

# Public Markets

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## TL;DR

Public markets are navigating a stark contrast between physical infrastructure constraints and intense speculative capital. SpaceX's landmark filing has triggered a speculative run on space proxies just as a catastrophic test explosion at Blue Origin exposes severe launch bottlenecks. Concurrently, Nvidia is mounting a direct assault on the consumer edge with its new RTX Spark superchip, and escalating Middle East military strikes have abruptly reversed a steep monthly correction in crude oil.

## Nvidia's Edge AI Land Grab

Nvidia is aggressively leveraging its datacenter-scale cash engine to capture the premium consumer PC market, threatening the long-term pricing power of legacy chipmakers. According to the NVIDIA Newsroom announcement, the company is partnering with major hardware manufacturers to deliver native Windows experiences for personal AI agents running on its new RTX Spark superchip:

*"RTX Spark brings everything NVIDIA has built — CUDA, RTX, our AI platform — into a single superchip. Local agents. Frontier models. Creative workflows. RTX games. All on a laptop. This is the new PC. The personal AI computer."* — [Nvidia RTX Spark Launch]

Bruce Broussard, interim CEO of HP Inc., highlighted the portable power of the upcoming hardware in the same NVIDIA Newsroom announcement:

*"Our upcoming HP OmniBooks powered by NVIDIA will be one of the thinnest RTX Spark laptops, combining NVIDIA's RTX performance, the breadth of the Windows ecosystem and the efficiency of unified memory to deliver unprecedented portable power for agentic developers."* — [Nvidia RTX Spark Launch]

By bypassing standard NPUs and integrating its full CUDA stack directly into consumer silicon, Nvidia is attempting to lock developers into its ecosystem at the edge. Backed by an outstanding 74.1% gross margin and a colossal \$5.11 trillion market capitalization as detailed in its NVIDIA Market View, Nvidia possesses unmatched financial resources to subsidize this consumer expansion and squeeze legacy PC chip manufacturers.

**What to watch:** Whether the fall launch of RTX Spark laptops from partners like ASUS, HP, and Lenovo translates into actual retail volume or remains confined to a niche premium developer market.

## Space Speculation Meets Physical Bottlenecks

The speculative frenzy triggered by SpaceX's landmark public filing has collided head-on with the harsh physical realities of launch infrastructure vulnerability. The massive scale of SpaceX's ambition was laid bare in its Form S-1 registration statement, analyzed in a KraneShares S-1 Analysis:

*"SpaceX has identified a 'quantifiable' total addressable market (TAM) of \$28.5 trillion dollars, which it calls the largest actionable TAM in human history." — [SpaceX S-1 IPO Filing]*

However, the fragility of the physical infrastructure supporting these valuations was exposed when Blue Origin's New Glenn rocket suffered a catastrophic prelaunch explosion, as reported by Reuters:

*"The launch pad was 'practically destroyed' and engineers expect at least a six-month disruption, if not longer..." — [Blue Origin Launch Bottleneck]*

While retail capital has bid up proxy space equities like AST SpaceMobile to an astronomical price-to-sales multiple of 518.25 according to its AST SpaceMobile Market View, the Blue Origin disaster highlights that physical delivery remains bottlenecked by a highly concentrated launch infrastructure. This bottleneck directly threatens Amazon's Project Kuiper deployment deadlines and reinforces SpaceX's dominant near-monopoly right as it prepares to list on the Nasdaq.

**What to watch:** Whether SpaceX's upcoming June listing under the ticker SPCX drains speculative liquidity directly out of highly valued proxy space equities.

## The Geopolitical Risk Premium in Energy

Energy markets are swinging violently as escalating military confrontations in the Middle East disrupt a fragile truce, directly countering signs of weakening industrial demand. As reported by Reuters, a renewed exchange of military strikes between the United States and Iran has abruptly reversed a major market correction:

*"Over May, Brent and WTI lost around 19% and 17%, respectively. It was both contracts' biggest monthly fall in absolute terms since March 2020 when the coronavirus pandemic slashed energy demand." — [Crude Oil Price Rebound]*

The escalation has introduced severe risks to key maritime shipping lanes, with IG analyst Tony Sycamore noting in the same Reuters report:

*"Concerns are rising about mines in the Strait of Hormuz, a key oil and gas shipping lane..." — [Crude Oil Price Rebound]*

The direct military exchange and mining of the Strait of Hormuz have injected an immediate risk premium, pushing Brent crude futures back up to \$93.80 a barrel. However, this supply-side shock is actively fighting structural demand headwinds, as evidenced by stalling Chinese factory activity and Saudi Arabia lowering its official selling prices to Asia.

**What to watch:** Whether reports of naval mines in the Strait of Hormuz lead to actual commercial shipping disruptions or if diplomatic channels manage to defuse the transit risk.

## What surprised us

- **SpaceX is secretly a massive AI compute provider.** The S-1 filing revealed a staggering Cloud Services Agreement with Anthropic, which has agreed to pay SpaceX \$1.25 billion per month through May 2029 for compute capacity on its COLOSSUS supercomputers [SpaceX S-1 IPO Filing]. This single contract implies over \$40 billion in potential revenue, fundamentally altering how investors must value SpaceX relative to traditional aerospace firms.
- **The extreme valuation froth in space proxies.** Retail investors seeking liquid substitutes for SpaceX have driven Rocket Lab's price-to-sales ratio to an astronomical 122.22 and AST SpaceMobile's to 518.25 [SpaceX S-1 IPO Filing]. These valuations exist despite Rocket Lab posting a \$45.0 million net loss in Q1 2026 [SpaceX S-1 IPO Filing] and ASTS facing severe deployment bottlenecks that make meaningful revenue unlikely before 2028 [Blue Origin Launch Bottleneck].
- **Amazon's regulatory race is in severe jeopardy.** The catastrophic explosion of Blue Origin's New Glenn booster "practically destroyed" Launch Pad 36, halting launches for at least six months [Blue Origin Launch Bottleneck]. This leaves Amazon with almost no viable path to meet its FCC mandate to deploy half of its 3,236 satellite Project Kuiper constellation by July 2026, as Falcon 9 carries only half the payload capacity of New Glenn [Blue Origin Launch Bottleneck].
- **The sheer scale of May's crude oil correction.** Prior to the weekend's geopolitical escalation, Brent and WTI recorded their largest absolute monthly falls since the March 2020 pandemic onset [Crude Oil Price Rebound]. This underscores how quickly physical demand expectations can deteriorate when China's factory activity stalls.

## Appendix: Findings

### Nvidia Enters Premium PC Market with 1-Petaflop "RTX Spark" Superchip

## Nvidia Enters Premium PC Market with 1-Petaflop "RTX Spark" Superchip

At Computex 2026 in Taipei, NVIDIA officially announced its entry into the premium personal computer market with the unveiling of the **NVIDIA RTX Spark™** Superchip. Purpose-built for the era of on-device personal AI agents, the processor represents a major architecture shift, combining an Arm-based CPU and a Blackwell-architecture GPU to deliver a massive 1 petaflop (1,000 TOPS) of local AI performance. This represents a direct challenge to the "Copilot+ PC" chips from Intel, AMD, and Qualcomm, which currently top out at 40–50 NPU TOPS.

According to the NVIDIA Newsroom announcement, the superchip features:

- **Hardware Integration:** An NVIDIA Blackwell RTX GPU with 6,144 CUDA cores and fifth-generation Tensor Cores utilizing FP4 precision. This is connected via NVIDIA's high-speed NVLink-C2C chip-to-chip interconnect to a custom 20-core Arm-based NVIDIA Grace CPU, designed in collaboration with MediaTek.
- **Unified Memory:** Up to 128GB of unified memory on portable devices (and up to 768GB on desktop towers), allowing users to run 120-billion-parameter large language models with up to 1 million tokens of context locally.
- **Software & Agentic OS Ecosystem:** A deep partnership with Microsoft to deliver native Windows experiences for personal AI agents. This includes new Windows security and containment primitives alongside the **NVIDIA OpenShell™** runtime, which allows local agents (like OpenClaw and Nous Research's Hermes Agent) to run securely on-device, intelligently routing queries to local models or masking personal data when querying cloud models.
- **Hardware Partners:** Slim Windows laptops and compact desktops powered by RTX Spark will launch this fall from ASUS, Dell Technologies, HP Inc., Lenovo, Microsoft Surface, and MSI, followed by Acer and GIGABYTE.
- **Creative Suite Optimization:** Adobe is rearchitecting Photoshop and Premiere from the ground up for RTX Spark, delivering up to 2x faster performance across editing and AI-powered tasks like Firefly Generative Fill.

### The Strategic Thesis

This launch represents a crucial expansion of Nvidia's hardware moat from the cloud data center to the edge. By bypassing standard NPUs and bringing its full CUDA, RTX, and TensorRT stack into a single consumer superchip, Nvidia is attempting to establish the definitive runtime environment for personal AI agents.

According to the public market snapshot on NVIDIA's Market View, Nvidia boasts a market capitalization of \$5.11 trillion, supported by trailing twelve-month (TTM) revenue of \$253.49 billion

(+85.2% YoY) and an outstanding gross margin of 74.1%. In its latest quarter ending April 30, 2026, Nvidia generated \$81.61 billion in revenue and reported \$48.59 billion in quarterly free cash flow. This massive cash engine gives Nvidia unmatched R&D resources to subsidize and scale its consumer silicon push, threatening the long-term pricing power and market share of legacy PC chipmakers.

## Verbatim Quotes

From the NVIDIA Newsroom:

"The PC is being reinvented," said Jensen Huang, founder and CEO of NVIDIA. "For forty years, you launched apps. Click. Type. With RTX Spark and Microsoft Windows, you ask — and the PC does the work. RTX Spark brings everything NVIDIA has built — CUDA, RTX, our AI platform — into a single superchip. Local agents. Frontier models. Creative workflows. RTX games. All on a laptop. This is the new PC. The personal AI computer."

From the NVIDIA Newsroom:

"Our upcoming HP OmniBooks powered by NVIDIA will be one of the thinnest RTX Spark laptops, combining NVIDIA's RTX performance, the breadth of the Windows ecosystem and the efficiency of unified memory to deliver unprecedented portable power for agentic developers." — Bruce Broussard, interim CEO of HP Inc.

Instance of [[c6804d1112a8c]]{why="To displace a horizontal incumbent, you stop competing on breadth and instead force your specific technical constraints to become the mandatory environment where the work is performed, effectively making your specialized architecture the prerequisite for achieving the desired outcome."}

### Sources

- NVIDIA and Microsoft Reinvent Windows PCs for the Age of Personal AI

## SpaceX S-1 IPO Filing Triggers Massive Space Sector Re-Rating

# SpaceX S-1 IPO Filing Triggers Massive Space Sector Re-Rating

SpaceX made public its highly anticipated Form S-1 registration statement on May 20, 2026, setting the stage for a historic initial public offering (IPO) scheduled for June 12, 2026, on the Nasdaq exchange under the ticker **SPCX**. The company is targeting a valuation of at least \$1.8 trillion to \$2.0 trillion and seeking to raise \$75 billion in proceeds, making it the largest IPO in modern Wall Street history.

The S-1 filing provides the first comprehensive look at SpaceX's financial performance, segment economics, and strategic expansion into AI compute infrastructure:

- 1. Financial Performance & Segment Profitability:** In 2025, SpaceX generated \$18.7 billion in revenue but reported a \$4.9 billion net loss, reflecting the extreme capital intensity of building its satellite constellation and launch infrastructure.
  - **Connectivity (Starlink):** Starlink has officially overtaken Launch as SpaceX's primary economic engine and is already operating at attractive margins. Connectivity generated \$11.39 billion in revenue in 2025 and \$3.26 billion in Q1 2026.
  - **Space (Launch):** Launch is a scaled but lower-margin business, with revenue growth from commercial and government contracts offset by steep depreciation and ongoing R&D for Starship and reusable booster technology.
- 2. The \$28.5 Trillion TAM & AI Infrastructure Surprise:** SpaceX has framed its total addressable market (TAM) at an eye-catching \$28.5 trillion, which includes \$370 billion in Space, \$1.6 trillion in Connectivity, and a massive \$26.5 trillion in AI. The company is actively monetizing its GPU-rich supercomputers, **COLOSSUS** and **COLOSSUS II**. SpaceX disclosed a Cloud Services Agreement with Anthropic, under which Anthropic has agreed to pay a staggering **\$1.25 billion per month** through May 2029 for compute capacity, implying over \$40 billion in contracted revenue (subject to a 90-day cancellation clause).
- 3. Corporate Assets & Governance:** SpaceX disclosed corporate holdings of 18,712 bitcoin, valued at approximately \$1.3 billion to \$1.5 billion. Post-IPO, SpaceX will operate as a "controlled company," ensuring Elon Musk maintains absolute voting control via super-voting shares.

### The "SpaceX Multiplier Effect" and Sector Re-Rating

The impending arrival of a \$1.8 trillion pure-play space giant has triggered an extraordinary re-rating across public space equities, which are experiencing a speculative boom reminiscent of the early EV bubble. Short-sellers are facing a painful squeeze as capital floods into the sector's few public listings, driving valuations to extreme levels:

- **Rocket Lab USA (RKLB):** According to Rocket Lab's Market View, shares have surged 73.9% over the past month and 99.5% over the last three months to \$143.48. This gives Rocket Lab an astronomical market capitalization of **\$83.06 billion** and an extreme price-to-sales (P/S) ratio of **122.22**, despite being unprofitable with a net loss of \$45.0 million on \$200.3 million in revenue in Q1 2026.
- **AST SpaceMobile (ASTS):** According to AST SpaceMobile's Market View, the space-based cellular broadband developer trades at a market capitalization of **\$44.02 billion** with a price-to-sales ratio of **518.25**, despite reporting a net loss of \$191.0 million in Q1 2026 on TTM revenue of just \$84.9 million.

While the S-1 filing has validated the commercial viability of satellite networks and space infrastructure, the astronomical multiples of these proxy stocks present major valuation risks for retail investors who are treating them as liquid substitutes for SpaceX ahead of its June listing.

## Verbatim Quotes

From the KraneShares S-1 Analysis:

"SpaceX has identified a 'quantifiable' total addressable market (TAM) of \$28.5 trillion dollars, which it calls the largest actionable TAM in human history. This 28.5 trillion figure spans three broad areas: \$370 billion in Space, \$1.6 trillion in Connectivity, and \$26.5 trillion in AI."

From the KraneShares S-1 Analysis:

"Under those agreements, Anthropic agreed to pay \$1.25 billion per month through May 2029, with reduced pricing during the initial May and June 2026 ramp period. If the agreements remain in place for the full term, they imply more than \$40 billion of potential contracted revenue, although either party can terminate with 90 days notice."

Instance of `[[c6a2db3dff16e]]{why="When corporations dump billions into hardware to capture a future market, investors mistake the act of spending for value creation, causing them to pile capital into smaller, riskier peers as flawed substitutes for the locked-up potential of the dominant player."}`

### Sources

- SpaceX IPO: 5 Key Takeaways From the S-1 Filing
- ASTS, RKL, RDW, LUNR slip overnight: SpaceX IPO hype loses orbit

## Blue Origin Rocket Explosion Exposes Severe Launch Bottlenecks

# Blue Origin Rocket Explosion Exposes Severe Launch Bottlenecks

On the night of Thursday, May 28, 2026, Blue Origin's heavy-lift **New Glenn** rocket suffered a catastrophic explosion during a prelaunch static-fire engine test at Cape Canaveral Space Force Station in Florida. The incident, which sent a massive fireball into the sky, has resulted in severe damage to Launch Pad 36 and represents a major setback for Jeff Bezos' space ambitions, while exposing critical launch bottlenecks for the commercial space industry.

According to a detailed report by Reuters, the fallout from the explosion is widespread:

- **Launch Pad "Practically Destroyed":** The New Glenn booster, named "*No, It's Necessary*" (a nod to the film *Interstellar*), was completely wrecked. More importantly, Launch Pad 36 was severely damaged, and engineers expect a rebuilding process that will take **at least six months, if not longer**, halting all New Glenn launch schedules.
- **Amazon Project Kuiper in Jeopardy:** Amazon is legally mandated by the FCC to deploy half of its planned 3,236 satellite broadband constellation (over 1,600 satellites) by July 2026 to retain its regulatory license. Amazon was heavily relying on New Glenn's massive payload capacity and rapid launch cadence to meet this tight deadline. Shifting these payloads to SpaceX's Falcon 9 is highly problematic because the Falcon 9 can carry only half as many satellites per launch, which would double the required mission count in an already severely capacity-constrained launch market.
- **NASA Lunar Timeline Threat:** The rocket was scheduled to deploy Blue Origin's first Blue Moon robotic lunar lander later this year. The explosion threatens NASA's near-term Artemis lunar schedules, as payloads are specifically engineered around the structural and vibration profiles of particular launch vehicles, making cross-vehicle reassignments slow and complex.

### Space Sector Sell-Off and Execution Bottlenecks

The explosion has punctured the retail speculative bubble in public space equities. On Monday, June 1, 2026, space stocks slid in premarket and early trading, with AST SpaceMobile (ASTS) dropping 5%, and Rocket Lab (RCLB) and Intuitive Machines (LUNR) shedding 3%.

The accident has forced investors to confront the fragile reality of space launch schedules. For satellite-to-cellular developer AST SpaceMobile, the launch bottleneck is a primary risk. As reported by Stocktwits, prominent telecom analyst Tim Farrar warns that ASTS's deployment timeline is likely much slower than the market's hyper-optimistic expectations:

- Farrar noted on X that ASTS is realistically limited to **3 to 5 launches on SpaceX's Falcon 9 in 2026**, which would require securing additional launch slots.
- Consequently, Farrar believes continuous commercial service is highly unlikely before **2028**, and that intermittent coverage in 2027 will fail to generate "meaningful revenue," challenging the company's near-term monetization thesis.

Ultimately, the Blue Origin disaster highlights that while space valuations have soared on SpaceX IPO hype, the physical delivery of satellites remains bottlenecked by a highly concentrated, fragile launch infrastructure. This further reinforces SpaceX's dominant near-monopoly in heavy-lift capabilities, right as it prepares to list on the Nasdaq.

### Verbatim Quotes

From Reuters:

"The launch pad was 'practically destroyed' and engineers expect at least a six-month disruption, if not longer, said a person familiar with the matter who declined to be named because they are not authorized to speak with media."

From Stocktwits:

"Farrar said that intermittent coverage may not generate 'meaningful revenue' in 2027, raising fresh questions about ASTS' path to monetization."

Instance of [[c0da03e8b6678]]{why="Financial markets often price in guaranteed future delivery from slow-moving, hardware-heavy industries, creating a brittle reliance on milestones that capital cannot accelerate; consequently, whenever a routine operational delay occurs, the market lacks the buffer to absorb the shock, turning minor setbacks into massive, disproportionate valuation collapses."}

#### Sources

- Blue Origin faces months of delays after rocket explosion damages launch pad
- ASTS, RCLB, LUNR, RDW, RKTO Extend Slide Premarket After Blue Origin Blowup

### Geopolitical Strikes Rebound Crude Oil Prices Past \$90/bbl

## Geopolitical Strikes Rebound Crude Oil Prices Past \$90/bbl

On Monday, June 1, 2026, crude oil prices jumped more than 3% as a renewed exchange of military strikes between the United States and Iran fractured hopes of an extension to a fragile ceasefire. The geopolitical escalation has injected fresh risk premiums into energy markets, reversing a severe sell-off in May.

According to a Reuters report:

- **Price Movements:** Brent crude futures rose \$2.68 (3.0%) to **\$93.80 a barrel**, while West Texas Intermediate (WTI) crude futures jumped \$3.03 (3.5%) to **\$90.39 a barrel**.
- **Reversal of May's Drop:** This rebound follows a brutal month of May in which Brent and WTI lost approximately 19% and 17% of their value, respectively. That marked the largest absolute monthly drop since March 2020 (the onset of the COVID-19 pandemic), driven by rising optimism surrounding U.S.-hosted peace talks and signs of slowing manufacturing activity in China.
- **Geopolitical Catalysts:** Over the weekend, the U.S. and Iran traded military strikes, with the Pentagon targeting Iranian radar and drone installations, and Iran launching retaliatory attacks against a U.S. military base in Kuwait. Concurrently, Israel ordered troops to advance further into southern Lebanon, capturing Beaufort Castle in its campaign against Iran-backed Hezbollah.
- **Shipping Lane Risks:** Concerns are intensifying over shipping lanes in the Strait of Hormuz. Reports indicate that Iran has dropped additional naval mines in the strait, threatening critical oil and gas transit.

### The Demand vs. Supply Tug-of-War

The energy market is currently caught in a sharp narrative split between supply-side geopolitical disruption and weakening global demand:

- **The Bull Case (Supply Disruption):** Analysts warn that a breakdown of the U.S.-Iran ceasefire and mining of the Strait of Hormuz could severely restrict Middle Eastern supply. IG analyst Tony Sycamore noted that even if a diplomatic agreement is eventually salvaged, it is unlikely to "deliver a flood of supply," keeping structural supplies tight.
- **The Bear Case (Weak Global Demand):** On Sunday, Goldman Sachs flagged that weak oil demand in China and Europe represents a major downside risk to its Q4 Brent forecast of \$90/bbl and WTI forecast of \$83/bbl. China's factory activity stalled in May, pointing to a loss of momentum in the world's second-largest economy. Furthermore, Saudi Arabia is expected to lower its official selling prices (OSPs) for crude oil to Asia in July for a second consecutive month, reflecting soft demand.

According to the public market snapshot on the Energy Sector Market View, major oil and gas producers are trading with highly divergent performance metrics amidst this volatility. Exxon Mobil (XOM) maintains its dominant market capitalization of \$602.10 billion (+2.6% revenue growth YoY), while Chevron (CVX) stands at \$363.39 billion (+2.3% YoY). ConocoPhillips (COP) boasts a strong operating profit margin of 22.1% despite a 5.3% YoY revenue decline, and oilfield services giant Schlumberger (SLB) trades at a PE ratio of 24.03, supported by a recent massive share acquisition of 21.09 million shares by Norges Bank.

### Verbatim Quotes

From Reuters:

"Over May, Brent and WTI lost around 19% and 17%, respectively. It was both contracts' biggest monthly fall in absolute terms since March 2020 when the coronavirus pandemic slashed energy demand."

From Reuters:

"Concerns are rising about mines in the Strait of Hormuz, a key oil and gas shipping lane, IG analyst Tony Sycamore said in a note. 'Even if an agreement is reached, it won't deliver a flood of supply,' Sycamore said."

Instance of `[[c0da03e8b6678]]`{why="When physical throughput becomes the hard limit for an industry, the market ceases to reward cost-efficiency and immediately shifts to prioritizing the guaranteed delivery of the scarce input at any price."}

#### **Sources**

- Oil rises as US, Iran trade strikes, Israel moves further into Lebanon