

## SpaceX, New Fed Chair Take the Stage as Stocks Extend Win Streak

In some ways, last week was like a mirror image of the week that preceded it. Whereas stocks began the earlier week strongly before giving up most (but not all) of their gains on Friday, last week began with a minor selloff before strengthening into Friday's close. With this strengthening, the S&P 500 continued its **weekly win streak**, which now stands at eight – **the longest since December 2023**.

It's a week that saw some key earnings reports, most **notably from Nvidia**. By any usual measure, Nvidia's results would be viewed superlatively: the chip giant reported **revenues rising 85% YoY** to hit a record \$81.6 billion, with earnings beating and gross margins at 74.9%. But this is Nvidia, a company **from which investors habitually see big numbers**. As Fundstrat Head of Research Tom Lee observed, "the stock barely reacted to the report. This arguably reflects markets expecting good results," he suggested, but he viewed them as **nevertheless "astounding" and "impressive."**

On Friday, **Kevin Warsh formally took the helm** of the Federal Reserve. Lee sees a fundamental policy decision awaiting him and the central bank: **which matters more to structural inflation, oil prices or AI?** Oil prices slid last week but remain elevated, with WTI crude at around \$97 as of Friday afternoon. This could push up inflation – and if the effect persists, **it could thus increase the Fed's inclination to hike rates** in the future. This possibility was already foreshadowed in the minutes from the April 29 Federal Open Market Committee (FOMC) meeting.

On the other hand, though **AI** might have a short-term inflationary effect due to its consumption of energy and its effect on chip prices, its likely downward impact on employment and worker wages **will arguably have a deflationary effect**, thus giving the Fed a dovish inclination.

The developing interplay between these two factors will be important to monitor. “Timing is key and **which of these forces becomes the primary narrative in 2026 is key,**” in Lee’s view.

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## Macro Update & Top Stock Ideas



Tom Lee, CFA  
Head of Research



Mark Newton, CMT  
Head of Technical Strategy

*Chart of the Week*



Macro Research

## IPO: Headwind from large IPOs seen 12 months later...

**Largest IPOs on US Stock Exchanges**  
Since 1900

IPO				S&P 500 Forward Returns				
Name	Date	Mkt Cap (\$B)	% of Wilshire 5000 Mkt Cap	1M	3M	6M	12M	
1	Alibaba	9/18/2014	\$231	1.1%	-6.2%	0.1%	3.1%	-2.5%
2	Ford	1/17/1956	\$3	0.8%	-1.5%	7.8%	9.6%	3.8%
3	Visa	3/19/2008	\$92	0.7%	7.1%	4.0%	-8.1%	-41.7%
4	Facebook	5/17/2012	\$91	0.7%	2.9%	7.7%	5.3%	25.2%
5	UPS	11/10/1999	\$82	0.7%	3.2%	5.0%	3.7%	3.9%
6	AT&T Wireless	4/27/2000	\$73	0.6%	-5.9%	-0.9%	-4.6%	-15.2%
7	Kraft Foods	6/13/2001	\$54	0.5%	-2.1%	-12.0%	-8.2%	-17.2%
8	Enel	11/2/1999	\$55	0.5%	4.5%	3.5%	7.8%	2.4%
9	GM	11/17/2010	\$51	0.4%	5.5%	12.7%	12.8%	7.2%
10	Google	8/19/2004	\$27	0.3%	3.4%	8.3%	10.9%	12.8%
Average				1.1%	3.6%	3.2%	-2.1%	
Median				3.0%	4.5%	4.5%	3.1%	
Win Ratio				60%	80%	70%	60%	
SpaceX				6/12/2026	~\$2,000	2.7%		

**Weaker 12m returns**



Source: Fundstrat, Bloomberg

Note: Market capitalization as measured at the close of the first day of trading

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SpaceX formally announced its IPO plans last week, and it is slated to be the largest U.S. IPO ever, with the company’s pre-money valuation representing 2.7% or more of the total U.S. equity market. Investors also have high expectations for the IPOs of OpenAI and Anthropic, expected for later this year. These large public debuts raise questions about how they will affect the broader market overall. As Fundstrat Head of Tom Lee explained, “an IPO represents a sizable increase in equity supply,” with the impact generally coming about six to 12 months later after lockup expirations for shares held by early investors take place and the shares become tradeable. Our Chart of the Week shows how this manifested after the 10 largest U.S. IPOs. to date, and it is worth keeping in mind further down the road.

Recent *Flash Insights*

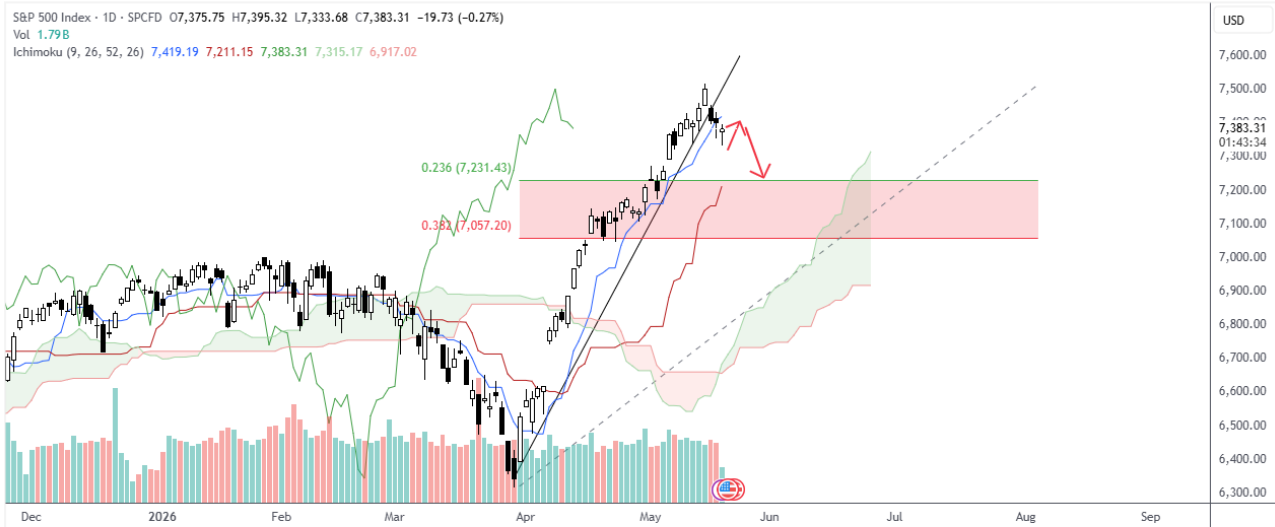


**Mark L. Newton, CMT, AC**

Head of Technical Strategy

I'm out of the office this week, but important to communicate that a minor selloff has gotten underway, but one which i don't feel has enough downward force to reach 7000 which was thought likely last week. As shown below, **^SPX** officially broke its uptrend along with initial Ichimoku support (Tenkan-sen) and looks to have carved out a minor low as of intra-day basis today. If this is correct, then a mild bounce attempt could happen which then fails and turns down towards 7175-7245 in **^SPX**, or a bit above 7000 which would liine up with a secondary area of Ichimoku-based support. In plain English, a mild selloff looks to be underway, but might prove somewhat short-lived into end of week this week or early next week before another rally back to highs gets underway. This daily chart shows the minor trend break and the expectation of a possible trajectory for SPX in the days ahead. Overall, I think it's right to look for support to show up a bit sooner and at levels a bit higher than 7000, so 7175-7245 looks proper for now.

MarkNewtonCMT created with TradingView.com, May 19, 2026 14:26 UTC-4



TradingView

May 19 • 2:45 PM



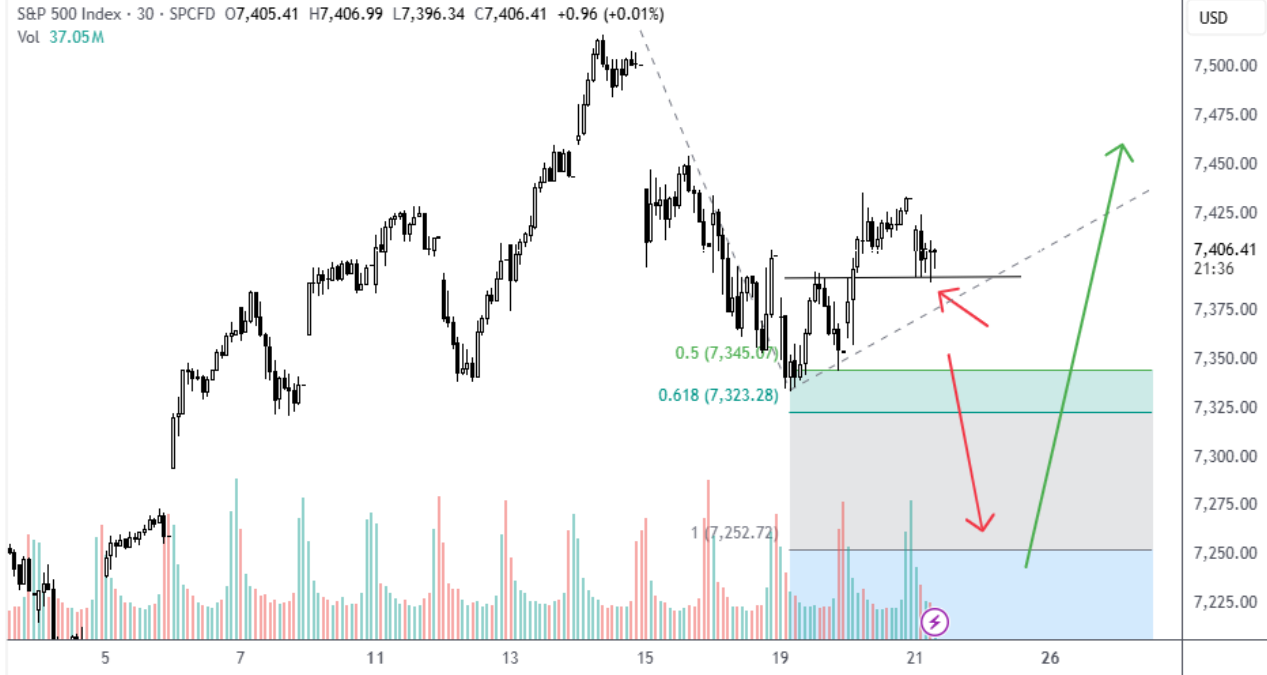
**Mark L. Newton, CMT<sub>AC</sub>**

Head of Technical Strategy

Thus far, the short-term tactical playbook seems to be on course with the selloff into Tuesday leading to a minor bounce Wednesday and now today starting to stall out. 10 of 11 sectors are lower today but only Industrials and Staples are lower by more than -0.75%, while US Dollar, Yields higher and precious metals lower. The near-term key area to focus on into this afternoon revolves around 7389 which has provided mild stabilization over the last few hours heading into Mid-day. As hourly charts show below, a break of this would also violate the minor bounce on Tuesday near that same level. Thus, a violation would undercut a short-term area of important support and likely means that a 3-5 day pullback down to near 7250 should be underway. For those that wish for more evidence, Tuesday's lows of 7335 cannot be broken without resulting in a likely "equal-leg" decline similar to the 5/14-5/19 pullback, which should put SPX down under 7300 into early next week. However i am not expecting much more weakness, and expect that such a move would make SPX attractive to buy dips for a push back higher to new highs into June. Overall, my expectation is that US indices "could" be starting a "C wave" lower of an ABC corrective pattern that should ultimately prove buyable into next week. For today, important to keep a close eye on 7389, as an hourly close under this level indicates our short-term selling pressure to break this week's lows is underway. (Finally, Crude oil turning back higher temporarily is thought to possibly happen as SPX is falling but ultimately, Crude looks to be in the final stages of its advance and a coming decline could get underway starting in late May. (not shown) **~SPX** hourly chart shown below

MarkNewtonCMT created with TradingView.com, May 21, 2026 11:38 UTC-4

S&P 500 Index · 30 · SPCFD 07,405.41 H7,406.99 L7,396.34 C7,406.41 +0.96 (+0.01%)  
Vol 37.05M



**TradingView**

May 21 • 12:16 PM



**L . Thomas Block**

Washington Policy Strategist

Tuesday’s elections provided another big win for President Trump and strengthened his position as the dominant force in the Republican Party. The primary defeat of Kentucky Representative Thomas Massie continued the President’s winning streak of defeating Republicans who oppose his ideas. This follows the weekend primary defeat of Louisiana Senator Bill Cassidy. Any Republican defies the President at their own peril.

May 20 • 11:14 AM

*FS Insight Video: Weekly Highlight*



### *Key incoming data*

- ~~5/18 10:00 AM ET: May NAHB Housing Market Index~~ **Tame**
- ~~5/18 4:00 PM ET: Mar Net TIC Flows~~ **Tame**
- ~~5/20 2:00 PM ET: Apr FOMC Meeting Minutes~~ **Mixed**
- ~~5/21 8:30 AM ET: May Philly Fed Business Outlook~~ **Tame**
- ~~5/21 9:45 AM ET: May P S&P Global Services PMI~~ **Tame**
- ~~5/21 9:45 AM ET: May P S&P Global Manufacturing PMI~~ **Tame**
- ~~5/21 11:00 AM ET: May Kansas City Fed Manufacturing Survey~~ **Tame**
- ~~5/22 10:00 AM ET: May F U. Mich. Sentiment and Inflation Expectation~~ **Tame**
- 5/25 8:30 AM ET: Apr Chicago Fed Nat Activity Index
- 5/26 9:00 AM ET: Mar S&P Cotality CS 20-City MoM SA
- 5/26 10:00 AM ET: May Conference Board Consumer Confidence

- 5/26 10:30 AM ET: May Dallas Fed Manuf. Activity Survey
- 5/27 10:00 AM ET: May Richmond Fed Manufacturing Survey
- 5/28 8:30 AM ET: 1Q S GDP
- 5/28 8:30 AM ET: Apr P Durable Goods Orders
- 5/28 8:30 AM ET: Apr PCE Deflator
- 5/28 10:00 AM ET: Apr New Home Sales

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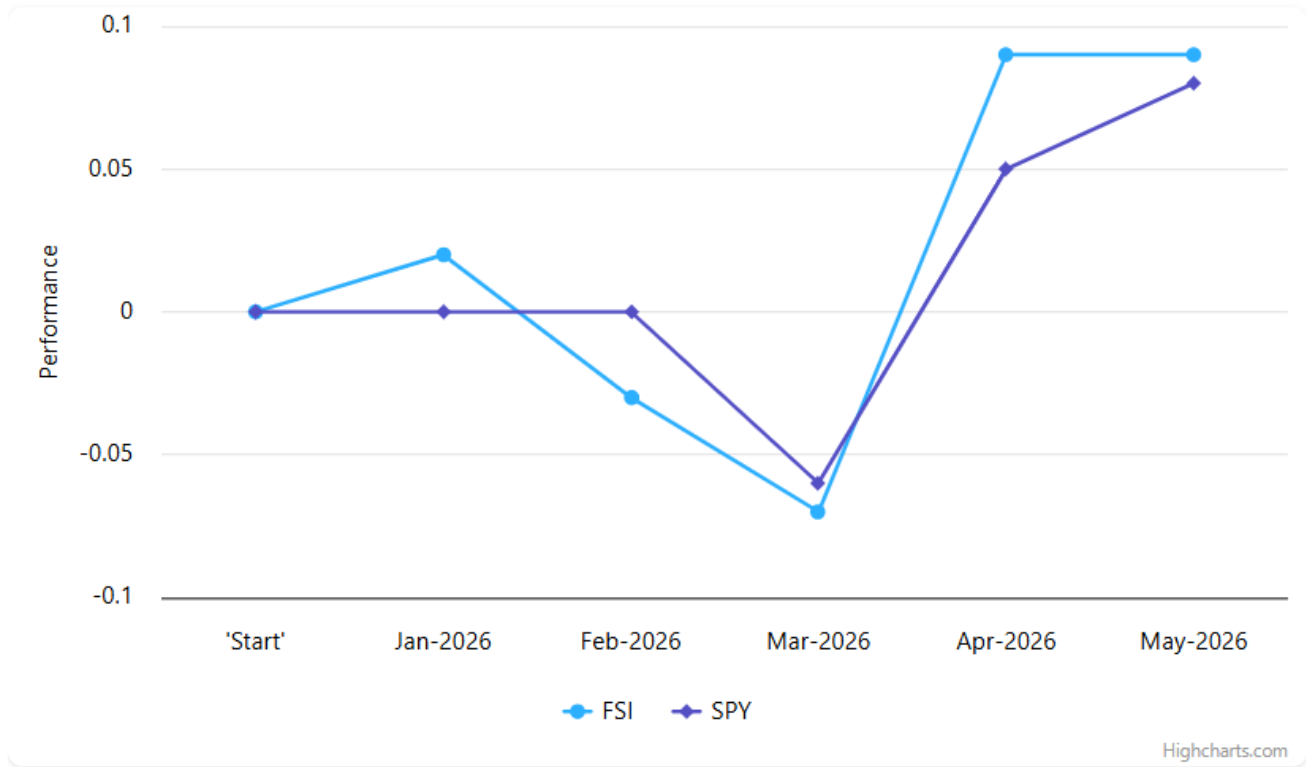
## Mark Newton's Live Technical Analysis



**Mark Newton, CMT**  
Head of Technical Strategy

### *Stock List Performance*

### Upticks vs SPY ( Year to Date )



Performance period: January 01, 2026 through May 22, 2026

### In the News

Robinhood stock surges after SEC removes limit on day trading activity

Apr 15, 2026

Defense stocks are the market's newest safe havens – and this ETF is a pure play

Mar 11, 2026

**MarketWatch**

Tom Lee: Nvidia at 19x PE. Is the Market Getting It Wrong?

Feb 27, 2026



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