

Equity Capital Markets Update

February 2026



Key U.S. Macro Themes

Geopolitics and Global Trade

- On 2/28, U.S. and Israel launched a coordinated joint military operation against Iran, targeting nuclear facilities, military infrastructure, and senior leadership – oil markets moved sharply upward as traffic through the Strait of Hormuz came to a near halt
- On 2/20, U.S. Supreme Court struck down all IEEPA-based tariffs – key authority underpinning the Trump administration’s tariff regime
- The same day, U.S. administration responded by imposing flat 15% across-the-board tariff on imports by executive authority – this dynamic continues to drive market uncertainty and ~\$170BN of tariff revenue collected last year is in limbo as courts work through logistics of a potential refund

Monetary Policy, Labor Market, and Inflation

- Markets are anticipating that the Fed will hold rates steady at the March meeting to let 2025 cuts work their way through the economy
- U.S. unemployment at 4.3% – non-farm payrolls rose by 130,000 in the month of January 2026 – well above 55,000 consensus estimate
- U.S. CPI rose 2.4% for the 12-month period ended January 2026 – below expectations and down 30 bps from December

U.S. Equities Overview

Public Equity Markets

- S&P 500, Dow, and NASDAQ performance was mixed for the four-week period ended February 28th
 - NASDAQ printed its worst monthly performance since March 2025, driven by a reset in software valuations on the back of AI disruption concerns and earnings disappointments from the hyperscalers
 - The indices posted results of **(0.9%)**, **+0.2%**, and **(3.4%)**, respectively

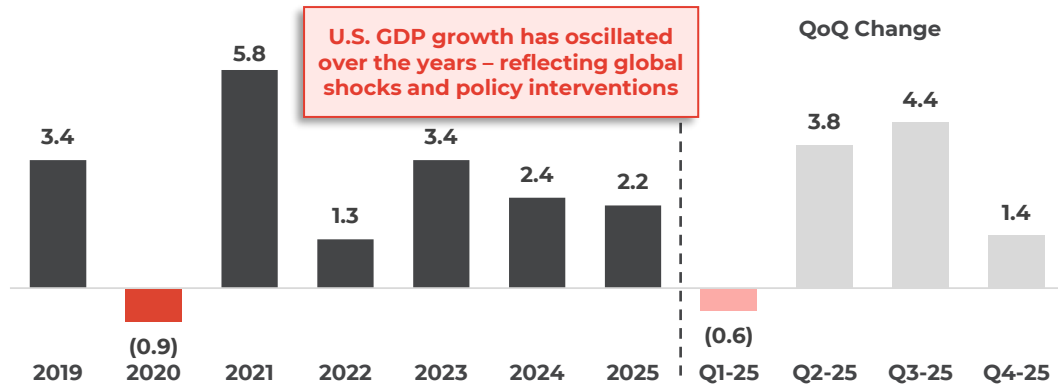
Equity Capital Markets

- Over the last four weeks, 14 IPOs representing ~\$4BN and 40 Follow-Ons representing ~\$11BN have priced across a variety of sectors
- Notable transactions include:
 - Generate Biomedicines – \$400mm IPO – **(20.9%)** offer-to-current
 - SOLV Energy – \$589mm IPO – **+26.1%** offer-to-current
 - Forgent Power Solutions – \$1,740mm IPO – **+27.4%** offer-to-current
 - Eikon Therapeutics – \$381mm IPO – **(23.4%)** offer-to-current
 - Bob’s Discount Furniture – \$380mm IPO – **+24.9%** offer-to-current
 - Veradermics – \$295mm IPO – **+169.7%** offer-to-current

U.S. Macroeconomic Backdrop

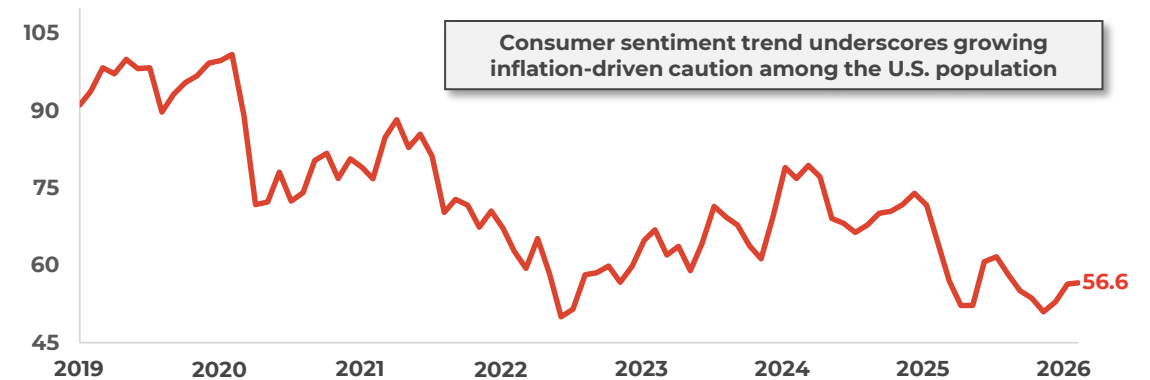
U.S. GDP Growth Moderating from Post-Pandemic Levels...

YoY and QoQ Change in Real U.S. GDP on a Percentage Basis



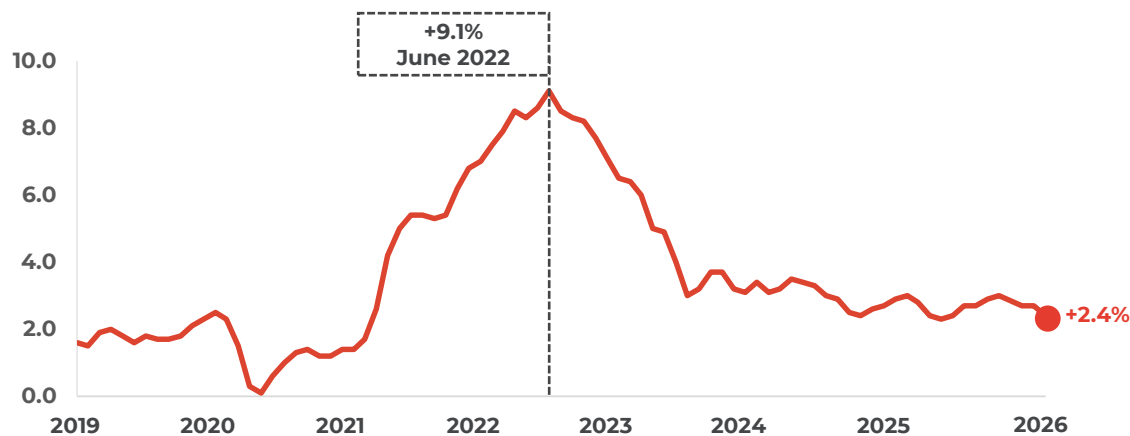
...and U.S. Consumer Sentiment Lags Pre-Pandemic Highs

University of Michigan Consumer Sentiment Index Since 2019



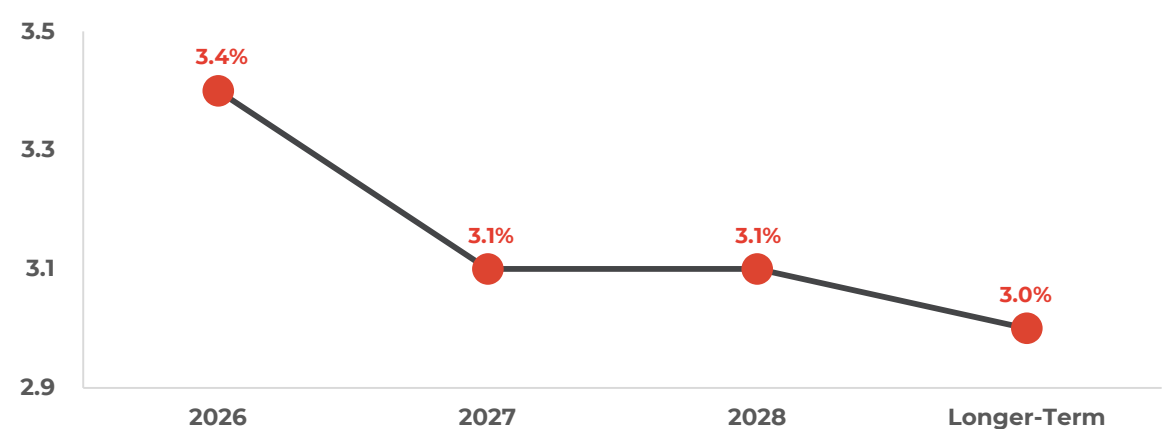
Inflation Remains Elevated Above Fed's 2% Target...

YoY Change in Consumer Price Index Since 2019



...Fed Outlook Indicates Future Cuts to Benchmark Rates

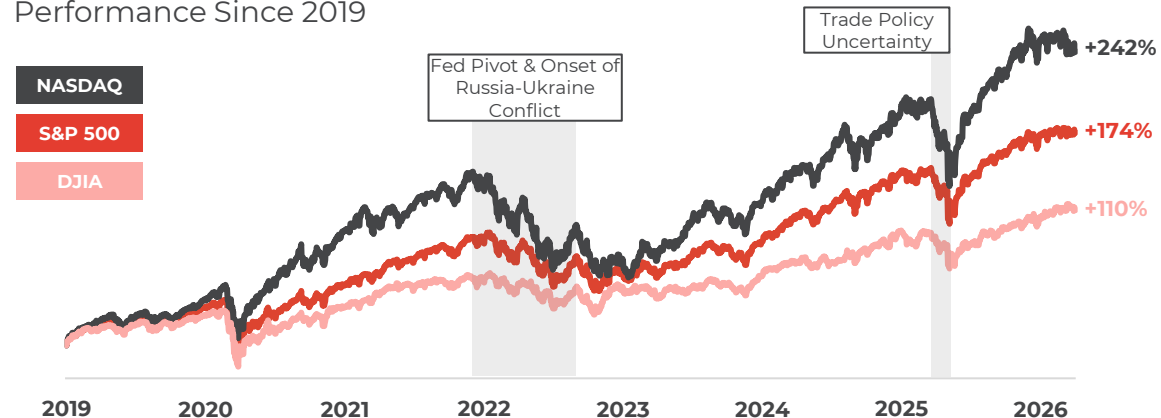
Median Federal Funds Rate Projections as of December 2025



U.S. Equity Capital Markets Activity

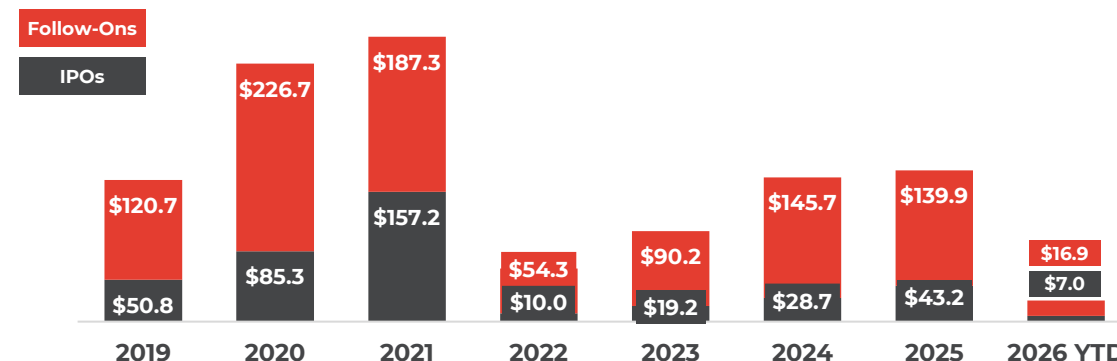
U.S. Equities Continue to Outperform...

Performance Since 2019



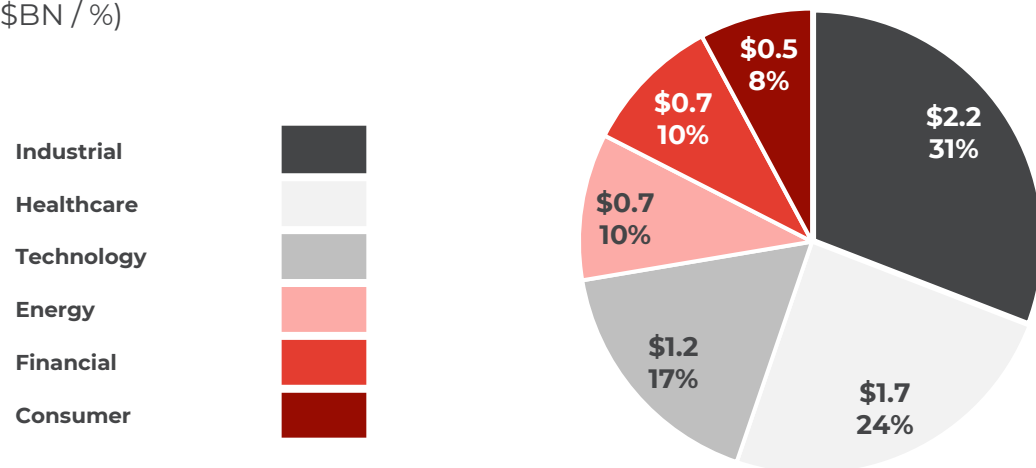
...as Primary Equity Issuance Begins to Rebound from Lows

(\$BN)



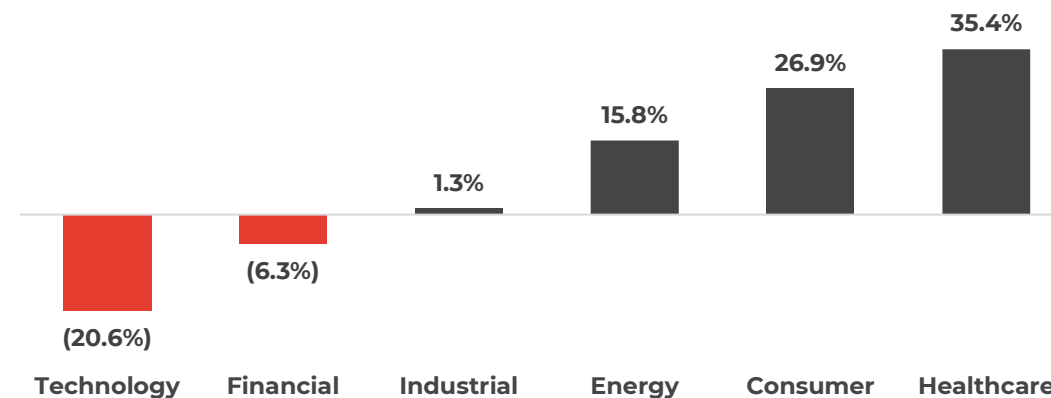
Industrial & Healthcare Leading IPO Issuance in 2026...

(\$BN / %)



...with Mixed Aftermarket Trading in a Volatile 2026 Tape

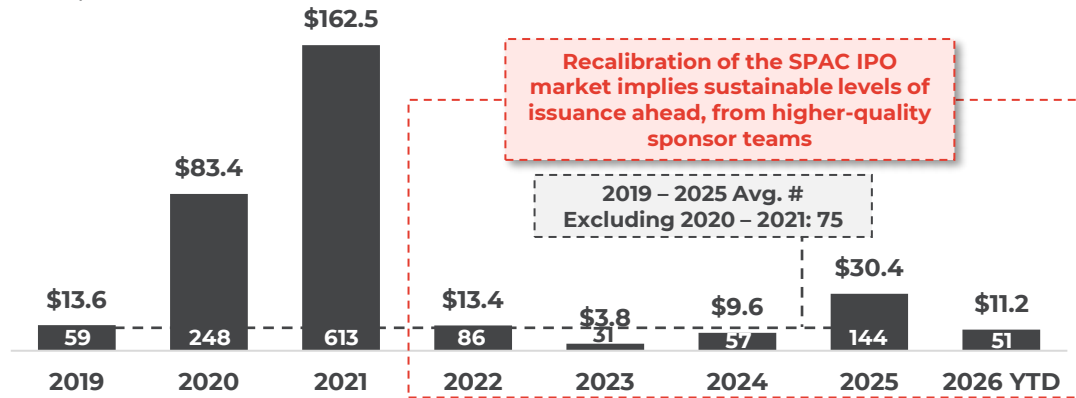
2026 YTD Average IPO Offer-to-Current Performance by Sector



U.S. SPAC Market Activity

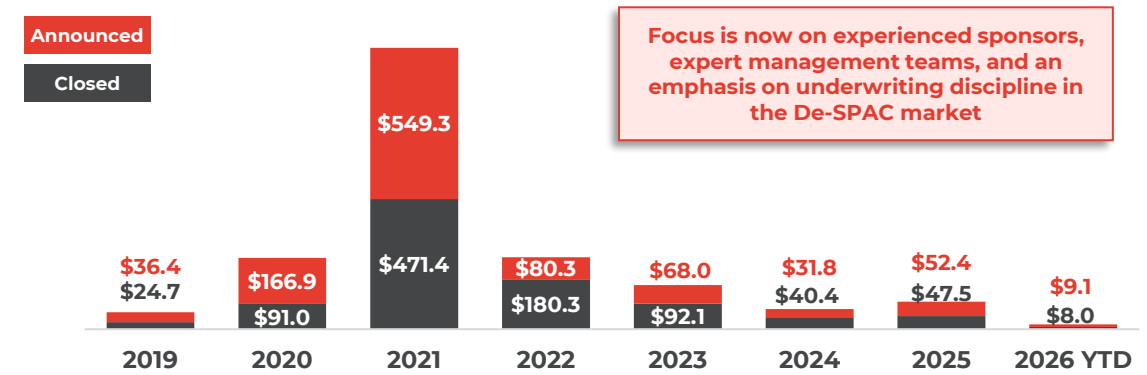
SPAC IPO Issuance Recovers from Post-2021 Freeze...

(\$BN / #)



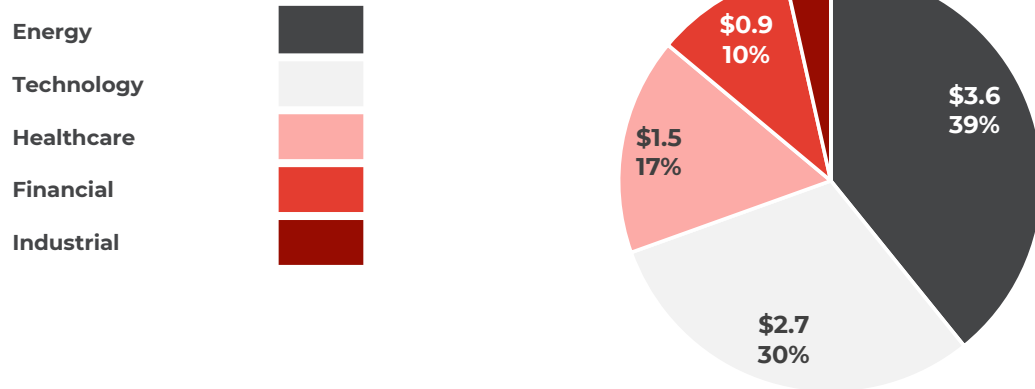
...and De-SPAC Activity Stabilizing to Pre-Pandemic Levels

(\$BN TEV)



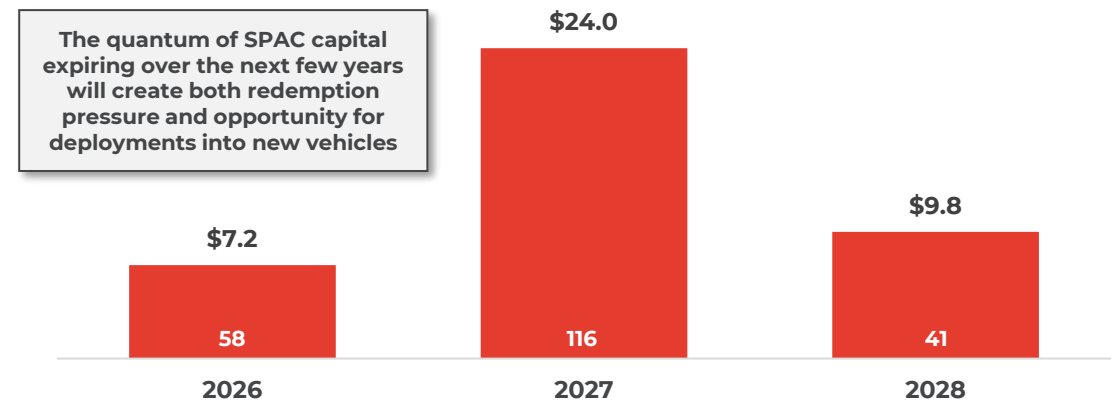
De-SPACs Are Occurring Across a Variety of Sectors...

Breakdown of Announced Deals YTD (\$BN TEV / %)



...while Billions in Fresh Capital Hunts for Transactions

SPAC Trust Capital Expiring by Year (\$BN / #)



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- Most recently, Roger was a Senior Managing Director and Head of SPACs at SVB Securities
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