

The SpaceX IPO Fade

Base Rates, the Disappearing Index Effect,
and the SPCX Lockup Calendar

A pre-listing research report on
Space Exploration Technologies Corp. (Nasdaq: SPCX)

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Prepared prior to the first trade (expected on June 12, 2026)

DISCLOSURE. The author holds, and/or intends to initiate, short positions and/or put options in SPCX and will profit if the price of SPCX declines. This document expresses the author's opinions and is provided for informational purposes only. It is not investment advice, an offer, or a solicitation. The author is not a registered investment adviser. All forward-looking statements are probabilistic estimates derived from historical base rates and may prove wrong. Readers should do their own work and consult their own advisers.

All data, code, and output tables are public:
https://github.com/SukhmanH/SpaceX_Thesis

Thesis

Short SPCX. From the day-1 intraday high, SPCX underperforms the Nasdaq-100 by 25 to 40 percentage points within 180 trading days. Large traditional IPOs of this size give back a median 29.2% against QQQ over that window, and 79% of them fade. The one scheduled buying catalyst, index inclusion, has produced zero rebalance-day abnormal return since 2010. The S-1 lockup calendar releases insider supply starting at trading day +38, immediately after the inclusion window clears, and completes at +180, the horizon at which the historical cohort's median fade reaches -29% . The trade is not day-one weakness; the asymmetry develops after index entry, as supply arrives into a market with no remaining scheduled buyer.

Abstract

Space Exploration Technologies Corp. is expected to begin trading on Nasdaq under the symbol SPCX on June 12, 2026, in one of the largest initial public offerings ever completed. The offering prices at a fixed \$135 per share, implying roughly \$1.75 to \$1.8 trillion of initial market capitalization on a public float of approximately 4 to 5% of shares outstanding. This report makes no forecast about the company's engineering or commercial trajectory. It asks a narrower question: what happens, on average, to very large IPOs after the first day of trading, and does anything in the SPCX listing structure suggest this offering will escape that average? Three studies follow. Study 1 measures every traditional underwritten IPO since 2010 that listed above \$5B and finds the large-capitalization cohort gives back a median 29.2% against the Nasdaq-100 benchmark within 180 trading days of the day-1 high ($t = -6.51$, $n = 63$), with 79% of names fading. Study 2 documents that the clean rebalance-day index-inclusion pop has been statistically zero since at least 2010, removing the most commonly cited bull catalyst. Study 3 maps the SPCX lockup calendar from the Form S-1 and shows that the schedule has the effect of releasing insider supply into and after the window of mechanical index demand. Three falsifiable predictions are committed before the first trade.

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1 Introduction and Summary of Findings

Space Exploration Technologies Corp. filed its Form S-1 with the SEC on May 20, 2026 and is expected to begin trading on Nasdaq under the symbol SPCX on June 12, 2026. The offering will rank among the largest in market history. The structure is a dual-class controlled company: Class A shares carry one vote, Class B shares carry ten, and existing holders retain control after the listing.

The offering terms sharpen the setting. The deal prices at a fixed \$135 per share rather than a bookbuilt range, implying an initial market capitalization of roughly \$1.75 to \$1.8 trillion. The public float is approximately 4 to 5% of shares outstanding, on the order of \$75 billion, and roughly 30% of the offering is allocated to retail investors, several times the conventional 5 to 10% (Section 8, items 5 to 7). These terms matter for what follows: index funds executing fast entry must buy into a 4 to 5% float, and the lockup calendar then expands tradable supply many times over within 180 trading days.

This report takes no position on the company’s engineering or commercial merit. The thesis is about the security, not the company. Specifically, it is about three things: what happens to very large IPOs after the first print; a bull catalyst that the data show no longer exists; and a lockup calendar that has the effect of releasing insider supply into the window of mechanical index demand.

The findings, in brief:

1. **The base rate.** Traditional underwritten IPOs that listed above \$10B since 2010 gave back a median 29.2% relative to the Nasdaq-100 (QQQ) within 180 trading days of the day-1 intraday high ($t = -6.51$, $p < 0.001$, $n = 63$). Fifty of sixty-three names, 79%, finished below their market-adjusted starting point.
2. **The shape.** The fade is not immediate. Prices sit pinned a few percent below the day-1 high through the first month (medians between -4.5% and -6.3%), then drop: -14.2% by day 60, -24.3% by day 90, -29.2% by day 180. The flat zone coincides with the index-inclusion window.
3. **The dead catalyst.** The clean rebalance-day inclusion pop, the most cited reason to own SPCX into index entry, has been statistically zero in every era since 2010. Inclusion flows are anticipated and fully front-run.
4. **The calendar.** The S-1 lockup schedule begins releasing insider shares at trading day +38, immediately after the first public earnings report, and completes at +180. Nasdaq-100 fast entry is expected near +15. Supply arrives just after the mechanical demand clears.

Because base-rate arguments are cheap after the fact, Section 6 commits three falsifiable predictions before the first trade, including one designed to break the thesis if it is wrong. Sections 2 through 5 present the data, the three studies, and the methods; Section 7 states the limitations plainly; Section 8 documents sources and reproducibility. Every number in this report is generated by committed code from public data.

2 Data and Methodology

2.1 Universe construction

The reference class is built to match the SPCX liquidity event as closely as possible: traditional underwritten IPOs of large companies on US exchanges. Candidate listings since January 2010 were derived automatically by crossing Jay Ritter’s University of Florida IPO database with the Nasdaq listing calendar, then verifying

offer dates and listing types against SEC EDGAR filings and price history from Yahoo Finance. Direct listings, SPACs and de-SPAC mergers, spinoffs, and uplistings are excluded because they are different liquidity events: different float mechanics, different lockups, different price discovery.

The result is 153 traditional underwritten IPOs with market capitalization above \$5B at listing. Of these, 68 listed above \$10B (the “large-cap” cohort, the closest size analog to SPCX), of which 63 have complete price history through trading day +180. The full universe audit, including every name examined and every exclusion reason, is committed to the repository.

2.2 Return definitions

Peak reference. All drawdowns are measured from the day-1 daily high: the observed intraday maximum on the first trading day. This reference is conservative relative to higher post-IPO peaks, which many names print in the first weeks of trading; measuring from those later peaks would deepen every fade reported here.

Horizons. Returns are measured at the day-1 close and at trading-day offsets +5, +10, +15, +20, +60, +90, and +180 from the listing date, with +120 and +250 used as robustness extensions.

Market adjustment. Every headline number is market-adjusted: the stock’s cumulative return from the peak reference minus the benchmark’s cumulative return over the identical window. The primary benchmark is QQQ (Nasdaq-100); SPY and IWM are used in robustness checks. Note that a market-adjusted return can fall below -100% when the benchmark rises while the stock falls; the worst observation in the sample is -100.3% .

2.3 Statistics

The median is the central tendency throughout, because post-IPO returns are right-skewed by a small number of runaway winners. Means are reported alongside standard errors and two-sided t -statistics against zero. Significance stars follow the usual convention (*** $p < 0.01$, ** $p < 0.05$, * $p < 0.10$). The t -statistics assume independence across events; this assumption and its consequences are discussed in Section 7.

3 Study 1: The IPO Fade

3.1 Headline result

Table 1 reports the market-adjusted return from the day-1 high through trading day +180 for each cohort. Figure 1 plots the median paths.

Table 1: Market-adjusted return from day-1 high through +180 trading days (vs QQQ)

Cohort	n	Median	Mean	t
Large-cap (>\$10B at listing)	63	−29.2%	−30.2%	−6.51***
Hot (top first-day pop tercile)	44	−24.2%	−27.1%	−4.80***
Mid pop tercile	44	−24.5%	−24.5%	−4.30***
Cold (bottom pop tercile)	44	−24.6%	−25.2%	−4.43***
Large-cap $\cap$ Hot (closest SPCX analog)	19	−31.7%	−37.3%	−4.71***
Large-cap $\cap$ Hot, trimmed (excl. BEKE, MBLY)	17	−33.1%	−43.0%	

Universe: traditional underwritten IPOs >\$5B at listing, 2010 to present. Peak reference: day-1 daily high. *** $p < 0.01$.

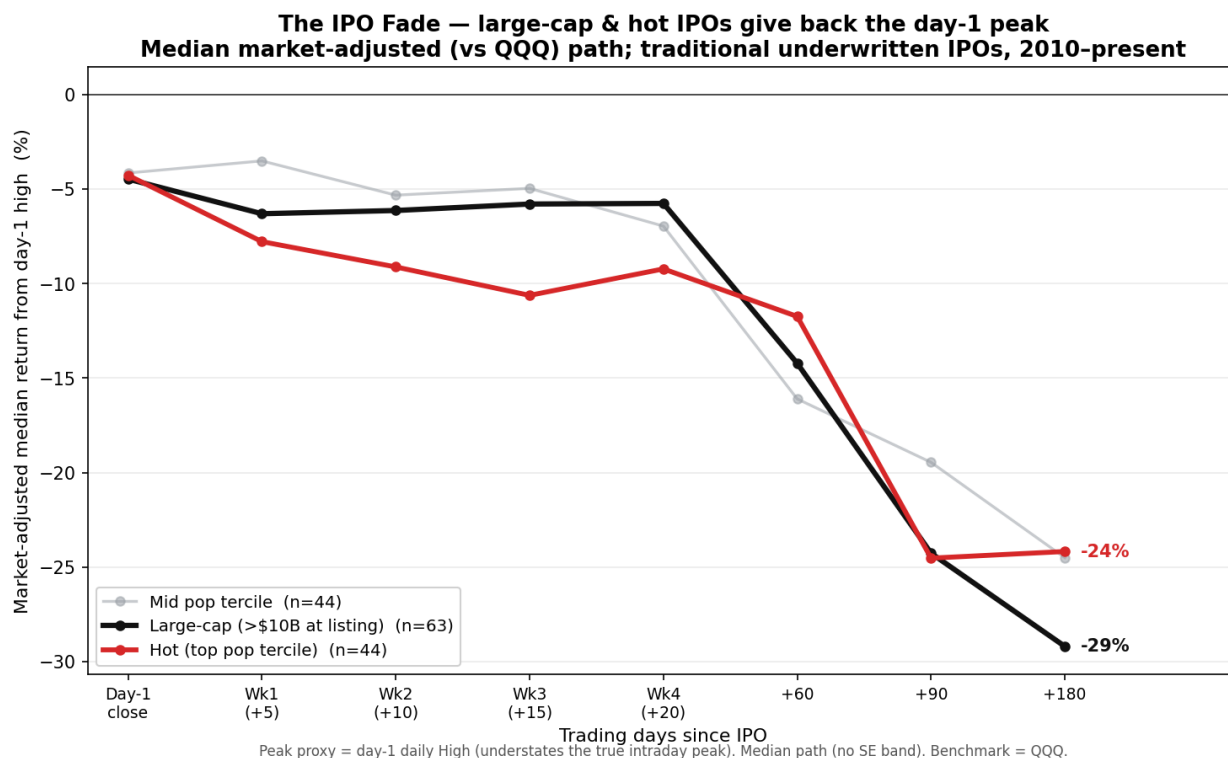


Figure 1: The IPO fade. Median market-adjusted (vs QQQ) path from the day-1 high for the large-cap and pop-tercile cohorts. The large-cap cohort, the closest size analog to SPCX, finishes at -29% .

Two features deserve emphasis. First, the size cut discriminates more than the pop cut: the three first-day-pop terciles are statistically indistinguishable from one another (all near -24% to -25%), while the large-cap cohort is meaningfully worse at -29.2% . Being big is the risk factor, not being hot. Second, the cell that most resembles SPCX, large-cap and hot simultaneously, is the worst cell in the study: median -31.7% ($n = 19$), and median -33.1% with mean -43.0% once the two idiosyncratic positive outliers (BEKE, MBLY) are removed.

3.2 Win rate and distribution

Of the 63 measured large-cap names, 50 finished below their market-adjusted starting point: a 79% fade rate. The distribution is wide but one-sided: the 25th percentile is -56% , the median -29% , the 75th percentile -4% . The minimum is -100.3% and the maximum $+71\%$ (ARM). The thirteen exceptions are catalogued in Appendix B; their composition matters for the bull case and is discussed in Section 7.

3.3 The shape: pinned, then dropping

The path in Figure 1 is not a straight line down. Large-cap medians sit at -4.5% at the day-1 close and remain between -5.8% and -6.3% through week four. The decline arrives afterward: -14.2% by +60, -24.3% by +90, -29.2% by +180. The month of stability coincides with the period when index inclusion is anticipated and executed and when no insider supply has yet been released. The drop coincides with the period when inclusion is complete and lockups begin to expire. Study 3 shows that SPCX's calendar reproduces this alignment almost exactly.

3.4 Decomposition: this is not the market's beta

A natural objection is that 180 trading days of any stock includes 180 days of market risk. The objection runs backward here. Figure 2 decomposes the large-cap fade into its raw and market-adjusted components: the raw median is -19.8% , the market-adjusted median -29.2% . The benchmark rose over the typical measurement window, so adjusting for the market makes the fade deeper, not shallower. The IPO-specific component is the larger part of the loss.

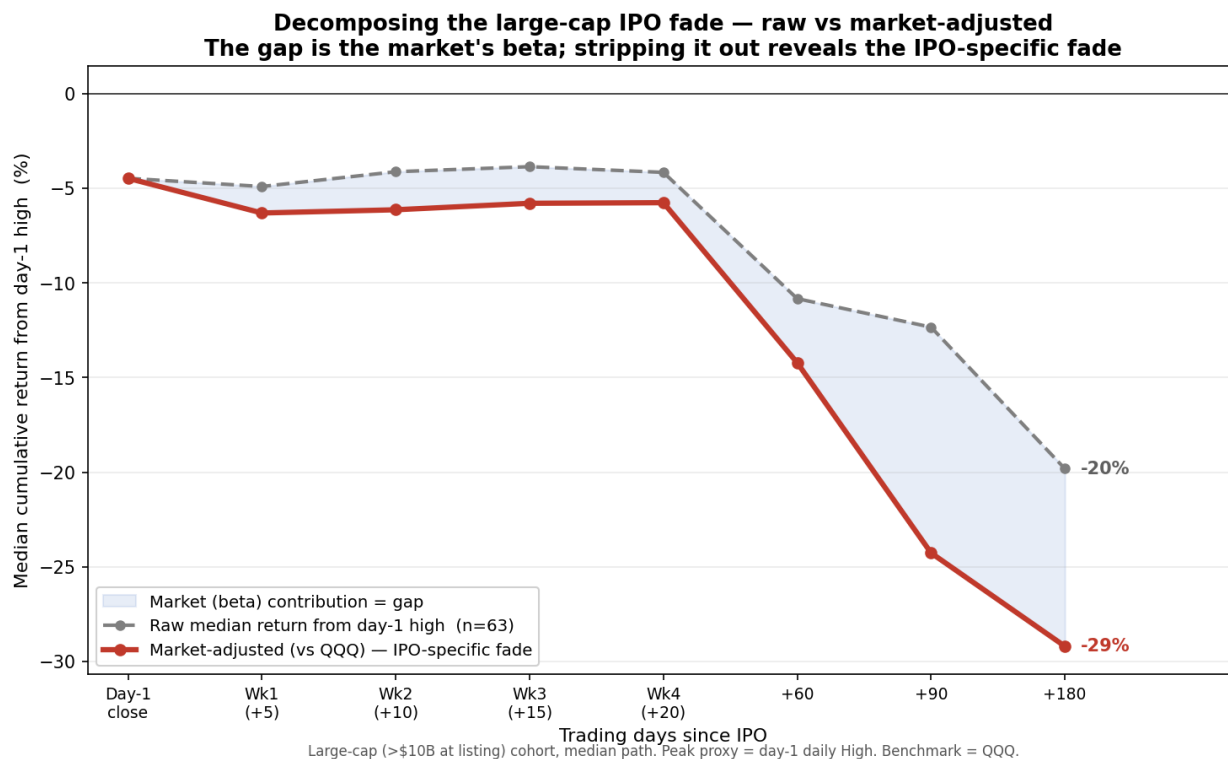


Figure 2: Raw vs market-adjusted median path for the large-cap cohort. QQQ rose over the typical window, so the market-adjusted fade (-29%) is deeper than the raw fade (-20%).

3.5 Robustness

Table 2 re-estimates the headline under alternative peak references, benchmarks, horizons, and volatility regimes. Every specification produces a deeply negative, highly significant fade; the weakest t -statistic in the battery is -4.3 .

Table 2: Robustness battery: large-cap cohort unless noted

Specification	<i>n</i>	Median	Mean	<i>t</i>
Baseline (day-1 high peak, QQQ, +180)	63	−29.2%	−30.2%	−6.51
Peak = day-1 close	63	−25.2%	−25.3%	−5.30
Benchmark = SPY	63	−30.1%	−28.8%	−5.92
Benchmark = IWM	63	−24.7%	−26.9%	−5.45
Horizon = +120 trading days	63	−31.9%	−23.4%	−4.30
Horizon = +250 trading days	62	−42.1%	−36.2%	−7.16
High-VIX listings (all >\$5B names)	66	−33.5%	−34.8%	−7.76
Low-VIX listings (all >\$5B names)	66	−16.8%	−16.5%	−3.67

All cells market-adjusted from the peak reference. VIX split: median listing-day VIX across the 132 measured >\$5B names. Every *t* is significant at $p < 0.001$.

The volatility split is worth noting. IPOs priced into high-volatility regimes fade hardest (−34.8% mean), but the calm-regime floor is still a −16.5% mean with $t = -3.67$. A benign market does not rescue the cohort; it only moderates the damage. The fade also does not mean-revert at the horizon edge: extending to +250 trading days deepens the median to −42.1%.

4 Study 2: The Disappearing Index Effect

The most common bull argument for buying SPCX at or near the open is mechanical: the stock will be added to major indices quickly, and index funds will be forced to buy. The argument was once sound. Study 2 tests whether it still is.

Design. The study uses S&P 500 additions from 2005 to the present as the canonical, best-documented index-inclusion setting; this is explicitly a proxy for Nasdaq-100 mechanics, a limitation discussed in Section 7. Announcement and effective dates are taken from the public record of index changes; abnormal returns are measured against SPY. After exclusions for data availability, 270 addition events are measured. Tesla, the most extreme inclusion event of the period, is excluded from all means and reported separately. The primary measure is the effective-day cumulative abnormal return over [ED−1, ED+1]: the clean window in which forced rebalance buying actually occurs. A 9-day context window [ED−7, ED+1] is shown for comparison but is drift-contaminated: index additions are momentum-selected, so a wide window accumulates idiosyncratic drift that is not a harvestable rebalance effect.

Table 3: S&P 500 inclusion abnormal returns by era (vs SPY)

Era	<i>n</i>	Effective-day CAR [ED−1, ED+1]		9-day context [ED−7, ED+1]	
		Mean	<i>t</i>	Mean	<i>t</i>
2005-2009	18	+1.58%	+1.57	+7.93%***	+4.19
2010-2014	51	+0.11%	+0.21	+0.33%	+0.39
2015-2019	101	−0.10%	−0.30	+0.04%	+0.07
2020-present	100	−0.07%	−0.12	+2.69%***	+2.73

Tesla excluded from all means. *** $p < 0.01$.

The result is unambiguous. The clean rebalance-day pop was modest even in 2005-2009 (+1.58%, not significant) and has been statistically zero in every era since 2010: +0.11%, −0.10%, −0.07%. What remains in the modern data is pre-effective drift (the 2020s wide-window +2.69%***), which is front-running, not a return available to someone buying at inclusion. Tesla is the archetype: +42.6% over its 27-trading-day

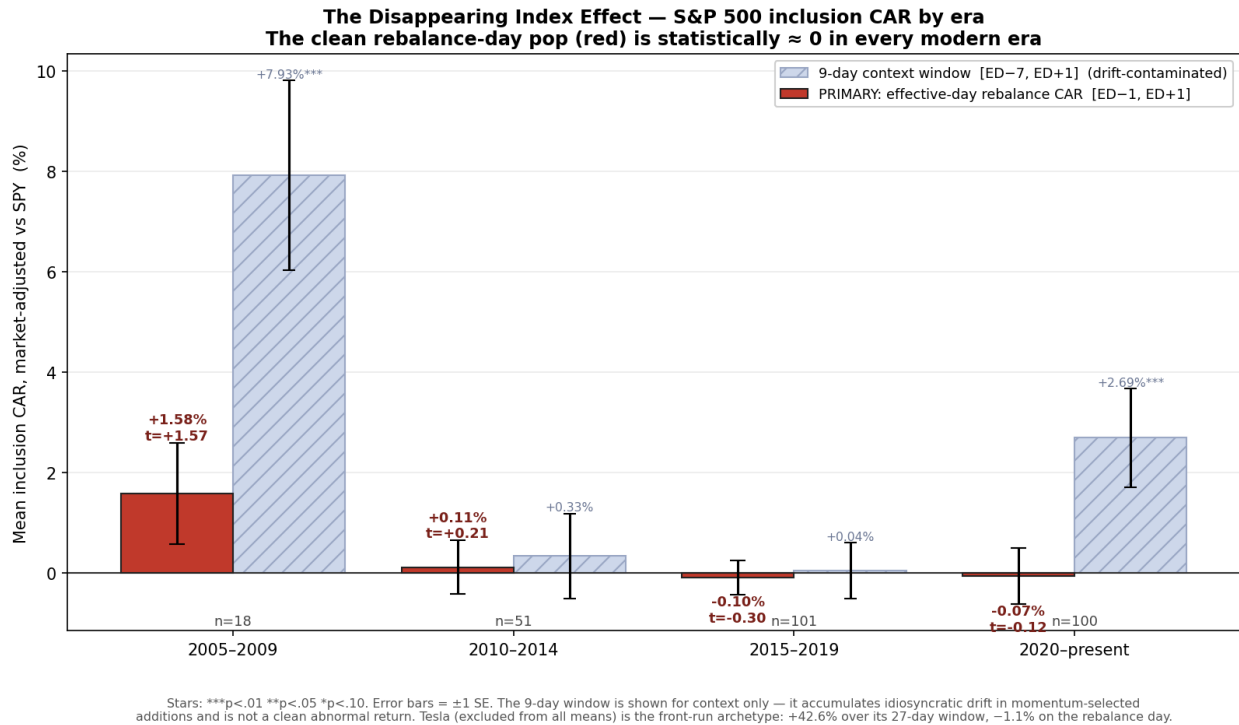


Figure 3: The disappearing index effect. The clean rebalance-day pop (red) is statistically zero in every era since 2010. The wide window (hatched) is drift, not harvestable rebalance return.

announcement-to-effective window, and -1.1% on the rebalance day itself. The flows are real; they are also fully anticipated, sold into, and gone by the time they arrive. For SPCX, this removes the principal scheduled buying catalyst as a reason to own the stock through the inclusion window.

5 Study 3: The SPCX Flow Timeline

Study 3 reads the supply side directly from the Form S-1 (lockup provisions at pp. 258 and 264) and places it on a trading-day calendar against the expected index-demand window.

The structural facts: no insiders sell into the IPO itself; only the company sells primary shares. Elon Musk is fully restricted for the entire lockup term and is exempt from the early-release provisions. Insider supply is instead released in scheduled tranches, two of which are keyed to the first two public earnings reports (calendar dates below are therefore approximations for those tranches; the fixed tranches are exact trading-day offsets).

Read against Study 1 and Study 2, the calendar is striking. Mechanical index demand is expected near trading day +15: inside the window when prices in the historical cohort sit pinned near the peak, while the public float is roughly 4 to 5% of shares outstanding, and before any insider share can be sold. The first tranche, 20% plus a 10% conditional release, unlocks at +38, immediately after the first public earnings report. A majority of eligible insider shares (62%) is free by +103, and the schedule completes at +180, the exact horizon at which the historical cohort's median fade reaches -29% . Whatever the intent behind any individual term, the schedule as written has the effect of releasing supply into mechanical demand: the forced buyers transact first, while float is scarce, and the supply that arrives afterward meets no comparable scheduled buyer.

Table 4: SPCX lockup release schedule (from the Form S-1), first trade June 12, 2026

Trading day	Calendar date	Tranche	Cumulative
0	Jun 12, 2026	IPO: primary shares only; no insider selling	0%
+38	Aug 7, 2026	20% after Q2'26 earnings (first public report; approx.)	20%
+38	Aug 7, 2026	+10% conditional (close $\geq 30\%$ over offer, 5 of 10 days)	up to 30%
+70	Sep 23, 2026	7%	27%
+90	Oct 21, 2026	7%	34%
+103	Nov 9, 2026	28% after Q3'26 earnings (approx.)	62%
+105	Nov 11, 2026	7%	69%
+120	Dec 3, 2026	7%	76%
+135	Dec 24, 2026	7%	83%
+180	Mar 3, 2027	Remainder	100%

Cumulative column excludes the conditional tranche. Nasdaq-100 fast entry is expected near trading day +15 (approximately July 7, 2026).

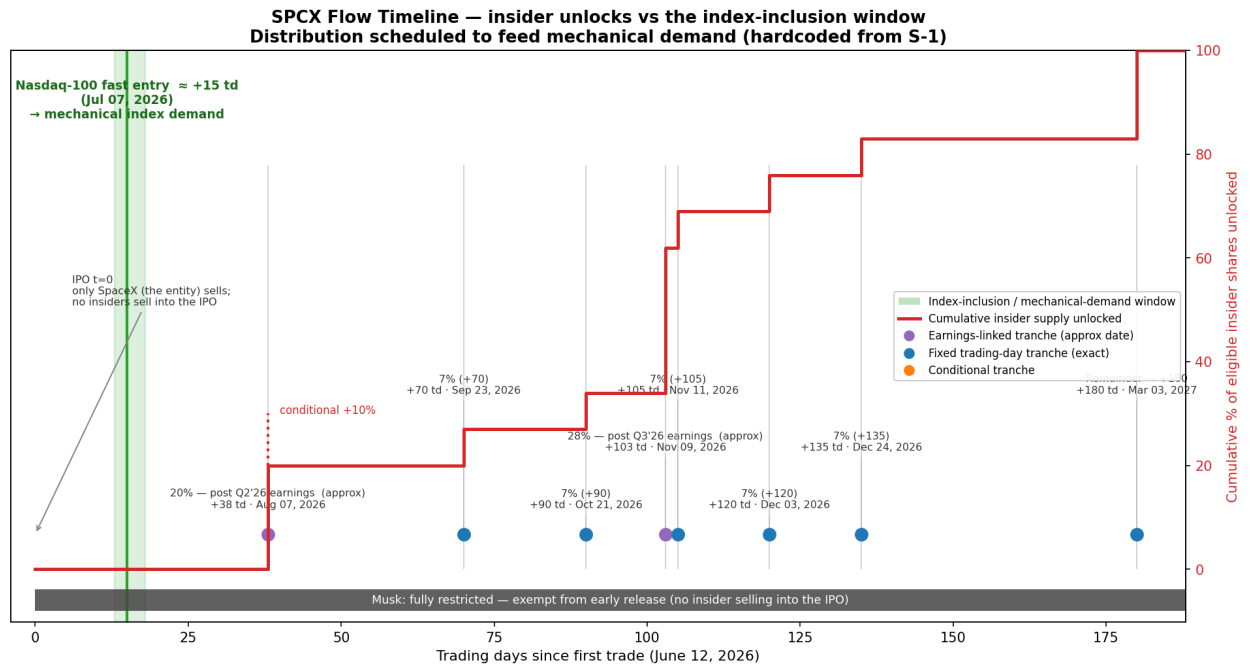


Figure 4: SPCX flow timeline. Index-inclusion demand (green window, near +15) arrives while float is scarcest and no insider shares have been released. Insider supply (red step) begins at +38, immediately after the first public earnings report, and completes at +180.

6 Synthesis and Predictions

The three studies compose into a single statement. The base rate says a listing of this size gives back roughly 30% against the Nasdaq within 180 trading days of the day-1 high (Study 1). The one scheduled buying catalyst that bulls cite, index inclusion, has produced zero abnormal return at the rebalance since 2010 (Study 2). And the SPCX supply calendar concentrates insider share releases in precisely the window where the historical cohort's decline accelerates (Study 3). Nothing in this argument requires an opinion about rockets.

So that the thesis can be scored rather than reinterpreted, the following predictions are committed before the first trade:

- P1. The fade.** SPCX underperforms QQQ by 25 to 40 percentage points, measured from the day-1 intraday high through trading day +180.
- P2. The dead catalyst.** Measured as the cumulative abnormal return against QQQ over the window [ED−1, ED+1] around the Nasdaq-100 effective (rebalance) day, the inclusion pop is below 1 percentage point and statistically indistinguishable from zero.
- P3. The shape (falsification anchor).** SPCX trades flat to the market, within roughly ± 10 percentage points of QQQ, through the first four weeks of trading spanning the inclusion window, and is then materially lower by trading day +90. If SPCX instead sustains outperformance through +90, the thesis is wrong and should be abandoned, not reinterpreted.

The P1 band is taken from the central estimates of Study 1 rather than chosen for effect: cohort medians run from −24% (the pop terciles) through −29.2% (large-cap) to −33.1% (the trimmed large-cap and hot cell), with means as deep as −43%; 25 to 40 points brackets that central mass. Consistent with P3, the thesis does not require, or expect, day-one weakness; the asymmetry develops after the inclusion window, as supply begins to arrive.

7 Limitations

Reference class, not mechanism proof. Study 1 is a base-rate argument. It establishes what usually happens to securities like this one; it proves nothing causal about SPCX specifically. The mechanism narrative (scarce float, then supply) is consistent with the shape of the data, but consistency is not identification.

Survivorship. Of 153 candidate names, 21 lack complete price history and are dropped (86% retention; 82%, 86%, and 88% across the three eras). Dropped names skew toward failures: delistings and acquisitions that follow collapses. Their exclusion makes the measured fade smaller than the true fade, so this bias runs against the thesis being overstated; the real base rate is likely worse than reported. Study 2 retention is 91%, highest in the recent eras that drive its conclusion. Appendix C reports the full accounting.

Sui generis risk. The honest bull case is that SpaceX is not drawn from this reference class at all. The thirteen non-faders in Appendix B give that case its shape: the largest positive outliers cluster in AI-era infrastructure (ARM +71%, CRWV +42%, GFS +20%, MBLV +9%), names that listed into inflecting revenue curves. The partial rebuttal is that ARM and CoreWeave entered public markets with revenue visibly accelerating and comparatively contained float schedules, while SPCX lists at roughly \$1.75 to \$1.8 trillion on a 4 to 5% float that the lockup calendar expands many times over inside 180 trading days. Membership in the winner cluster is an assertion about the future; the base rate is a measurement of the past. Readers must weigh which they prefer.

Index proxy. Study 2 measures S&P 500 additions, not Nasdaq-100 additions. The mechanics differ in detail, but both are anticipated, rules-based events traded by the same arbitrage community, and the direction of the result (full anticipation, zero rebalance-day pop) is unlikely to reverse across indices.

Inference. The t -statistics assume independence across events. IPO outcomes share market regimes and overlapping windows, so clustered or bootstrap inference would be more rigorous and would widen the intervals. With t -statistics between -4.3 and -7.8 across the entire robustness battery, the sign and significance of the central result are unlikely to flip, but exact p -values should be read with that caveat.

8 Sources and Reproducibility

Every number, table, and figure in this report is generated by committed code from public data. The repository at https://github.com/SukhmanH/SpaceX_Thesis contains the universe-construction pipeline, the three study scripts, the full universe audit (every candidate examined and every exclusion reason), and the output tables reproduced here. One command rebuilds each study end to end.

1. Space Exploration Technologies Corp., Form S-1, filed May 20, 2026. CIK 0001181412, Accession No. 0001628280-26-036936. Nasdaq (Nasdaq Texas) symbol SPCX; dual-class structure (Class A one vote per share, Class B ten); controlled company; lockup provisions at pp. 258 and 264. <https://www.sec.gov/Archives/edgar/data/1181412/000162828026036936/spaceexplorationtechnologi.htm>
2. Ritter, Jay R., IPO Data, Warrington College of Business, University of Florida.
3. Yahoo Finance price and volume history, accessed via the `yfinance` Python package.
4. Wikipedia, List of S&P 500 index changes (announcement and effective dates), cross-checked against the public record.
5. CNBC, coverage of the SPCX offering terms (fixed \$135 offer price; approximately 30% retail allocation), June 9, 2026. <https://www.cnbc.com/2026/06/09/spacex-ipo-explained-stock-price-date.html>
6. Yahoo Finance, coverage of the SPCX public float (approximately 4 to 5% of shares outstanding), June 2026. <https://finance.yahoo.com/markets/stocks/articles/spacexs-puny-free-float-sparking-093501922.html>
7. Intropic Research Hub, “SpaceX IPO: Game of Flows, Part II” (offering size and expected passive flows). <https://intropic.io/research-hub/spacex-ipo-game-of-flows-part-ii>

A Full Cohort Paths

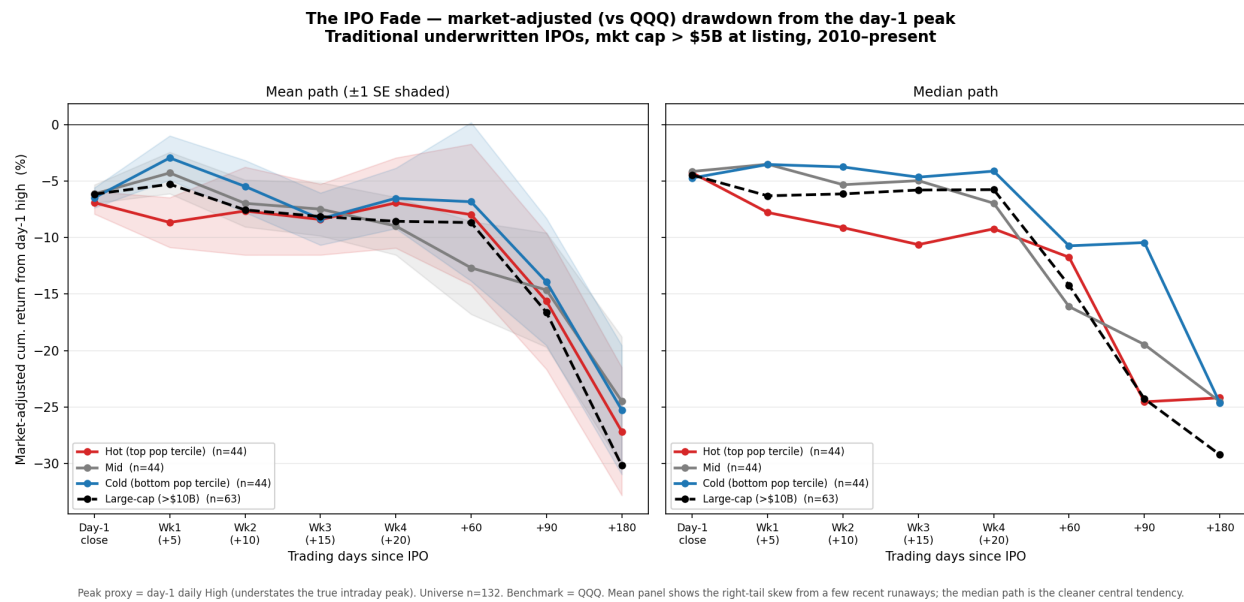


Figure 5: All cohorts, mean (1 SE shaded) and median market-adjusted paths from the day-1 high. The mean panel shows the right-tail skew from a few runaway winners; the median is the cleaner central tendency.

B The Thirteen Non-Faders

Of 63 measured large-cap IPOs, 13 finished at or above their market-adjusted starting point at +180 trading days.

Table 5: Large-cap non-faders: market-adjusted return, day-1 high to +180 (vs QQQ)

Ticker	Company	Return
ARM	Arm Holdings	+71%
VIK	Viking Holdings	+55%
CRWV	CoreWeave	+42%
GFS	GlobalFoundries	+20%
SYF	Synchrony Financial	+15%
BEKE	KE Holdings	+14%
APP	AppLovin	+14%
PAGP	Plains GP Holdings	+14%
CFG	Citizens Financial Group	+10%
MBLY	Mobileye Global	+9%
AFRM	Affirm Holdings	+2%
U	Unity Software	+1%
JD	JD.com	0%

C Survivorship Accounting

Table 6: Data retention by study

Study	Candidates	Measured	Dropped	Retention
Study 1 (IPOs >\$5B, 2010-present)	153	132	21	86%
by era: 2010-2014 / 2015-2019 / 2020-present				82% / 86% / 88%
Study 2 (S&P 500 additions, 2005-present)	296	270	26	91%

Study 1 headline $n = 63$ is the large-cap subset of the 132 measured names (68 large-cap candidates). Dropped names skew toward delistings and post-collapse acquisitions, biasing the measured fade toward zero; Study 2 retention is highest in the recent eras that drive its conclusion.