

WEEKLY MARKET COMMENTS – JUNE 1, 2026 – EXTERNAL

As of last week's- shortened holiday (Memorial Day), session, the same market result took place for the ninth straight week, with all three major indices ending at record highs.

For the month of May, the Dow advanced by 2.8%, the S&P rose by 5.1% while the Nasdaq added 8.4%. As wonderful as this seems, it was a 28.6% gain in earnings growth compared to last year and this was the best since 2021.

Now stocks are entering the period between the end of the 1Q reports and the start of the 2Q reporting situation, and it

might need other positive scenarios to keep moving ahead, and one is the finally hopeful end to

Already the richest person in the world, he may become the first trillionaire.

He is preparing to go public with SpaceX, his rocket and satellite maker, at a total valuation of at least \$1.25 trillion, and maybe even more. The founders of two A.I. companies, Open AI and Anthropic, give each of these two a total valuation of \$900 billion. The owners stand to make great fortunes, but for the rest of us, who would own them through mutual funds and ETF's, this is a dangerous moment.

One should always pay attention to the price, as jumping on the IPO bandwagon is

risky. Consider a few numbers first. If you own a broadly based stock index fund, you are likely to own shares of these companies soon, regardless of your personal preferences.

Upon expiration of the initial “lockup period”, many insiders would be allowed to sell shares, which puts far more stock on the public market.

The initial price to sales ratio of 60 to 106 would be far higher than historical norms. Compared to the price to sales ratio of the Magnificent 7 – AAPL, MSFT, AMZN, NVDA, GOOG and META – their average price to sales ratio was 10.7 at the offering price and 13.3 at their

closing price on their first trading day. At the end of three years, they were excellent investments, averaging returns of 46.3% from their first-day closing price. And all have become outstanding performers in their decades of public companies.

The price of the three initially mentioned companies – SpaceX, Open AI and Anthropic – could turn out to be wonderful public companies. Their IPO's will be great for insiders and bankers, but this might not be true for all others.

This analysis was provided by the New York Times.

Earnings this week will see – today –
HIVE, Tuesday – DG, PANW, ULTA;
Wednesday – AVGO; Thursday – DOCU.
Economic reports include – Friday – the
May jobs report which is expected to
show a gain of 100,000 and the same
jobless rate of 4.3%.

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