

Equity Markets Advance as SpaceX Soars on Debut and U.S.-Iran Peace Deal Nears Completion

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The U.S. and European equity markets built on Thursday's powerful advance Friday as SpaceX's historic market debut energized investor sentiment and diplomatic signals from Washington and Tehran pointed toward a formal resolution of the Middle East conflict. The prospect of a peace agreement — one that would reopen the Strait of Hormuz to commercial shipping and lift U.S. oil sanctions on Iran — sent WTI crude futures down approximately 3% to around \$84 per barrel, retracing a significant portion of the gains recorded since hostilities began in March. Pakistan Prime Minister Shehbaz Sharif confirmed late Friday that a "final, agreed upon text" of a deal had been reached, and Bloomberg reported that a formal signing could take place in Switzerland as early as Sunday, marking a potential turning point in a conflict that has unsettled energy markets and global supply chains for months.

U.S. Markets

U.S. equities finished the week on a positive note, with the Dow Jones Industrial Average leading the advance, gaining 353.54 points, or 0.7%, to settle at 51,202.29. The S&P 500 added 0.5% to close at 7,431.46, while the Nasdaq Composite, weighed by mixed performance across large-cap technology names, rose a more modest 0.31% to finish at 25,888.84.

The defining story of the session was SpaceX. The company debuted on the Nasdaq under the ticker SPCX at \$150 per share — above its \$135 IPO price — and surged more than 20% shortly after the open, reaching an intraday high of \$176.52. Shares closed up 19% at \$161.11, cementing what is widely expected to become a landmark moment for the public markets. "The IPO parade, which now looks like it's turning into a stampede, has been coming for a while," said Mark Klein, CEO of SuRo Capital. "SpaceX is going to be the bellwether."

The technology trade was mixed. Nvidia was little changed, while Advanced Micro Devices and Alphabet gained approximately 4% and 1%, respectively. Broadcom, Palantir Technologies, Amazon, and Microsoft finished in the red. The dispersion reflects a market rotating within the AI theme rather than abandoning it. "The AI theme, in my opinion, is just getting stronger," said Jeff Kilburg, CEO of KKM Financial. "Nothing moves in a straight line, but I think Magnificent Seven leadership should persist."

The session was not without turbulence. Stocks briefly turned lower and oil came off its lows after President Trump posted on Truth Social warning that Iran "better get their act together," introducing fresh doubt about the status of ongoing negotiations. WTI crude futures settled at around \$84 per barrel, down approximately 3% on the day. The uncertainty was short-lived. Pakistan Prime Minister Shehbaz Sharif announced late Friday that a "final, agreed upon text" of a deal had been reached, and major indexes recovered their footing on the news. Iranian state media subsequently reported that the draft memorandum of understanding includes a U.S. commitment to lift oil sanctions and an Iranian commitment to reopen the Strait of Hormuz. Bloomberg reported Friday that a formal signing could take place in Switzerland as early as Sunday.

European Markets

European equity markets closed sharply higher Friday, extending the week's gains as the prospect of a U.S.-Iran peace agreement sent oil prices lower and lifted sentiment across the region. The pan-European Stoxx 600 rose 11.68 points, or 1.88%, to close at 633.21, while London's FTSE 100 advanced 167.84 points, or 1.63%, to 10,471.72. Germany's DAX led the major indexes, gaining 425.59 points, or 1.76%, to finish at 24,635.30, as export-sensitive industrials and energy-linked shares drove the advance. The easing of geopolitical risk in the Middle East provided the dominant catalyst, with falling crude prices reducing input cost pressures across European manufacturing and transportation sectors. Sentiment was further supported by growing confidence that the reopening of the Strait of Hormuz, if confirmed this weekend at the G7 summit, would deliver durable rather than temporary relief to global energy supply chains.

IPO Market Spotlight — SpaceX Makes History

Friday's domestic market event is without precedent. SpaceX opened trading under the ticker SPCX at \$150 per share following the largest initial public offering ever recorded, surpassing Saudi Aramco's 2019 debut and instantly ranking the company among the most valuable enterprises on earth. Shares moved swiftly higher from the open, topping \$160 within minutes and pushing SpaceX's market capitalization above \$2 trillion. By early afternoon, the stock had reached an intraday high of \$176.52 — a gain of nearly 18% from the opening print in a matter of hours.

Retail investors submitted orders exceeding \$100 billion ahead of the offering, with the company expected to allocate at least 20% of the float to that cohort — an unusually generous retail allocation for an offering of this magnitude. The first-day performance, while extraordinary, is consistent with the pattern seen in other landmark technology IPOs: strong initial demand, a sharp opening-day pop, and a market capitalization that reflects not current earnings but the full weight of long-term expectations.

SpaceX's debut is also widely viewed as opening the door for anticipated offerings from OpenAI and Anthropic later this year, reinforcing the narrative of a new generation of transformational technology companies arriving in the public markets at scale. The enthusiasm reflects the company's singular position — no other enterprise simultaneously leads in reusable launch technology, commercial crew transport, low-Earth-orbit satellite infrastructure, and next-generation propulsion development.

History, however, counsels discipline. On average, newly listed companies have underperformed the S&P 500 by roughly 15% in their first year of trading. The distribution of outcomes is wide — a handful of IPOs have delivered extraordinary long-term returns, many more have not. A \$176 intraday print is not an investment thesis. Investors are best served by anchoring decisions in portfolio objectives, valuation discipline, and risk tolerance rather than the momentum of a historic market event.

Economic & Policy Outlook

Next week's Federal Open Market Committee meeting will be the defining event for markets once the weekend's diplomatic drama resolves. It will also be the first closely watched policy meeting under Chair Kevin Warsh, and market participants will scrutinize his commentary for early signals about his strategic philosophy and the committee's evolving direction.

Rate-hike pricing has moderated in recent sessions, supported by the pullback in oil prices. Short-term money markets are currently pricing one 25-basis-point increase in the federal funds rate by the start of 2027 — a single, well-telegraphed adjustment rather than the resumption of an aggressive tightening cycle. Chair Warsh is expected to strike a careful tone, signaling that policy is effectively on hold while preserving the committee's optionality to act if inflation broadens beyond the energy sector. Several hawkish members may use updated interest rate projections — the dot plot — to signal a preference for earlier action, introducing a degree of internal tension that markets will watch closely.

Thursday's producer price data provided a complicating backdrop. Producer prices rose 6.5% year-over-year in May, the strongest annual reading since November 2022, driven primarily by energy costs. Core producer inflation held firm at 4.9%, suggesting that inflationary pressures have not fully dissipated despite recent moderation in consumer-price data. The Federal Reserve's path remains narrow: too much patience risks embedding inflation expectations; too much urgency risks derailing a resilient but still-sensitive expansion.

Our base case remains unchanged. The Federal Reserve holds rates steady through the remainder of 2026. A sustained and broadening oil-price spike that feeds through to core CPI categories would be the clearest trigger for recalibration. Absent that, patience appears to be the committee's governing instinct.

The Final Word: Market Perspective

Friday morning's tone is constructive, but the rally's durability hinges on two unresolved outcomes. The first is whether the U.S.-Iran peace framework survives the weekend's diplomacy and delivers the reopening of the Strait of Hormuz that energy markets are already pricing in. The second is whether the SpaceX IPO generates the kind of sustained investor enthusiasm that carries through into the weeks ahead, reinforcing confidence in the broader technology and AI investment cycle. If both deliver, markets enter next week's Fed meeting with significant momentum. If either disappoints, the reversal could be sharp. For long-term investors, the simpler question is more durable: are the fundamentals — resilient growth, containing core inflation, and an easing geopolitical environment — intact? This morning, the answer appears to be a cautious yes.

Economic Data:

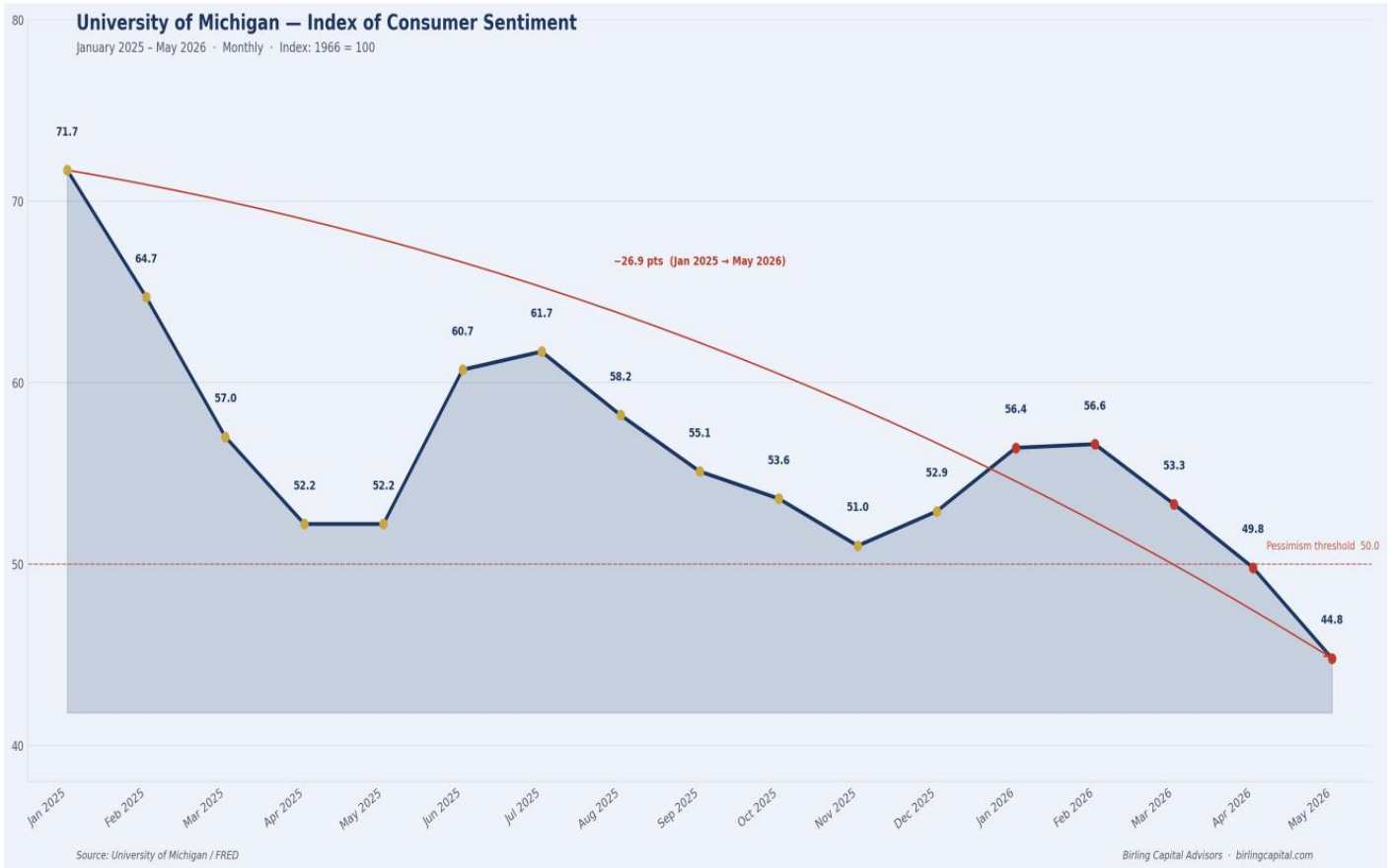
- **US Index of Consumer Sentiment:** fell to 44.80, down from 49.80 last month.

Eurozone Summary:

- **Stoxx 600:** Closed at 633.21, up 11.68 points or 1.88%.
- **FTSE 100:** Closed at 10,471.72, up 167.84 or 1.63%.
- **DAX Index:** Closed at 24,635.30, up 425.59 points or 1.76%.

Wall Street Summary:

- **Dow Jones Industrial Average:** rose to 51,202.26, up 353.51 points or 0.70%.
- **S&P 500:** rose to 7,431.46.29, up 37.16 points or 0.50%.
- **Nasdaq Composite:** rose to 25,888.84, up 79.18 points or 0.31%.
- **Birling Capital Puerto Rico Stock Index:** closed at 4,519.35, up 96.45 points or 2.18%.
- **Birling Capital U.S. Bank Index:** closed at 9,871.74, up 206.08 points or 2.13%.
- **U.S. Treasury 10-year note:** closed at 4.48%.
- **U.S. Treasury 2-year note:** closed at 4.09%.



European Markets Close

June 12, 2026 · Daily Summary

All indices — end of session
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Stoxx 600

633.21

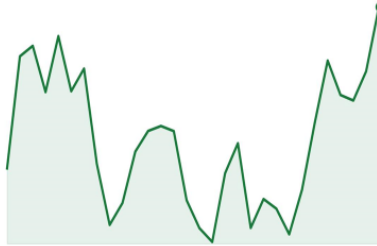


+11.68

+1.88%

FTSE 100

10,471.72

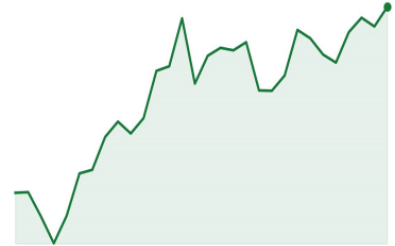


+167.84

+1.63%

DAX

24,635.30



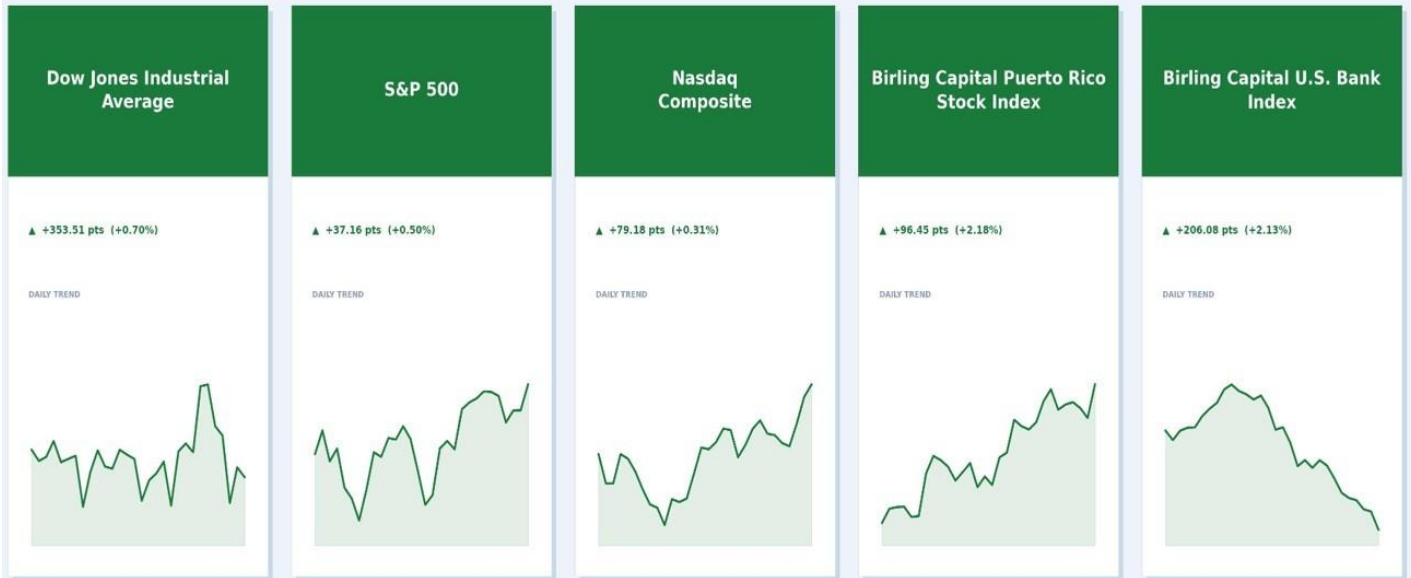
+425.59

+1.76%

Wall Street and Birling Capital Indexes Close

June 12, 2026

U.S. equity markets & Birling Capital proprietary indexes - June 12, 2026



Source: Bloomberg - Market Data - Birling Capital Advisors, LLC

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