



Market Behaviors June 2026



IPO Activity as a Late-Cycle Indicator

Why surges in issuance often coincide with peaks in investor sentiment.

Executive Summary

IPO activity tends to accelerate near market peaks. While not a precise timing tool, high issuance often coincides with elevated valuations, strong performance, and heightened investor optimism.

Why IPO Surges Occur Near Market Peaks

- Issuers seek maximum valuation at exit
- Investment banks increase supply during strong demand
- Investor risk appetite rises late in cycles
- Lower-quality companies can list during euphoric phases

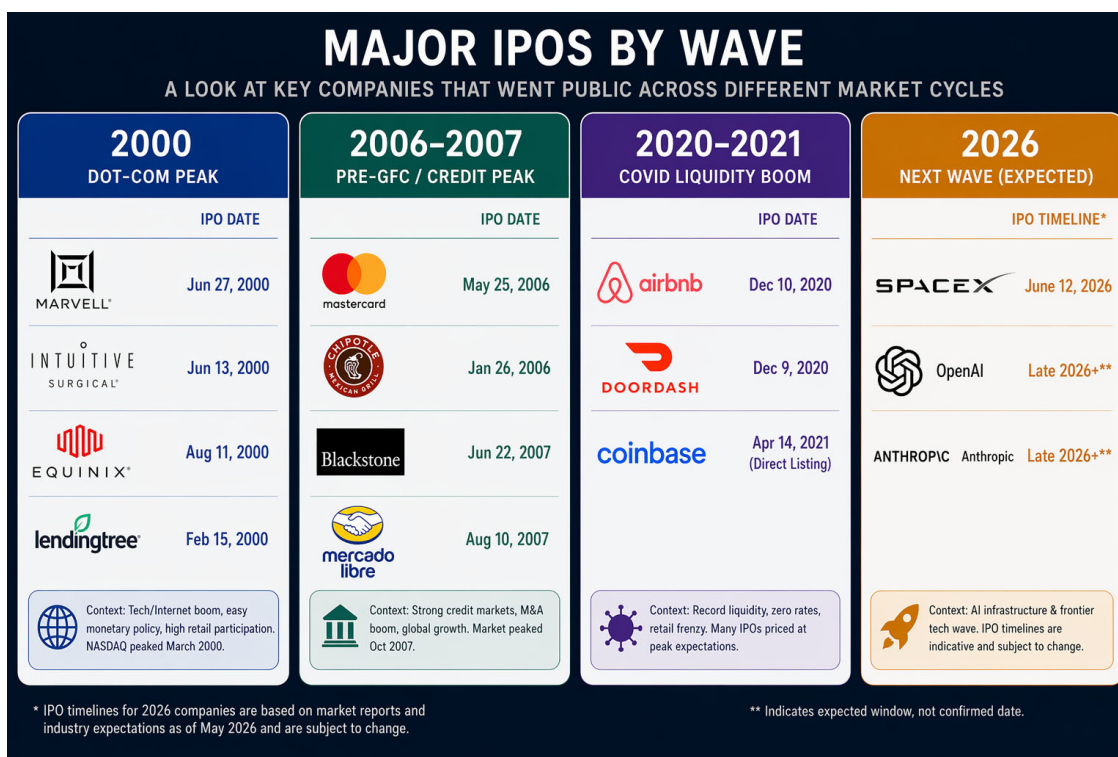


IPO Waves

We are entering a new IPO wave led by AI and frontier technology, with companies such as SpaceX, Anthropic and OpenAI preparing to go public.

This pattern is not new: past waves occurred during the dot-com boom, the growth of finance pre-GFC, and again during the 2020–2021 liquidity surge, each driven by strong investor optimism and favorable market conditions.

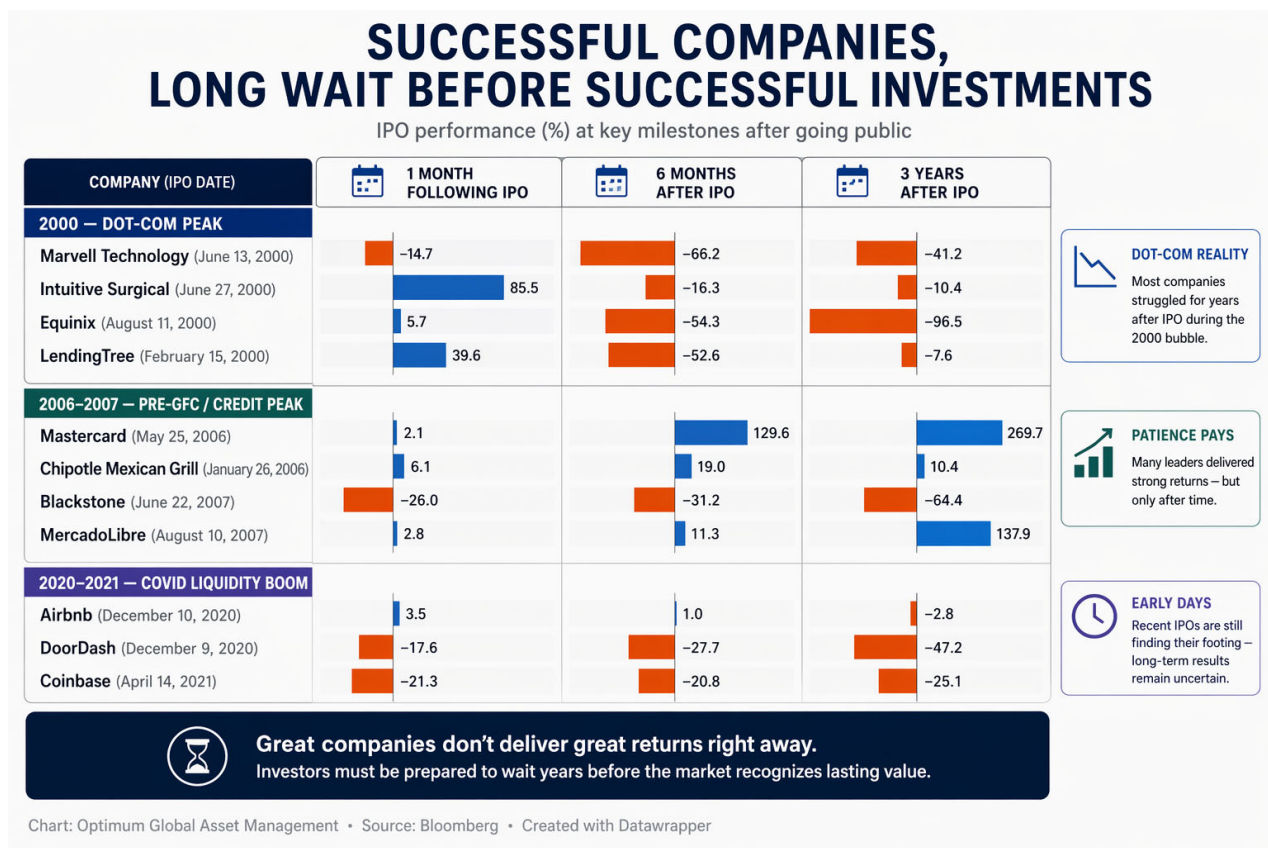
Today’s environment shows similar characteristics, with a concentration of large, high-profile listings emerging at the same time. As in previous cycles, this clustering of IPOs may signal a more advanced stage of the market cycle.



The picture below shows that many strong companies have delivered weak returns shortly after IPO.

The 2000 cohort struggled even if investments in those companies have become very profitable since then.

The 2006–2007 group produced better outcomes despite mixed early performance. More recent IPOs from 2020–2021 remain mostly flat or negative, suggesting it is still too early to judge their full potential.



Key Takeaway

IPO waves should be viewed primarily as a reflection of strong investor sentiment and late-cycle dynamics rather than a precise timing signal for markets. The scale and visibility of potential listings such as SpaceX, OpenAI and Anthropic suggest that the current environment may already be characterized by elevated expectations and a degree of market froth.



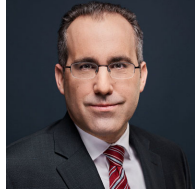
Your Team



François Bourdon
President
fbourdon@gestion-optimum.com



Martin Delage
Global and Canadian
Chief Investment Officer
mdelage@optimumgam.ca



Hugues Sauvé
Chief, Canadian
Fixed Income
hsauve@optimumgam.ca



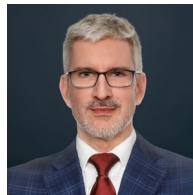
Pierre-Olivier Boulanger
Vice President,
Responsible Investment
pboulanger@optimumgam.ca



Nicolas Poirier
Director,
Equities
npoirier@optimumgam.ca



Brigitte Gascon
Executive Vice President
bgascon@optimumgam.ca



Jean-Martin Aussant
Senior Vice President, Private
Wealth Management and
Alternative Distribution
jaussant@gestion-optimum.com



Patrick Beaudoin
Vice President, Operations
and Client relations
pbeaudoin@optimumgam.ca

Martin Joanis
Assistant Manager, Investments
mjoanis@optimumgam.ca

Yannick Renaud-Blondeau
Assistant Manager, Investments
yrenaud-blondeau@optimumgam.ca

Robert Hesselbo
Vice President, Financial Technology
rhesselbo@optimumgam.ca

Jonathan Helleboid
Analyst, Investments
jhelleboid@optimumgam.ca

William Sirois
Analyst, Technology
& Investments
wsirois@optimumgam.ca

Earvin Hemou
Analyst, Financial Technology
& Investments
ehemou@optimumgam.ca

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✉ info@optimumgam.ca

🌐 optimumgam.ca

📞 514 288-7545

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