



## SpaceX Goes Public. Your Inflation-Squeezed Budget Didn't Notice

June 15, 2026

Francisco Rodríguez-Castro, President & CEO

### Wall Street Update for the Week Ending June 12, 2026

Wall Street set more records. Dow Jones is up 6.53% YTD, S&P 8.56%, and Nasdaq 11.39%. Puerto Rico's Birling Capital Index leads, up 16.20%—well ahead of U.S. benchmarks. Top performers are BPOP (+29.26%), FBP (+23.01%), and OFG (+17.28%). EVTC lags at -9.66%. The Birling Capital U.S. Bank Index is up 9.64% year-to-date, yet performance is split. Goldman Sachs (+20.90%), Morgan Stanley (+20.57%), and Citigroup (+19.83%) lead, while JPMorgan Chase (-0.47%), Bank of America (+1.85%), and Wells Fargo (-10.16%) lag. This shows the market's tilt toward capital markets and trading over traditional lending in a high-rate environment. Meanwhile, Puerto Rico's banks outperform the U.S. Bank Index by six points. Further supporting these results, Treasury yields moved higher during the week. The 10-year note now reflects greater conviction that the Fed will hold rates through year-end, especially as inflation expectations rise amid escalating energy costs tied to the conflict in Iran. The yield curve's message is clear: patience does not yet signal easing, and no rate cuts are expected soon.

### With this backdrop, attention shifted to a landmark event: the SpaceX IPO and its broader implications for the economy.

On Friday, June 12, 2026, SpaceX President and Chief Operating Officer Gwynne Shotwell rang the Nasdaq opening bell in New York. CEO Elon Musk joined virtually from Texas. Within hours, SpaceX began trading under the ticker SPCX. By the closing bell, the company had raised \$75 billion. This is nearly three times Saudi Aramco's \$25.6 billion IPO in 2019. That IPO held the record for



### The Week on Wall Street

June 5 vs June 12, 2026

Index	Jun 5 Close	Jun 12 Close	Wk Change (pts)	Wk Change (%)
Dow Jones (DJIA)	50,687.07	51,202.26	▲ +515.19	▲ +1.02%
S&P 500	7,553.68	7,431.46	▼ -122.22	▼ -1.62%
Nasdaq Composite	26,853.97	25,888.84	▼ -965.13	▼ -3.59%
PR Stock Index	4,308.30	4,607.59	▲ +299.29	▲ +6.95%
U.S. Bank Index	9,745.80	10,036.15	▲ +290.35	▲ +2.98%



**SpaceX Goes Public. Your Inflation-Squeezed Budget Didn't Notice**

nearly seven years. Shares priced at \$135 opened at \$150. They touched an intraday high of \$176.52 and settled at \$160.95. That was a gain of 19.2% on Day One. SpaceX ended the session valued at about \$2.1 trillion. This vaulted it into the ranks of the six or seven largest publicly traded companies in the United States.

After-hours, cheers at Nasdaq echoed onto the street. JPMorgan Chase hosted a SpaceX employee celebration and lit up its building at dusk.

SpaceX's IPO wasn't just about Musk. The New York Times, citing Hill.com, said 4,400+ current and former employees will become millionaires; about 400 will have \$100 million or more. Unlike many tech IPOs, SpaceX rewarded not just coders, but welders, technicians, and machinists. Many held company stock as pay. Friday turned those shares into wealth. One engineer, an intern in 2011, amassed 100,000+ shares—\$13.5 million at the offer price and \$16.1 million by close—a 19.22% gain. He told the Times, 'The magnitude of this has been ridiculous.'

As Andrew Benson, founder and chief executive of Hill.com, told the Times, this level of employee windfall is rare: "You're usually only going to see the founders become billionaires. It's uncommon to have 400 people at that threshold."

Meanwhile, in Puerto Rico — in Bayamón, Caguas, or Ponce — the family that has been waiting since 2023 for mortgage rates to come down has heard nothing but the same silence they have heard for two years. This contrast is striking: while Wall Street celebrated the largest IPO in history, households continue to absorb higher prices across 21 of 23 consumer categories. This is the economy of June 2026: a \$2 trillion rocket launch at the top and a squeeze at the bottom with no sign of letting up. Both phenomena are real and unfolding simultaneously, and recognizing their distance is now essential for any serious investor.

## Inside the Rocket: What SpaceX Actually Is

As we turn to SpaceX specifically, the S-1 prospectus filed on May 20 was the public's first look inside this previously secretive company. What emerged was not a traditional rocket company, but the combination of three businesses under one ticker—each taking a different financial path.

- **Starlink**—the satellite internet constellation—is the engine. It generated \$11.4 billion in revenue in 2025. This represented 61% of SpaceX's total sales. It is growing at 48% year over year. Starlink produced \$4.4 billion in operating profit. By the end of March 2026, Starlink had 10.3 million subscribers across 164 countries. These are served by more than 9,600 satellites in low Earth orbit. No enterprise customer paying more than \$750,000 a year has voluntarily canceled since 2023. This is a real business with real margins. It is growing faster than most publicly traded software companies.
- **Space**—the rocket launch division that put SpaceX on the map—generated \$4.1 billion in revenue in 2025. It had \$653 million in adjusted EBITDA. SpaceX completed over 138 successful launches in 2024. The Falcon 9 reusable rocket system has fundamentally lowered the cost of orbital access. Starship, the division's next-generation vehicle, has incurred over \$15 billion in development costs. This exceeds the original budget. Delays in reaching operational cadence remain the S-1's top risk factor.
- **AI**—the xAI and X (formerly Twitter) segment, acquired through a February 2026 merger—is the black hole. The division generated \$3.2 billion in revenue in 2025. It posted a \$6.35 billion operating loss. In Q1 2026 alone, the AI segment lost \$2.47 billion on \$818 million in revenue. The xAI



Top IPOs by importance and market impact · 2016-2026

Company	Ticker	IPO Date	Type	IPO Price	Day 1 Close	Day 1 Return	Mkt Cap at IPO	Mkt Cap Jun 11, 2026	Return Since IPO
SpaceX	SPXC	Jun 12, 2026	IPO	\$135.00	\$159.95	+19.2%	\$1.7T	\$2.1T	+19.2%
Spotify	SPOT	Oct 11, 2018	IPO	\$145.00	\$172.00	+19.3%	\$1.7T	\$1.7T	+19.3%
Airbnb	ABNB	Dec 10, 2020	IPO	\$68.00	\$81.70	+20.9%	\$85.5B	\$78.5B	+20.9%
Snowflake	SNOW	Sep 16, 2020	IPO	\$200.00	\$239.00	+19.5%	\$10.0B	\$82.0B	+19.5%
Arca Holdings	ARCA	Sep 14, 2021	IPO	\$51.00	\$60.50	+18.7%	\$60.2B	\$85.0B	+18.7%
Coinbase	COIN	Apr 14, 2021	Direct	\$250.00	\$287.20	+14.9%	\$60.2B	\$44.3B	+14.9%
Palantir	PLTR	Sep 30, 2020	Direct	\$11.00	\$13.20	+20.0%	\$10.7B	\$86.0B	+20.0%
Uber	UBER	May 10, 2019	IPO	\$45.00	\$48.50	+7.8%	\$60.2B	\$144.0B	+7.8%

integration is the primary reason SpaceX reported a consolidated net loss of \$4.9 billion in 2025. This is despite Starlink's profitability. In plain language: Starlink earns the money. xAI burns it.

Total: \$18.7 billion in revenue, \$6.6 billion in adjusted EBITDA, and \$4.9 billion in GAAP loss in 2025. Profits from satellites subsidize AI and Mars programs. Investors buy aspiration and Musk's vision, not earnings.

### The Demand That Defied Gravity

Investor demand for SpaceX set records. Total bids surpassed \$250 billion for \$75 billion offered, four times oversubscribed. BlackRock placed a \$5 billion order. Some institutions bid \$10 billion+. Morgan Stanley hosted 300 investors for meetings.

Musk, breaking with IPO convention, fixed the price at \$135 per share instead of setting a range to gauge demand. This was a take-it-or-leave-it approach. Even so, the offer was oversubscribed fourfold. Retail investors alone requested more than \$70 billion worth of shares. SpaceX allocated more than 20% of the offering to individual investors. This is three to four times the typical 5–10% that ordinary investors receive in a major IPO. A special event for about 1,500 retail investors was held on June 11. Shares were accessible through Robinhood, Fidelity, and Charles Schwab at the IPO price.

This was deliberate. Musk builds brands on retail loyalty; the IPO rewarded that. Millions of everyday investors now own a company with a \$4.9 billion annual loss. Demand was undeterred.

History matters: Of the 30 largest IPOs tracked by Birling Capital, many—including Meta, Alibaba, and Shopify—stumbled in year one. Frenzy ≠ returns.

### The Compensation Package That Says Everything

Hidden in the S-1: Musk's unprecedented pay plan. SpaceX's board awarded him one billion Class B super-voting restricted shares, each with 10 votes, on top of his 5 billion-share stake. At \$150 per share, Musk became the first trillionaire.

**The catch: the new shares, potentially worth an additional \$600 billion or more, only vest if SpaceX reaches a market capitalization of \$7.5 trillion and establishes a permanent human colony on Mars with at least one million inhabitants.** SpaceX itself described these milestones as "improbable" in its own filing. Musk retains 82% voting control after the offering. He can steer this \$2 trillion company toward Mars, toward AI infrastructure, toward whatever he decides — and public shareholders, for all practical purposes, are passengers.

This is not the governance structure of a conventional public company. It is a controlled entity, structured more like Saudi Aramco's relationship with the Kingdom than like Apple's relationship with its shareholders. Investors who bought SPCX on Friday need to understand that clearly.

SpaceX's IPO also minted fortunes for its leadership team beyond Musk. President Gwynne Shotwell's stake was valued at approximately \$1.6 billion. CFO Bret Johnsen's at approximately \$1.2 billion. Board member Antonio Gracias of Valor Equity saw his holdings surge. The wealth creation extended from the C-suite to the factory floor — and that is, by any measure, an unusual and notable outcome.

### The Starlink Connection to Puerto Rico

For Puerto Rico, there is a direct and often overlooked connection to SpaceX. Starlink has been operational on the island since 2022, with an FCC gateway station application filed in Ponce. In the early months of the service's deployment, during the second quarter of 2022, Starlink in Puerto Rico recorded the fastest satellite internet speeds in North America — a median download of 112.22 Mbps, faster than in Mexico, Canada, and the U.S. mainland.

After Hurricane María destroyed the island's telecommunications infrastructure, the vulnerability of centralized systems became an article of faith. While most local cellular carriers have since rebuilt with greater resilience — adding power generators, solar panels, and battery backup that have largely withstood the LUMA Power blackouts — Starlink represents a fundamentally different architecture:

decentralized, satellite-based, and immune to ground-level disruption. For rural communities in the central mountains — in Utuado, in Adjuntas, in Jayuya — and for the emergency response infrastructure that failed in 2017, Starlink is not a luxury. It is insurance.

That the most profitable segment of the largest IPO in history is a product that Puerto Ricans already use, in the mountains where fiber will never reach, is a fact worth holding on to. It does not make the stock a buy at \$161. But it makes the company relevant in a way that Wall Street's usual mega-caps are not.

### **The Other Side of the Launchpad: The Mortgage That Never Moved**

Now come back to the ground.

The Federal Reserve has held rates at 3.50%–3.75% since at least January 2026, across three consecutive FOMC meetings. Both PCE and Core PCE inflation for 2026 were revised upward to 2.7% in the March projections, driven by the impact of the conflict in Iran on energy costs and persistent price pressures across the consumer basket. The implications of the conflict, in the Fed's own language, "remain uncertain." GDP growth was revised higher to 2.4%, unemployment held at 4.4%, and the economy remains resilient enough that the Fed has no incentive to ease.

The FOMC meets again on June 17. Markets are pricing in a hold. Prediction markets show overwhelming consensus: no cut. Some economists are beginning to discuss the possibility that the next move, if inflation surprises again, could be a hike.

For Puerto Rico, this is not abstract. In our April 2026 "Affordability Mirage" analysis, Birling Capital documented that 21 of 23 CPI categories had risen, adding approximately \$208 per month to the average household's expenses. Gasoline was up 18.9% year-over-year. Consumer sentiment had fallen to 53.3. Nationally, GDPNow estimated Q1 growth at 3.50%, but the Puerto Rico Manufacturing PMI for April 2026 came in at 49.3 — contraction territory, with New Orders at 46.7.

The Puerto Rico consumer is caught in a vise: national inflation keeps the Fed from cutting, which keeps mortgage rates elevated, which suppresses housing affordability, which drains consumer spending, which weakens the local economy, which the PMI is now confirming. This is not a cycle that breaks on its own.

### **Two Economies, One Market**

There is a temptation to treat the SpaceX IPO and the affordability crisis as unrelated stories — one for the financial pages, the other for the opinion section. That temptation should be resisted.

The SpaceX IPO raised \$75 billion in a single day. That is more than twice Puerto Rico's total outstanding public debt of \$34 billion. It is nearly six times the \$13.1 billion General Fund budget that the FOMB and Governor González's administration jointly certified for fiscal year 2026. One company, in one transaction, in one afternoon, absorbed more capital than the island's entire General Fund deploys in a year — nearly six times over.

The capital is not going to mortgages. It is not going to the infrastructure. It is not going to the Caribbean. It is going to Mars — literally, by the terms of the CEO's compensation plan. And the banks that led this deal — Goldman Sachs, Morgan Stanley, JPMorgan, Bank of America, Citigroup, Barclays, Deutsche Bank, RBC Capital Markets, UBS, and Wells Fargo as book-running managers, supported by 11 additional participating institutions — are the same firms that manage Puerto Rico's municipal debt, advise on COFINA restructuring, and price the island's cost of capital.

This is not a conspiracy. It is a capital allocation decision. Money flows to where it expects the highest risk-adjusted return. Right now, the market is telling us that it expects a higher return from Elon Musk's Mars colony than from a middle-class family in Carolina trying to buy a three-bedroom house.

The investor's job is not to be angry about this. The investor's job is to understand it and position accordingly.

### What the Serious Investor Should Watch

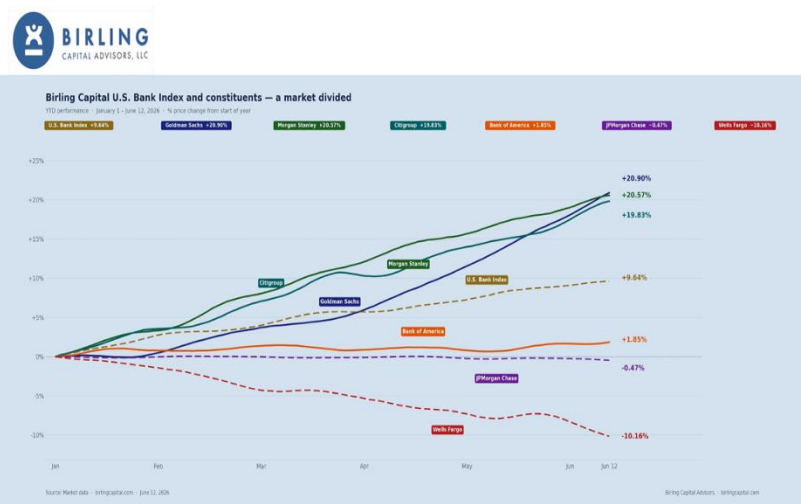
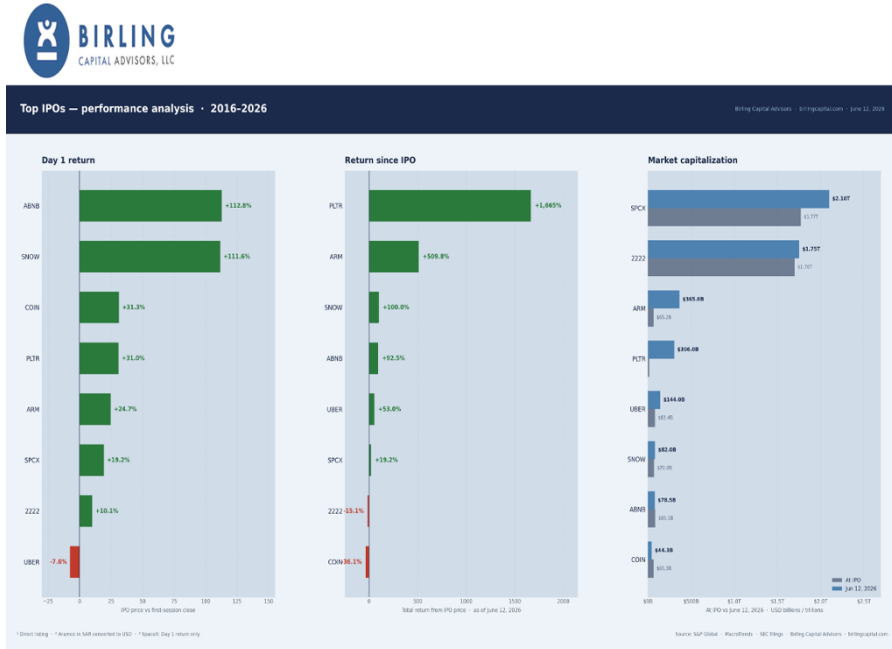
On SpaceX: The stock is priced on aspiration, not earnings. A \$2.1 trillion valuation on \$18.7 billion in revenue and a \$4.9 billion net loss implies a revenue multiple north of 110x. For comparison, Nvidia — the most expensive mega-cap in the current market — trades at approximately 20x trailing twelve-month revenue on \$253.5 billion in annual sales. SpaceX is priced at more than five times Nvidia's multiple. That valuation assumes Starlink's growth continues uninterrupted, the AI segment reaches profitability, and Starship achieves operational cadence. Any one of those assumptions failing will compress the valuation. The ARPU decline from \$99 per subscriber per month in 2023 to \$66 by Q1 2026 is the data point the market is ignoring and shouldn't be. Subscriber growth is real; revenue per subscriber is falling. That tension resolves, one way or another.

On the Fed: The June 17 FOMC decision is a formality — rates will hold. The real signal will come from the updated Summary of Economic Projections and whether the dot plot shifts toward fewer cuts or, for the first time this cycle, contemplates a hike. The Iran conflict remains the exogenous variable that the Fed cannot model and investors cannot ignore. Brent crude's behavior between now and September will tell us more about the rate path than any FOMC statement.

On Puerto Rico: The outperformance documented in this week's market update is not accidental. Puerto Rico's three banks are not merely beating the broad U.S. market — they are beating the U.S. banking sector's own best performers. What is equally telling is who is underperforming in the U.S. index: the traditional lenders most exposed to spread compression and rising credit costs are precisely the institutions with the deepest ties to Puerto Rico's own municipal debt and capital markets. Puerto Rico's banks are structured differently, and the market is saying so. But the broader island economy remains under pressure, and the divergence between strong bank equities and a consumer still absorbing the \$208-per-month affordability squeeze cannot persist indefinitely. Something gives.

### The Final Word: A Case Study on Determination

The SpaceX IPO will be studied for decades. It is a landmark in capital formation, in retail investor participation, and in the ongoing redefinition of what a public company can be. Elon Musk has achieved something that no entrepreneur in history has achieved: a \$2 trillion market debut, the world's first personal trillion-dollar fortune, and a corporate charter that points not at next quarter's earnings but at another planet. More than 4,400 employees — from engineers to welders — woke up on Saturday morning as millionaires, and 400 of them as centimillionaires.



But for the family in Bayamón, the SpaceX ticker is just another symbol scrolling across the bottom of the screen while they calculate whether they can afford both the car payment and the electric bill this month. For that family, the economy did not launch on Friday. It stayed exactly where it was.

And yet — within the same week that a rocket company became worth two trillion dollars — there is a quieter, more grounded story unfolding closer to home. The Birling Capital Puerto Rico Stock Index is up +16.20% year-to-date, nearly double the S&P 500, powered by Puerto Rico's three banks performing at a level that outpaces every major U.S. benchmark. The Birling Capital U.S. Bank Index, up +9.64% year-to-date, tells a similar story of discipline rewarded in a higher-for-longer rate environment. These are not moonshots. They are solid, fundamentals-driven returns built on institutions that understand their markets, manage their balance sheets, and do not need a Mars colony clause in their compensation plan to justify their valuations. For the serious investor looking beyond the spectacle of SpaceX's debut, they represent exactly the kind of conviction investment that endures after the opening-day euphoria fades.

The rocket went up. The mortgage stayed put. But between those two realities, the opportunity is clear for those willing to see it.

**That is the economy of June 2026. Invest accordingly.**



Francisco Rodríguez-Castro, President & CEO • [frc@birlingcapital.com](mailto:frc@birlingcapital.com)  
PO Box 10817 San Juan, PR 00922 • 787.247.2500 • 787.645.8430

Think Strategically © is a publication prepared by Birling Capital Advisors, LLC and is a summary of certain recent geopolitical, economic, market, and other developments that may be of interest to clients of Birling Capital Advisors, LLC. This report is intended for general information purposes only, is not a complete summary of the matters referred to, and does not represent investment, legal, regulatory, or tax advice. Recipients of this report are cautioned to seek appropriate professional advice regarding any of the matters discussed in this report, considering the recipients' own situation. Birling Capital does not undertake to keep the recipients of this report advised of future developments or of changes in any of the matters discussed in this report. Birling Capital. The man and loa symbol and Birlina Capital are among the registered trademarks of Birlina Capital. All rights reserved.