ALPHAQUERY INTELLIGENCE · AQ EDITORIAL · JULY 12, 2026

Breaking the IPO

SPCX is drifting toward $135, a number that means nothing and therefore everything. A study of what happens when the twenty biggest IPOs of the modern era closed a week below par.

AQ-ED-2026-019 · MONEY STUFF-ADJACENT · READING TIME: ONE COFFEE

PAR — $135.00

SPCX LAST WEEKLY CLOSE: $145.30 (+7.6% VS. OFFER)

A money market fund is a machine for pretending that a portfolio of short-term commercial paper is worth exactly $1.00 per share, at all times, no matter what. This is obviously not literally true — the paper wiggles — but it is *socially* true, which in finance is the more important kind of true, right up until the moment it isn't. When the Reserve Primary Fund marked its Lehman paper down in 2008 and printed $0.97, the phrase for this was "breaking the buck," and the interesting thing was not the three cents. The three cents were trivial. The interesting thing was that a number everyone had agreed to treat as a law of physics turned out to be a social convention, and everyone found out at the same time, and then everyone ran for the door at the same time, because the door is small and the crowd is large and that is just what doors and crowds do.

An IPO price is the same kind of number. Nothing happens at $134.99 that does not happen at $135.01. SpaceX's rockets land themselves either way; Starlink's ~9,600 satellites do not check the tape. And yet $135 is the single most load-bearing number in the SPCX capital structure, because it is the number at which roughly two million retail allocation holders — who were handed shares through Robinhood and Fidelity and SoFi with 180-day anti-flipping strings attached[1] — stop being geniuses and start being bagholders, in real time, on an app, with push notifications.

So we asked a simple question with actual data: take the twenty largest U.S.-listed IPOs by market cap at pricing since 2012 — the Alibabas, the Metas, the Rivians, the CoreWeaves — and look at every **weekly close below the IPO price**. What happens next?

Everyone breaks

The first finding is that "breaking the IPO" is not an event. It is a sacrament. Of the nineteen mega-IPOs with usable data,[2] **eighteen closed a week below their offer price** at some point. The median time to the first break was ten weeks. Uber and Venture Global managed it in week zero, which is a kind of efficiency. The single company that never did it — the lone saint in our hagiography — is Airbnb, which priced at $68 in December 2020 and simply never looked back down, presumably because pricing your IPO into the teeth of a zero-rate liquidity supernova is a repeatable skill.[3]

SPCX went public on June 12. It is now week four. The stock closed Friday at $145.30, 7.6% above par, having already round-tripped from $225. If it breaks $135 in the next month and a half, it will not be deviating from the mega-IPO script. It will be *on schedule*.

18/19
MEGA-IPOS THAT CLOSED A WEEK BELOW OFFER

10 wks
MEDIAN TIME TO FIRST BREAK · SPCX IS IN WEEK 4

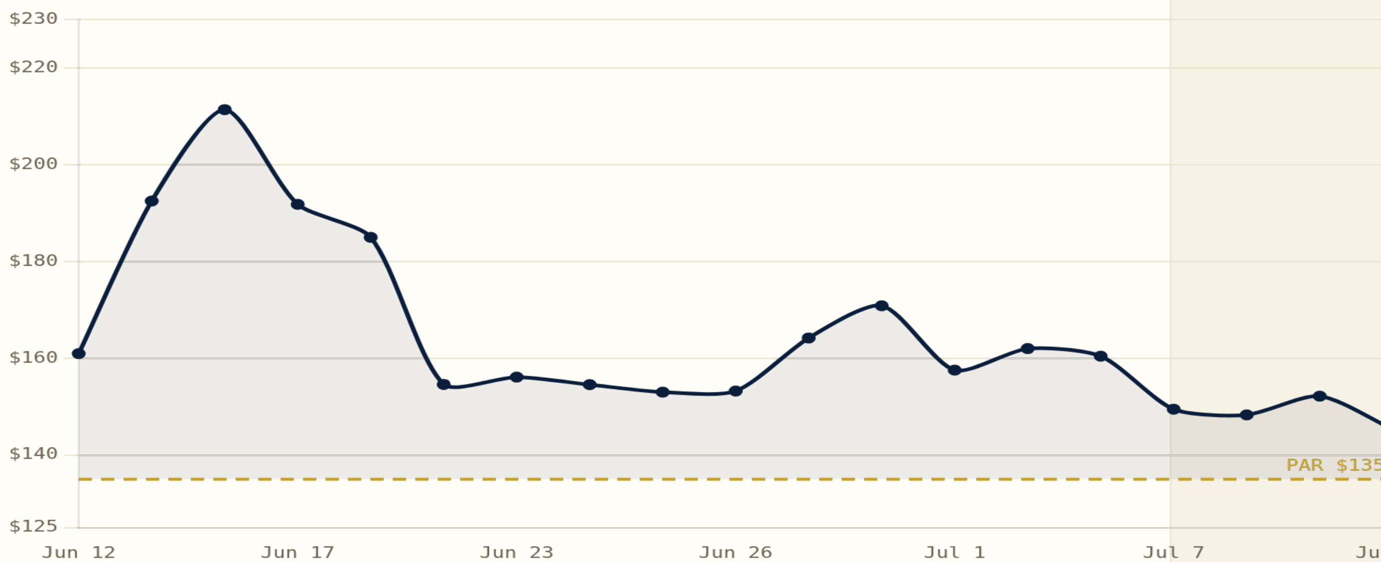
−52%
MEDIAN LOW VS. IPO PRICE AFTER THE FIRST BREAK

0/18
NAMES THAT BOTTOMED AT THE BREAK ITSELF

FIG. 1 · THE PAR LINE

SPCX daily closes since IPO

The gold dashed line is $135. Nothing happens there. Everything happens there.



SOURCE: NASDAQ DAILY CLOSES, JUN 12 – JUL 10 2026 · IPO PRICED AT $135, OPENED $150, ATH $225.64 (JUN 16) · AQI CALCULATIONS

The break is not the bottom. The break is the trailer.

Here is where it gets rude. You might think — the market being efficient, prices being random walks, your professors having said things — that the first weekly close below the IPO price is just a price, and that forward returns from that point should be a coin flip. They are not a coin flip. From the breaking close, the median name in our sample was down another **13% at 26 weeks and 17% at 52 weeks**, with only 7 of 18 positive at either horizon. And the eventual low? The median name went on to trade **52% below its IPO price**. Not below the break — below *par*. Every single one of the eighteen went lower after the first break. Zero bottomed on the day the buck broke.[4]

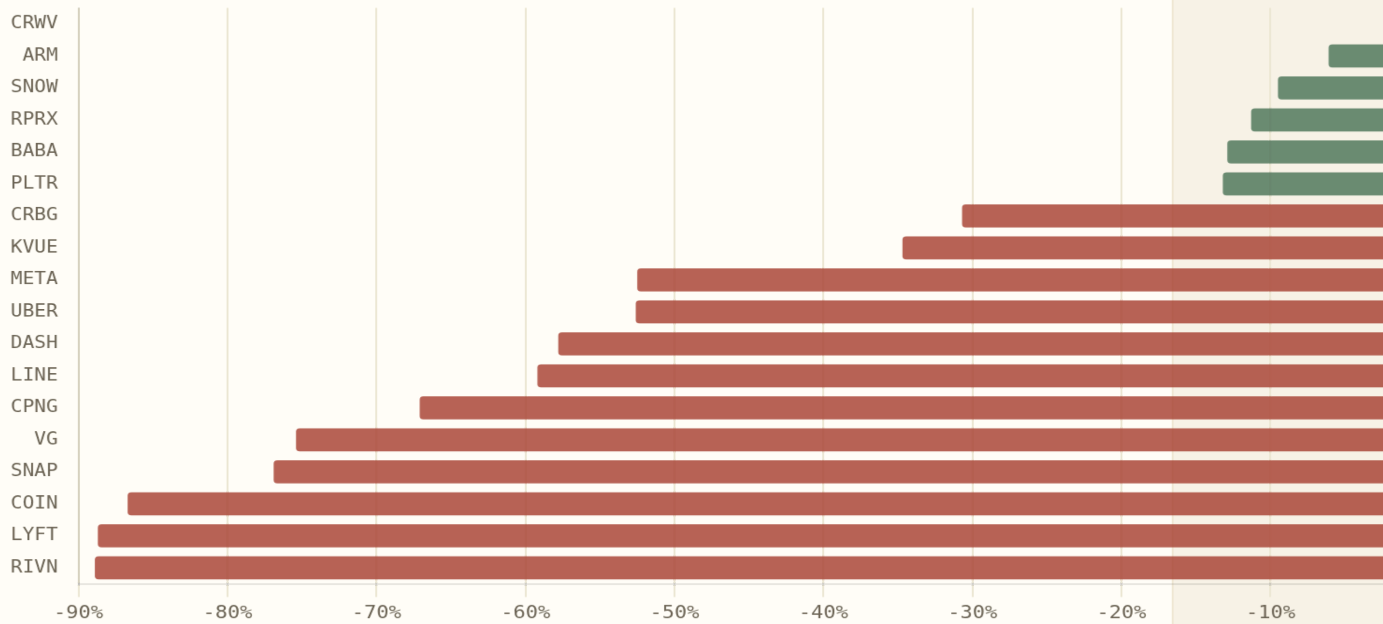
> *"The mean says buy the break. The median says the mean is three outliers in a trench coat."*

Now, the *arithmetic mean* forward returns are positive — +17% at 26 weeks, +12% at 52 — and if you are the sort of person who quotes means, congratulations, you have discovered CoreWeave (+250%), Arm (+149%), and Palantir (+111%) hiding in the sample. Three moonshots dragging fifteen bodies. This is the geometric-mean lesson Taleb keeps yelling about: you do not get to eat the average, you get to eat the path.

FIG. 2 · THE TRENCH

Maximum drawdown vs. IPO price after the first weekly break

How far below par each name eventually traded. The gold line at zero is the IPO price.

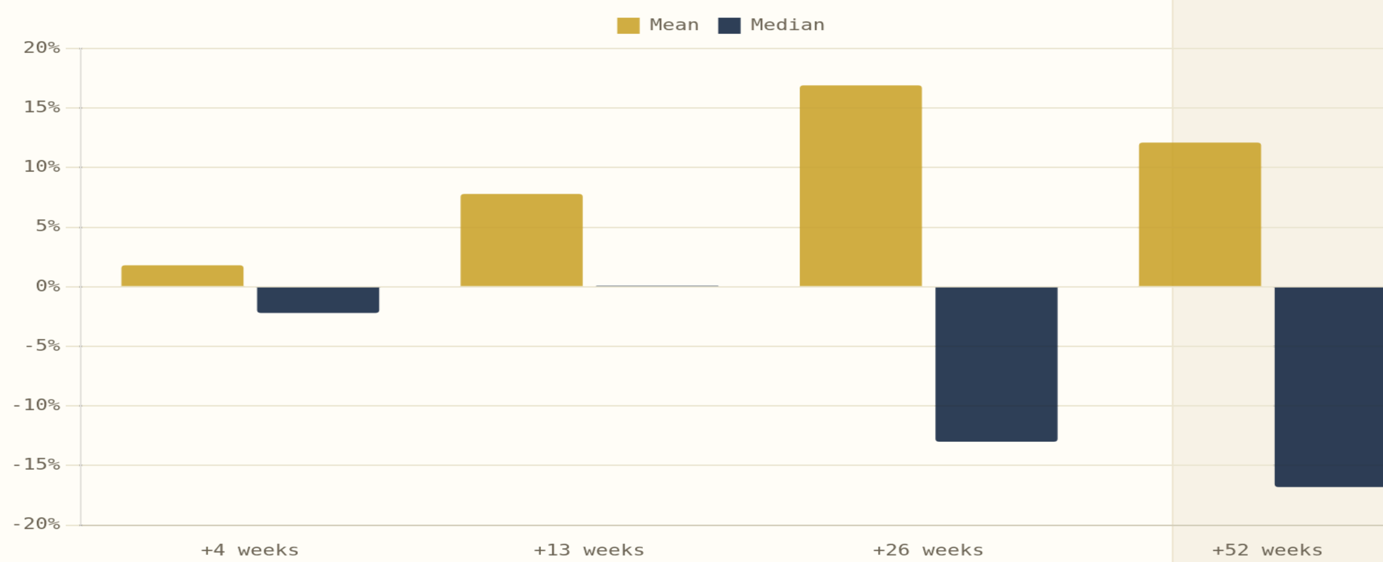


POST-BREAK MINIMUM WEEKLY CLOSE ÷ IPO PRICE − 1 · SORTED BY DEPTH · MEDIAN −52.5%, MEAN −45.9% · AQI CALCULATIONS, YAHOO FINANCE WEEKLY DATA

FIG. 3 · MEAN VS. MEDIAN

Forward returns from the breaking weekly close

The mean is an optimist. The median has read the sample.



N=18 BREAK EVENTS · HIT RATES (POSITIVE): 8/18 AT +4W, 9/18 AT +13W, 7/18 AT +26W, 7/18 AT +52W · AQI CALCULATIONS

The tell is the reclaim

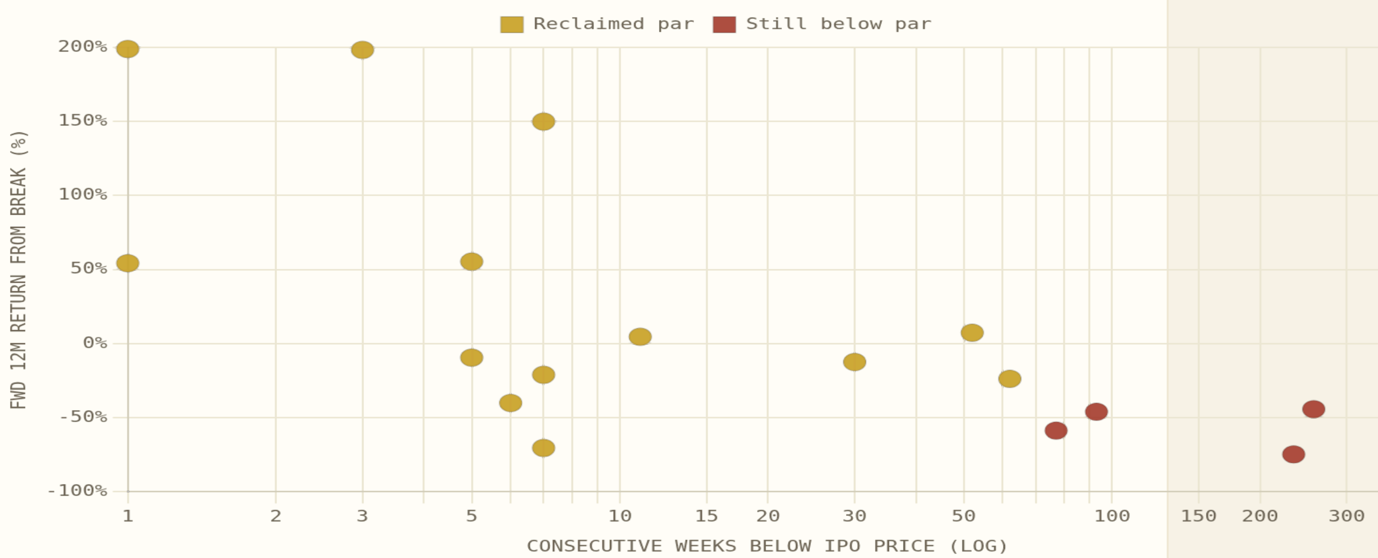
The sample is not really one distribution. It is two distributions wearing a shared ticker page. In the first, the break is a *shakeout*: CoreWeave spent one week under par, Snowflake one, Arm three, Alibaba five — and each went on to a monster forward year. In the second, the break is a *regime change*: Meta spent 62 weeks underwater (and survived to become, well, Meta), while Lyft, Rivian, Coupang, Venture Global, and Lineage broke par and, as of this writing, never came back. Five of eighteen are still down there. Lyft has been below $72 for 379 consecutive weeks, which is over seven years, which is long enough to have named the drawdown and enrolled it in second grade.

So the actionable variable is not *whether* SPCX breaks $135 — history says it almost certainly will — but **how fast it reclaims**. A break that gets bought back above par within a handful of weekly closes has historically been the single best entry in the entire mega-IPO life cycle: that cohort's forward twelve months ran +54% to +250%. A break that *lingers* — three, four, five weekly closes below par — has historically meant the market is not arguing about flow anymore. It is arguing about the number, and the number is losing.

FIG. 4 · TWO TRIBES

Weeks below par vs. forward 12-month return from the break

Fast reclaims cluster top-left. The bottom-right is where narratives go to live quietly by a lake.



X-AXIS LOG SCALE: CONSECUTIVE WEEKS BELOW IPO PRICE AFTER FIRST BREAK · GOLD = RECLAIMED PAR, RED = STILL BELOW · LABELS ON HOVER · AQI CALCULATIONS

The release valve, again

Which brings us to the part that makes SPCX structurally worse than the base rate, and it is the same argument as our leveraged-ETF piece: the release valve *is* the crash. Less than 5% of SpaceX floats today. In late July or early August, after Q2 earnings, roughly 911 million early-release shares become eligible — the float more than doubles. Further tranches unlock at 70, 90, 105, 120, and 135 days, taking the float to roughly 3 billion shares by late October.[5] The first serious test of $135 would therefore arrive precisely as supply quadruples, at ~105× sales, into a shareholder base where the retail tranche is contractually forbidden from selling and therefore can only express its feelings through the medium of not buying.

Meanwhile the Nasdaq-100 inclusion on July 7 delivered an estimated $4.3 billion mechanical passive bid into that thin float — and the stock closed *down* the next two sessions. When the forced buyer shows up and the price falls anyway, that is not nothing. That is the market telling you what the marginal seller looks like before he is even allowed in the building.

The fast-reclaim cohort — CoreWeave, Arm, Snowflake — broke par on transient flow with no comparable supply wall in front of them. SPCX gets to attempt its reclaim while walking into one. If it snaps back above $135 through the August unlock anyway, that is genuinely bullish information, the failed-breakdown kind, and you should respect it. If it closes a second week below, and then a third, while 911 million new shares clear customs — well. The buck doesn't break because the paper is worthless. The buck breaks because everyone agreed on a number, and then, one Friday close at a time, they didn't.

APPENDIX · THE LEDGER

Every break, every scar

Forward returns measured from the first weekly close below IPO price.

Name	IPO $	Wks to break	+4w	+13w	+26w	+52w	Max DD vs IPO	Recl
Uber	$45.00	0	+6.2%	-3.7%	-35.0%	-21.1%	-52.6%	7
Venture Global	$25.00	0	-36.0%	-64.0%	-39.3%	-58.8%	-75.4%	ne
Corebridge	$21.00	0	-3.4%	-8.9%	-24.6%	-9.5%	-30.7%	5
Meta	$38.00	1	+3.6%	-39.2%	-24.8%	-23.8%	-52.5%	62
Lyft	$72.00	2	-14.7%	+7.3%	-34.1%	-49.4%	-88.7%	ne
CoreWeave	$40.00	3	+105.4%	+214.7%	+250.1%	+198.9%	-2.3%	1
Arm	$51.00	4	+2.9%	+37.8%	+148.8%	+198.3%	-6.1%	3
Coinbase*	$250.00	5	+2.2%	+14.7%	+48.2%	-70.5%	-86.7%	7
Rivian	$78.00	10	+2.9%	-47.9%	-49.7%	-74.8%	-88.9%	ne
Lineage	$78.00	10	-6.0%	-23.2%	-29.3%	-46.1%	-59.2%	ne
Kenvue	$22.00	18	-5.8%	-3.2%	-6.0%	+7.3%	-34.7%	52
Snap	$17.00	19	-22.5%	+8.1%	-7.6%	-12.5%	-76.9%	30
Coupang	$35.00	22	-11.5%	-21.5%	-33.4%	-44.3%	-67.1%	ne
Alibaba	$68.00	50	-1.1%	+32.8%	+13.0%	+55.3%	-12.9%	5
DoorDash	$102.00	60	-8.8%	-26.8%	-18.5%	-40.1%	-57.8%	6
Snowflake	$120.00	91	+23.9%	+54.7%	+19.3%	+54.3%	-9.5%	1
Palantir*	$7.25	114	-10.0%	+3.4%	+111.3%	+149.9%	-13.2%	7
Royalty Pharma	$28.00	170	+5.0%	+4.6%	+15.0%	+4.6%	-11.3%	11
SpaceX	$135.00	? (wk 4)	–	–	–	–	–	

UNIVERSE: 20 LARGEST US-LISTED IPOS BY MARKET CAP AT PRICING, 2012-2026 · AIRBNB NEVER BROKE; DIDI EXCLUDED (SEE FN. 2) · COIN & PLTR USE DIRECT-LISTING REFERENCE PRICES · WEEKLY CLOSES, YAHOO FINANCE · PAST PERFORMANCE ≠ FUTURE RESULTS

FOOTNOTES

1 About 30% of the $75 billion raise was reserved for individuals, roughly 3–6× a normal retail allocation, with anti-flip provisions running 180 days for allocation recipients at participating brokers. A structure that guarantees maximal retail emotional exposure at exactly the moment the float expands is either an oversight or performance art, and with this issuer one hesitates to rule out the latter.

2 DiDi is excluded because it broke its IPO price, then broke the concept of being listed, then broke the concept of being findable in a price database. It would not have helped the bull case.

3 It is not a repeatable skill.

4 Honest counterargument: conditioning on "biggest IPOs ever" bakes in a size curse. Companies only get to raise Alibaba/SpaceX money at peak narrative, so the −52% median drawdown may say more about who *can* price a record IPO than about the break signal itself. This does not rescue SPCX — it IS the biggest IPO ever — but it should stop you from trading the pattern on some $2B biotech. A block-bootstrap significance test on the break signal is scoped as a follow-on study.

5 13.1 billion shares outstanding; 555 million sold in the offering. Lockup mechanics per company filings as summarized in post-IPO coverage. The precise tranche counts are estimates and will be refined against the S-1/424B when we run the follow-on.

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AQ-ED-2026-019 · "BREAKING THE IPO" · PUBLISHED JULY 12, 2026 · TRAVERSE CITY, MICHIGAN
RESEARCH & ANALYTICS · STORM FRAMEWORK · DATA: YAHOO FINANCE WEEKLY/DAILY CLOSES, PUBLIC FILINGS & PRESS COVERAGE

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