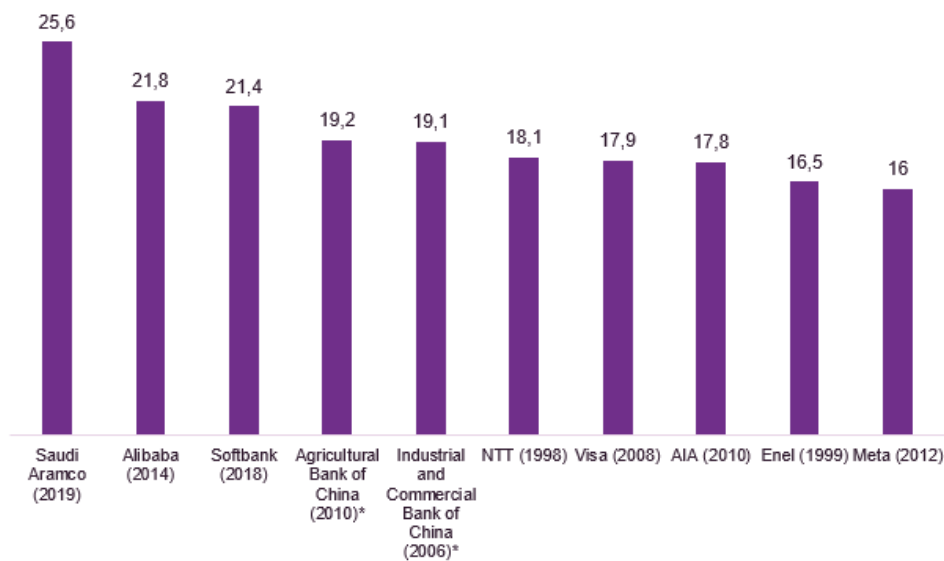
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SpaceX stole the show this week, with the announcement that it is going public in what might be one of the most consequential stock market debuts in history. Elon Musk's aerospace and artificial intelligence company has filed to list its shares on **June 12**, with the price expected to be set on June 11. The company will list on the **Nasdaq** with the ticker **SPCX**.

The company targets a \$1.75 trillion valuation with a planned **\$75 billion** capital raise, which, if achieved, would eclipse every other IPO to date. Saudi Aramco currently holds the crown for the largest IPO in corporate history; in December 2019, it raised \$25.6 billion by selling 1.5% of its shares. SpaceX' ambitious IPO would raise triple this amount, *if* it achieves its aims. Nasdaq's new **"Fast Entry" rules** allow newly public, mega-cap companies to bypass the standard multi-month seasoning period and join the Nasdaq 100 Index after just fifteen trading days. Worth monitoring is the passive outflows this might catalyse from other index constituents, potentially even pushing out the smallest players.

Other mega IPOs anticipated this year are those of **Anthropic** and ChatGPT creator, **OpenAI**.

The Largest IPOs Worldwide
(USD raised, billion)

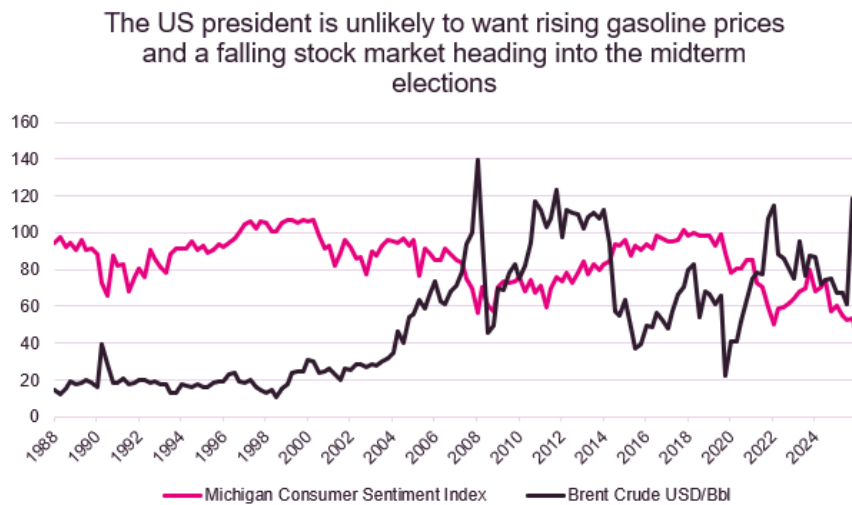


*across Shanghai and Hong Kong exchanges

Demand for AI infrastructure is real and has fuelled one of the **best US earnings seasons in years**. In Q1 2026, companies on the S&P 500 delivered around **27% EPS growth** – the strongest quarterly expansion since the post-pandemic rebound in 2021. However, investors are growing wary about intensifying competition among the largest players. Despite **Nvidia** reporting that its Q1 revenue was up 85% on the year, its share price fell 1.6% in after-hours trading.

In commodity markets, **Brent crude** fell from above 110 USD/Bbl, and was trading around 105 USD/Bbl on Friday, after President Trump postponed a strike on Iran citing ongoing discussions between the two sides. Furthermore, at least two supertankers carrying oil passed through the Strait of Hormuz on Wednesday, raising hopes of a partial opening of the critical conduit for Middle Eastern energy. Iran seeks to enforce a system whereby vessels seek permission and pay fees to traverse the Strait. From an economic standpoint, there are reasons on both sides to pursue a solution and reopen the waterway. In the US, midterm elections are approaching and consumer sentiment is highly tethered to the oil price. Consumption makes up roughly two-thirds of US economic activity. Inflation has skyrocketed in Iran, and oil exports are a key source of government revenue. Moreover, the country is running out of onshore oil storage, meaning it might have to halt some production. Closing a well is one thing, but restarting a well is complex, slow, and costly. Equipment can degrade while idle (think corrosion, pressure issues, mechanical failures), and companies may need repairs, chemicals, or new equipment to get production back online.

Hopes of a peace deal **catalysed gains across risk assets**, while some of the upwards pressure on **bond yields** alleviated.



Source: Bloomberg, BIL as of 22 May 2026

Macro Snapshot

EUROPE'S THIRD MAJOR ECONOMIC SHOCK IN SIX YEARS STARTS TO TAKE ITS TOLL

The flash Composite PMI for the Eurozone fell to **47.5** in May, from 48.8 in the previous month, to reflect the **sharpest pace of decline in private-sector activity since October 2023**. The ongoing conflict in the Middle East and the resultant disruption to energy markets is weighing on sentiment, particularly in the **services** sector, where the PMI fell to a feeble **46.4**. Service providers are exhibiting the least confidence since September 2022. **Manufacturing** remains in expansion for now, though the pace of activity slowed (the PMI fell from 52.3 to **51.4**).

New orders dropped sharply from the previous month with both sectors seeing declines, while **input costs rose the most in three years**. Until now, the **Eurozone labour market** has remained very resilient, serving as a shock absorber rather than a shock amplifier. However, PMI data is flashing some warning signs, with companies reducing staffing levels for a fifth straight month, and at a pace unseen since **August 2013** (excluding the pandemic).

Overall, the PMI reading would suggest a **mild contraction in the Eurozone's Q2 GDP**. The **ECB** is widely expected to move ahead with a rate hike at its June meeting as it prioritizes price containment, even though monetary policy is a relatively blunt tool when it comes to addressing and energy shock.

US: CRUISE CONTROL

The **Composite PMI for the US**, on the other hand, remained **stable at 51.7** in May, suggesting that the economy continues to move forward at a steady pace. **Services** appear to be feeling the effects of the Middle East conflict more, with the PMI edging down slightly from 51.0 to 50.9. In contrast, **manufacturing surprised to the upside, rising to a solid 55.3** from 54.5 and coming in well above expectations.

Looking ahead, if the US economy is to maintain its altitude, much depends on developments on the energy front. Order books are already showing signs of softening, and higher prices could weigh further on demand in the months ahead.

Minutes from the April FOMC meeting suggest growing concern within the Fed that inflation may take longer to return to target. As a result, several policymakers indicated that the **easing bias could be removed**, with some even seeing scope for renewed policy tightening should inflation remain persistently above 2%.

The Fed retains flexibility to keep policy restrictive, supported by a **labour market that continues to stabilise**. Weekly initial jobless claims remain close to historic lows, pointing to ongoing resilience in employment conditions.

CHINA'S ECONOMY WEAKENS IN APRIL

The Chinese economy **lost momentum last month**, with both **industrial output** and **retail sales** slowing sharply and **investment** dropping. Prior to this, the impact of the conflict in the Middle East on the Chinese economy had been relatively limited, with Beijing implementing regulatory measures to offset the effects of rising energy prices. However, as the conflict approaches the four-month mark, its immunity is fading.

Industrial production expanded by just **4.1% year on year** in April, marking the **softest growth since July 2023**. Activity moderated in both mining and manufacturing, while electricity, heat, gas and water production increased.

Retail sales increased by only 0.2% year on year in April, slowing sharply from a 1.7% rise in March and falling short of expectations. This was the **weakest growth since December 2022**, with the conflict further dampening already low consumer demand. Sales of big-ticket items such as automobiles were weak, and sales of home appliances, building materials, and furniture also fell sharply. The fall in home appliance sales likely reflects last year's surge in sales from the appliance trade-in scheme being excluded from the annual data. Consumers continued to

spend more on services than goods.

Meanwhile, **fixed-asset investment fell by 1.6%** between January and April, compared with a 1.7% gain the previous month.

Overall, the April data points to a broad-based loss of momentum in China's economy, with weakening industrial activity, subdued consumption, and declining investment highlighting increasing pressure from both domestic fragility and external shocks from the conflict in the Middle East.

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