YEAR OF INNOVATION:
CAPITAL MARKETS MIDYEAR 2026 UPDATE

July 22, 2026

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DEVELOPMENTS IN IPOS

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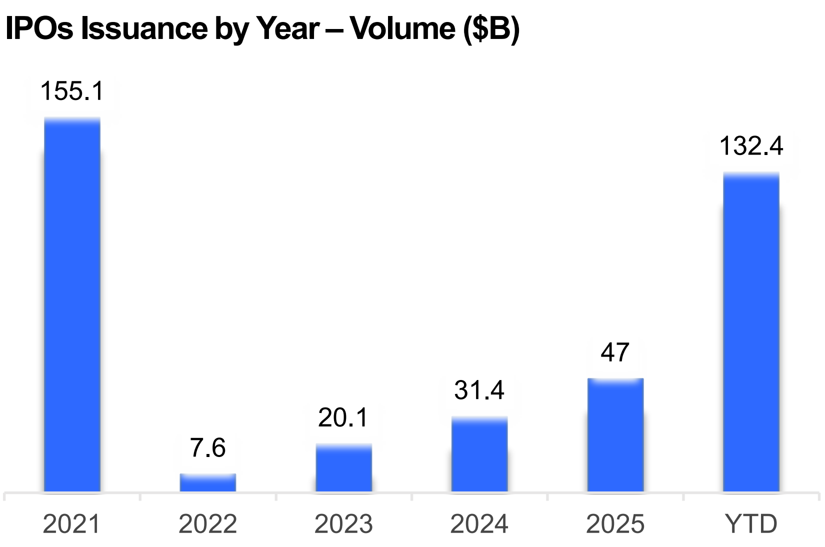
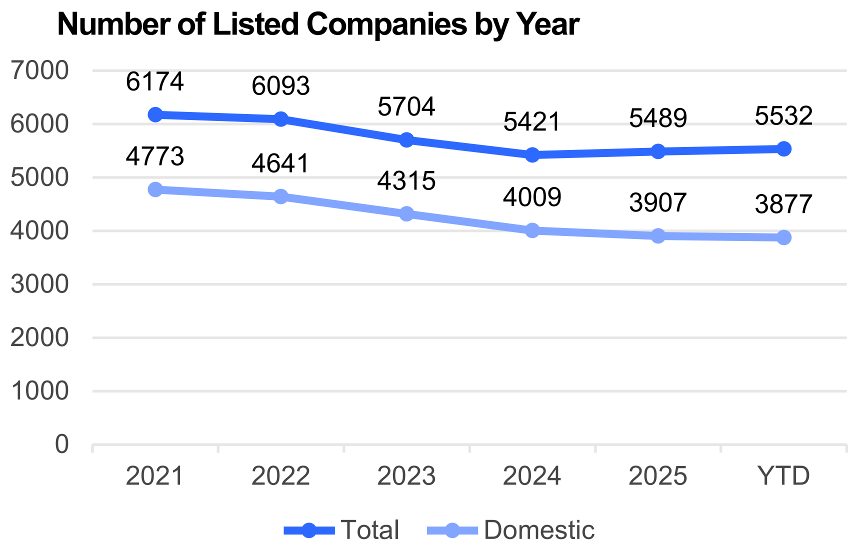
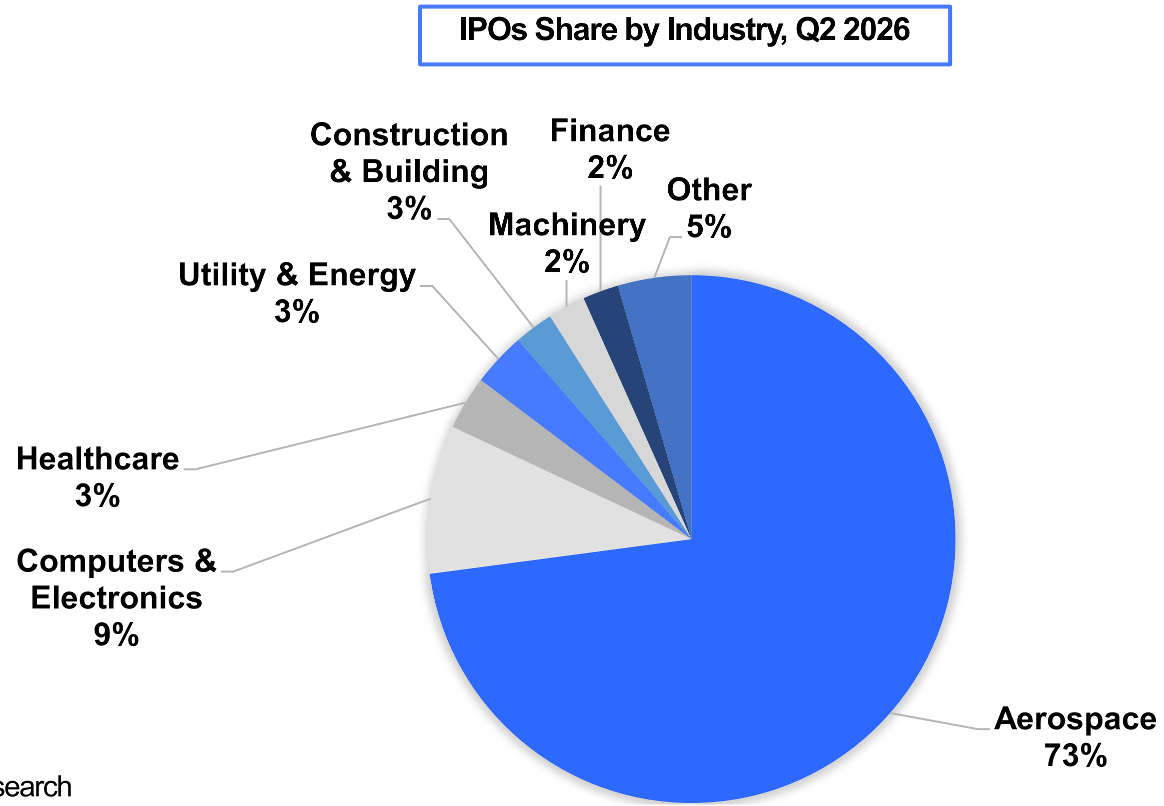
IPOs in H1 2026

In 2026 to date, IPO issuance volume has nearly matched the 2021 market, driven primarily by SpaceX's IPO in June 2026, which raised nearly $86 billion of proceeds.







Source: SIFMA Research

Recent Developments & Things to Watch For

What We Saw

- AI and AI infrastructure spending drove demand
- Broader sector demand beyond AI
- Expanded retail access and international retail tranches
- More flexible lock-up structures in larger IPOs
- SEC capital-formation agenda advanced

What to Watch

- Inflation and interest rate uncertainty
- Geopolitical and energy volatility
- Top-heavy and concentrated IPO market
- Durability of the reopening
- Investor selectivity

Takeaway

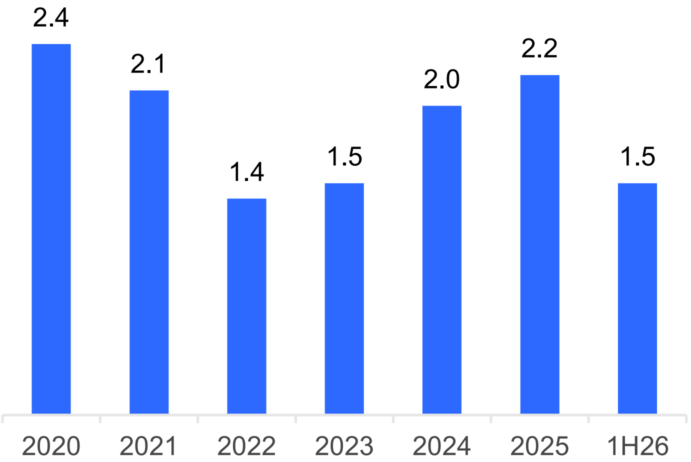
- The window is open for prepared issuers — readiness and timing remain critical

BOND MARKET UPDATE

02

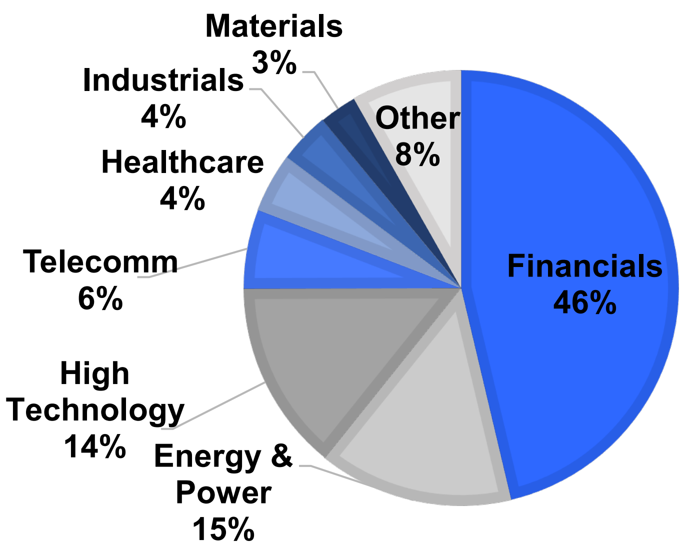
Bond Issuance in H1 2026

Corporate Issuance by Year ($T)

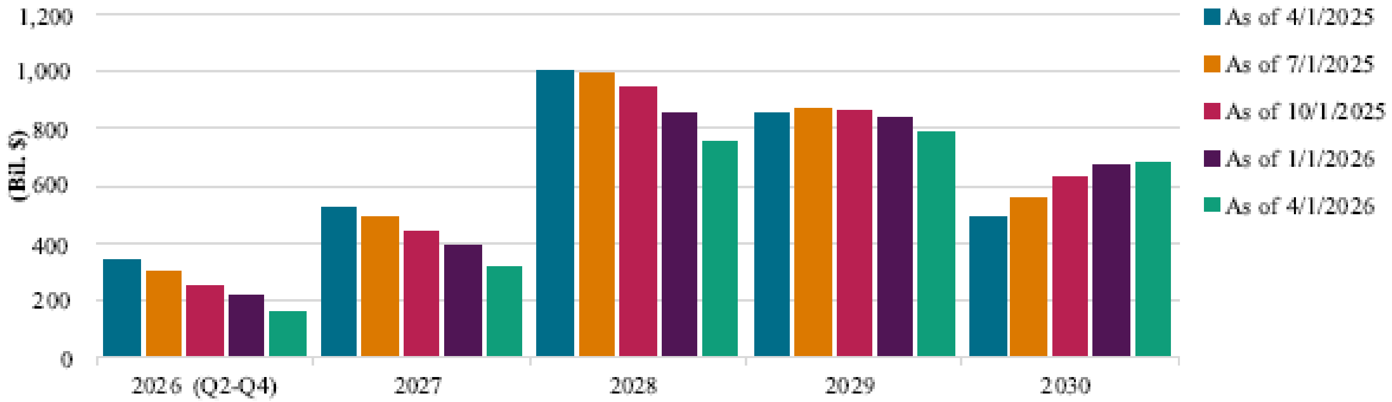


Source: SIFMA Research

Corporates Issuance Volume by Sector, Q2 2026



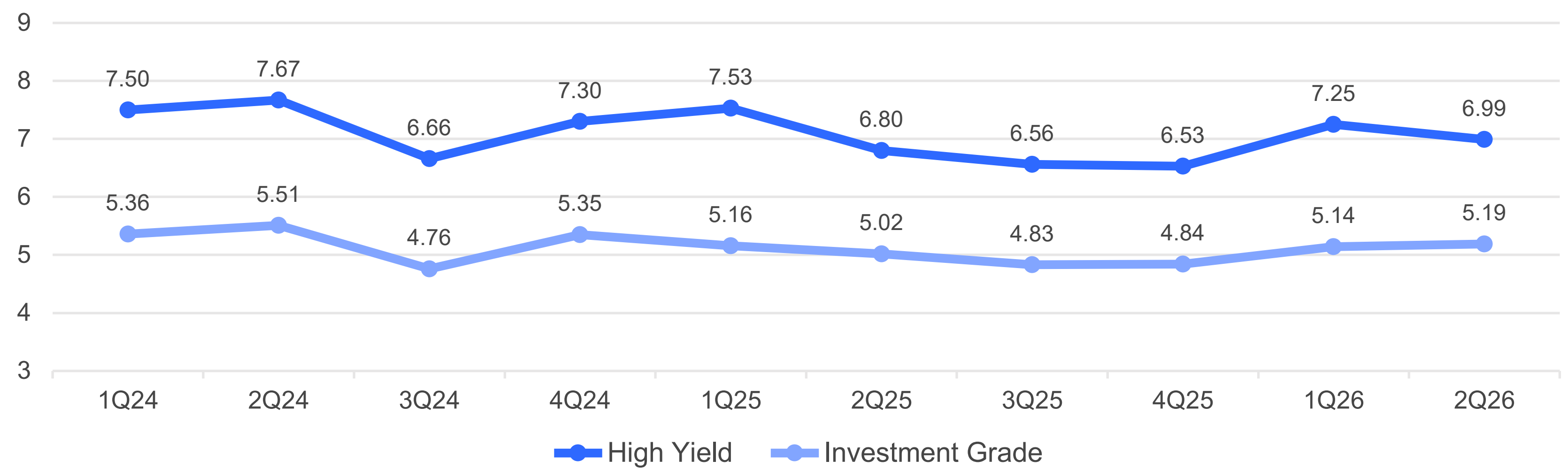
Global speculative-grade nonfinancial corporate maturies peak in 2029



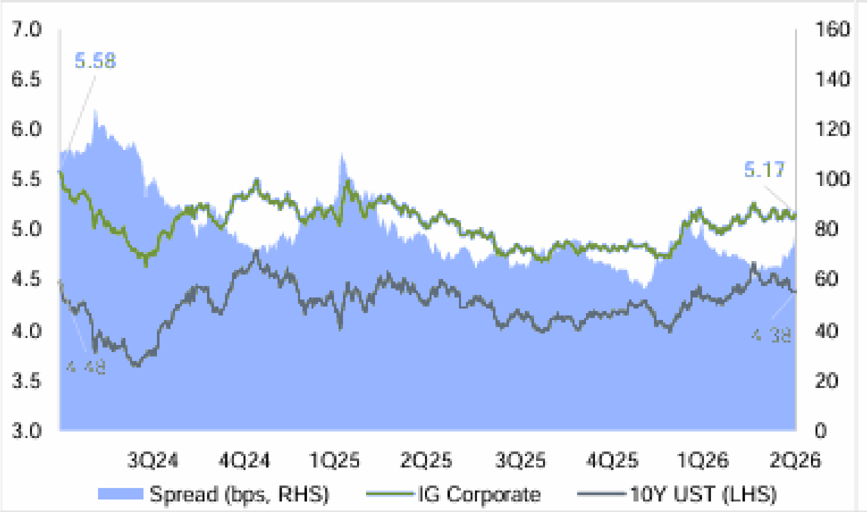
Foreign currencies are converted to U.S. dollars on the respective reporting period date. Includes nonfinancial corporate issuers' bonds, loans, and revolving credit facilities that are rated 'BB+' and below by S&P Global Ratings. Source: S&P Global Ratings Credit Research & Insights.

Bond Issuance in H1 2026

U.S. Corporate Bond Index — Yield to Maturity (%)

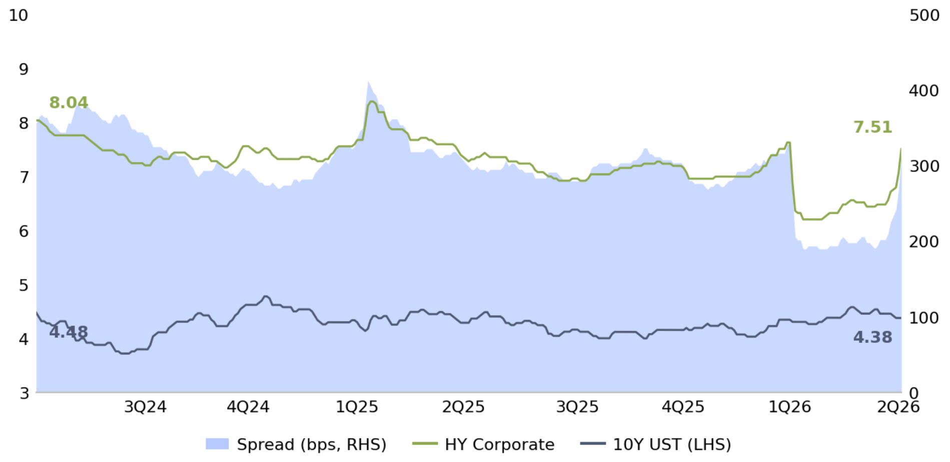


IG Corporate vs 10Y UST Yields (%)



Source: S&P Global, US Treasury, SIFMA estimates

HY Corporate vs 10Y UST Yields (%)



Recent Developments & Things to Watch For

Investment grade and high-yield bond issuances for each quarter to date in 2026 have exceed levels not seen in nearly five years. Issuance volume is up 12.5% year over year.

What we saw

- AI and AI infrastructure (power and utilities) spend continued to support strong investment grade market, led by hyperscalers
  - Amazon: ~$90 billion
  - Alphabet: ~$35 billion
  - Meta: ~$25 billion
  - Oracle: ~$25 billion
- Refinancing activity and AI spend supported strong high-yield market
- Acquisition financing relating to M&A activity contributed meaningfully

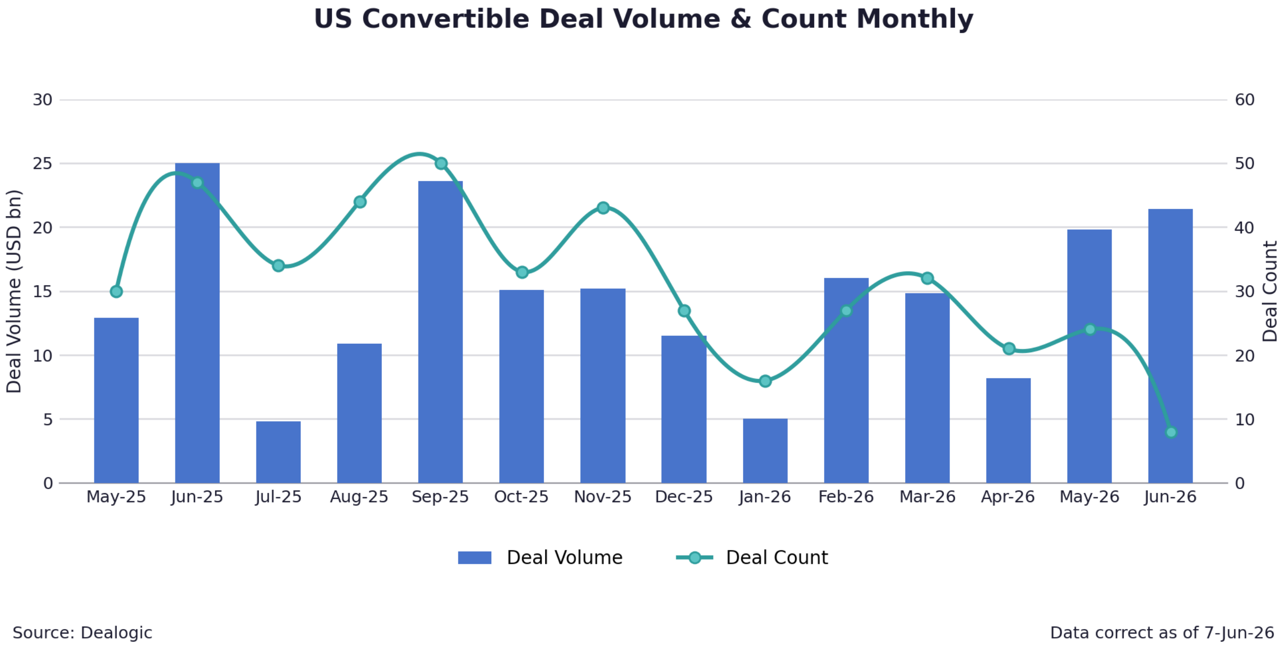
What we expect

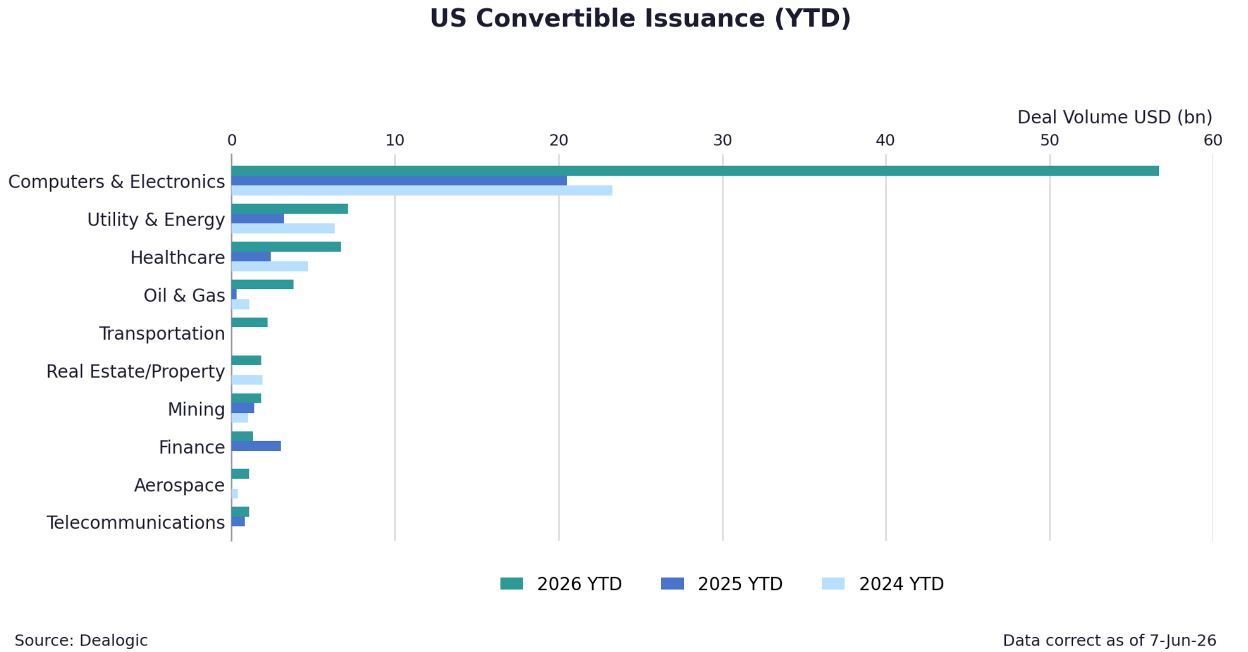
- Large maturity wall from the 2020-2021 vintage continues to drive refinancings
- Continued front loading as issuers seek to lock in financing given uncertainty in rate environment and inflation (in part due to continuing conflicts in the Middle East)
- Watch oversubscription levels for how market absorbs heavy AI and infrastructure related supply

Takeaway

- Issuance windows for both investment grade and high yield remain open, with room in high yield to further tailor covenants to issuer needs

Convertible Bond Issuance in 2026





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Recent Developments & Things to Watch For

What We Saw

- AI spending fueled record debt issuance across sectors
- Refinancing activity accelerated despite higher absolute interest rates
- Strong investor demand supported tight spreads and execution

What to Watch

- Large maturity wall sustaining refinancing and issuance activity
- Rate uncertainty encouraging continued front-loaded issuance calendars
- AI, power and infrastructure financing needs driving supply

Takeaway

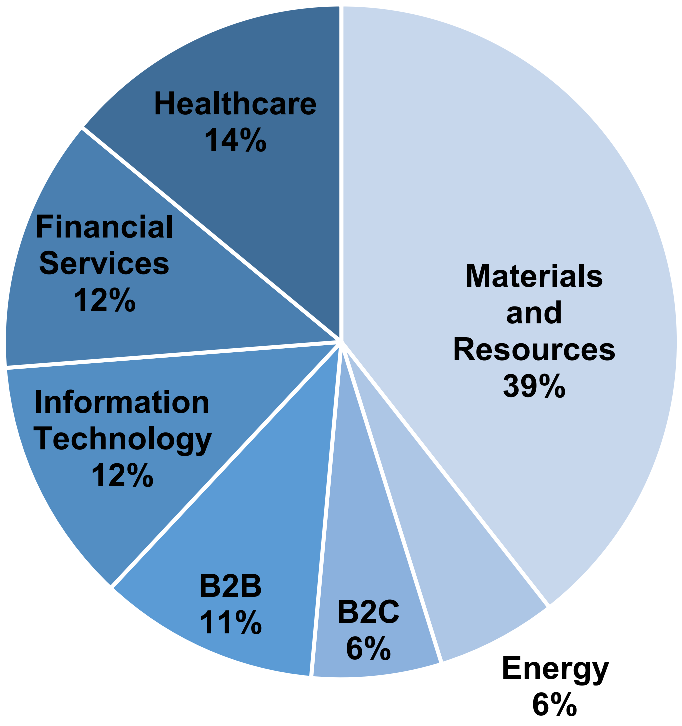
- Debt markets remain open despite rates above historical norms

PIPE MARKET UPDATE

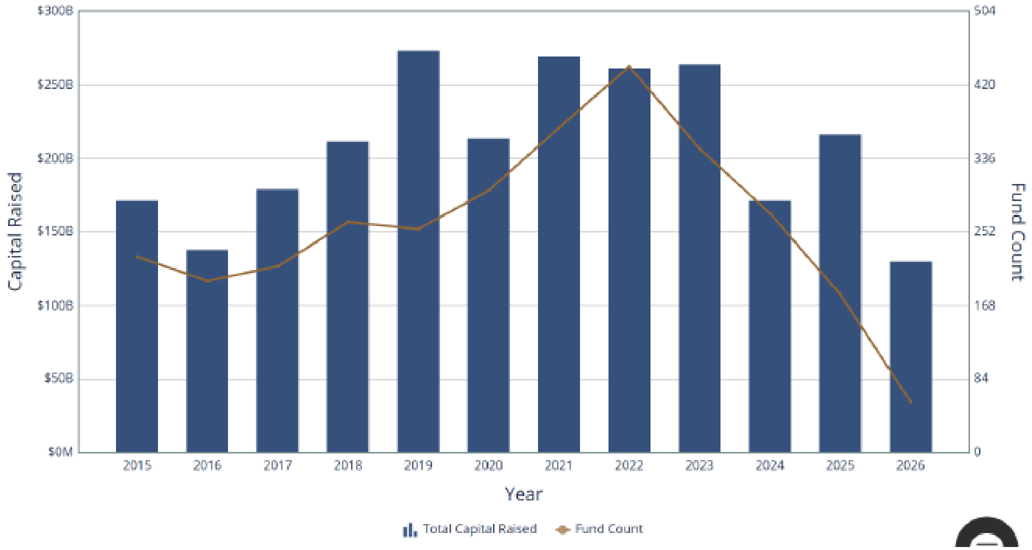
03

PIPEs in H1 2026

Deal Count by Industry Sector



Total Capital Raised & Funded Count



Recent Developments & Things to Watch For

What We Saw

- Healthcare and technology issuers led PIPE activity
- Investors preferred larger institutional financings
- PIPEs offered speed and execution certainty

What to Watch

- AI infrastructure investment may fuel demand
- Investor selectivity likely remains elevated
- Stronger IPO market (and SEC rule changes?) may reduce PIPE issuance

A NEW DAY
AT THE SEC

04

Spring 2026 Reg Flex Agenda

Proposed Rule Stage

- Rule 144 Safe Harbor — The safe harbor for resales of restricted and control securities, including holding periods and resale conditions. (Oct. 2026)
- Foreign Private Issuer Eligibility Enhancements — Revise the FPI definition and eligibility criteria in light of the changing population of foreign issuers. (Oct. 2026)
- Crypto Assets — Establish a framework for the offer and sale of crypto assets, including potential exemptions and safe harbors. (July 2026)
- Updating the Exempt Offering Pathways — Modernize the exempt and private offering framework (e.g., Reg D, Reg A, and crowdfunding). (Oct. 2026)
- Rationalization of Disclosure Practices — Streamline and simplify Regulation S-K and related disclosure requirements. (Oct. 2026)
- Shareholder Proposal Modernization — Reform Rule 14a-8 governing inclusion of shareholder proposals in company proxy materials. (Oct. 2026)
- Executive Compensation Disclosure Reform — Executive compensation disclosure to reduce complexity and compliance burden. (Oct. 2026)
- Amendments to Certain Proxy Rules — Targeted updates to the federal proxy rules and the solicitation process. (Oct. 2026)
- Electronic Delivery of Information — Expand electronic delivery of documents required under the federal securities laws. (Oct. 2026)
- Enhancing Retail Exposure to Private Markets — Broaden retail investor access to private-market investments. (Oct. 2026)
- Definition of Dealer — Clarifying who must register as a "dealer" under the Exchange Act. (Oct. 2026)
- Regulatory Status of Finders — Address the status of "finders" who assist issuers in private capital raising. (Oct. 2026)
- Click here to view the full SEC Agency Rule List.

Takeaway & Outlook

Key Points

- SEC views its policy agenda as the:
  - "Modernization"
  - "Rationalization"
  - "Reform" and
  - "Enhancement"

  of the current securities regulatory framework
- Notwithstanding the marketing spin, we anticipate that the rule proposals being developed would give issuers greater discretion in choosing when and what to disclose; easier access to the registered capital markets; and more leverage vis-à-vis the retail shareholder community.

Staffing Changes

Division of Enforcement

Enforcement Director

David Woodcock (Gibson Dunn alumni and former Securities Enforcement Co-Chair) replaced Judge Margaret A. Ryan in May 2026.

Deputy Director

Osman Nawaz (Gibson Dunn alumni in the Securities Enforcement Practice Group) replaced Sam Waldon in July 2026.

Staffing Changes

Division of Corporation Finance and Commissioners

Corporation Finance

Jim Moloney (former Gibson Dunn alumni and Securities Regulation and Corporate Governance Co-Chair) replaced Cicely LaMothe in October 2025.

Commissioners

Hester M. Peirce

Commissioner since 2018 (Term expires 2025)

Mark T. Uyeda

Commissioner since 2022 (Term expires 2028)

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