

SpaceX Is Ready For Launch

SpaceX filed its securities registration with the SEC and is now set to conduct its IPO on or around June 12th. Below is a summary of key information from the [SEC filing](#).

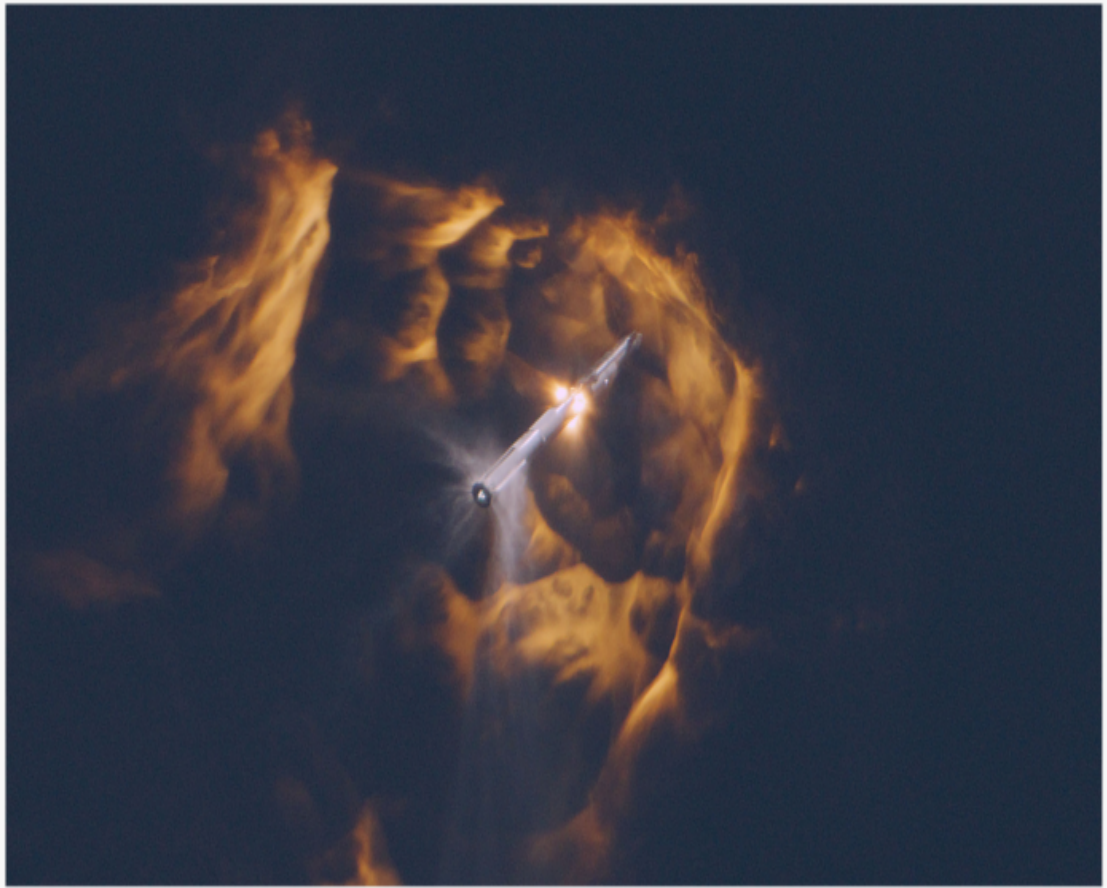
IPO Offering: SpaceX is targeting a valuation ranging between \$1.75 trillion and \$2 trillion. For context, Broadcom is the 6th-largest company in the S&P 500, with a market cap slightly below \$2 trillion. Bear in mind that the company is only floating about 5% of its stock, so the capital raise is much smaller than the valuation. Some potential caution with the small float is that after the lockup period for its current investors, a larger-than-normal percentage of shares may be sold to realize gains.

SpaceX Business Lines: SpaceX has three primary business lines: Starlink, Space (launch services), and xAI and X (artificial intelligence/Twitter). Starlink is the financial engine accounting for over two-thirds of revenue and a \$1.2 billion profit in the most recent quarter. Additionally, Starlink has margins of over 50%. Space and xAI are generating sizeable revenue but running at a loss.

Financials: The full-year revenue for 2025 was \$18.7 billion, up 33% from the prior year. However, the net loss for 2025 was nearly \$5 billion. Starlink subscriber growth has surged from 2.3 million in 2023 to over 9 million by the end of last year. The AI venture is what some deem its *cash furnace*. The segment lost \$2.5 billion in the first quarter of 2026 after losing \$6.4 billion last year. The Space segment had \$4.1 billion in revenue but continues to lose money.

Valuations: The valuations imply tremendous optimism, with price-to-sales (revenue) approaching 100, well above even some of the most expensive companies in the S&P 500.

The pictures below are two of many from SpaceX's S1 filing.



What To Watch Today

Earnings

- *No notable earnings releases today*

Economy

Friday May 22 2026			Actual	Previous	Consensus	Forecast	
09:00 AM	 US	Michigan Consumer Sentiment Final MAY		49.8	48.2	48.2	 
10:00 AM	 US	Fed Waller Speech					

Market Trading Update

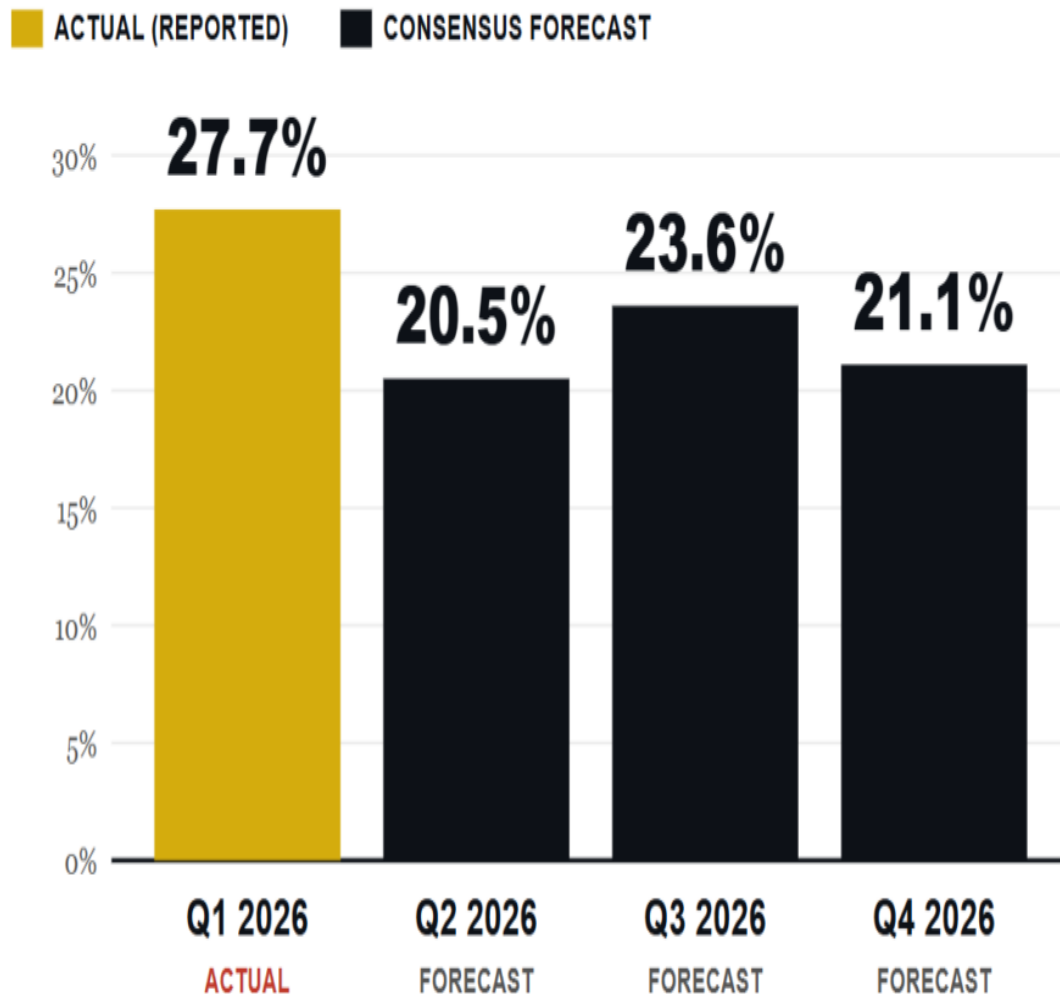
[Yesterday](#), we discussed the warning of the spread between the VIX and the SKEW. With the earnings releases from Nvidia (NVDA) and Walmart (WMT), we are now pretty much wrapped up with earnings season, and what an earnings season it has been.

Nvidia just printed the kind of quarter that should send any stock screaming higher. Revenue of \$81.6 billion, up 85% from a year ago. Data Center sales up 92%. Q2 guidance at \$91 billion against a roughly \$87 billion consensus. And then the stock opened lower this morning. That tells you most of what you need to know about where we sit in this earnings season.

With 91% of the S&P 500 reported, blended earnings growth is running at 27.7% year over year, the strongest print since Q4 2021. Revenue growth of 11.4% is the best since Q2 2022. And 84% of companies beat earnings estimates, with the magnitude of those beats running 17.9% above expectations, the largest aggregate surprise since Q1 2021. Notice in the chart below that Q1 is the high-water mark for the year on current Street estimates.

S&P 500 EARNINGS GROWTH BY QUARTER

Year-over-year %, blended through May 15, 2026 (91% reported)



Source: FactSet Earnings Insight, May 15, 2026 | RIA Advisors

14.7%

Blended **net profit margin** for the S&P 500 in Q1 2026, the highest reading FactSet has measured since the firm began tracking it in 2009.

Walmart's print yesterday morning made the other side of the trade visible. Revenue and EPS both matched expectations. Q2 guidance came in slightly light. The stock dropped 2.5% pre-market. In a quarter this strong, in-line isn't good enough.

METRIC	NVIDIA (NVDA)	WALMART (WMT)
QUARTER REPORTED	Q1 FY27 (Apr-end)	Q1 FY27 (Apr-end)
REVENUE	\$81.6B vs \$80.4B est	\$175.7B vs \$174.9B est
REVENUE GROWTH YOY	+85.2%	+6.1%
EPS (ADJUSTED)	\$1.87 vs \$1.78 est	\$0.66 vs \$0.66 est
FORWARD GUIDE	\$91B Q2 (well above)	\$185.4B Q2 (below est)
DAY-AFTER STOCK REACTION	Opened down 0.5%	Down 2.5% pre-market

The forward 12-month P/E sits at 21.4, well above the 10-year average of 18.9. The market is punishing earnings misses 60% harder than the 5-year norm, with disappointments selling off 4.6% on average versus 2.9% historically. Beats, meanwhile, get only the average 1.1% reward.

References to *?Middle East?* showed up on 211 earnings calls this quarter, easily the most in at least a decade. Seven companies have already cut full-year guidance because of it. That?s the kind of binary risk that doesn?t show up in a margin model.

Make no mistake, the bull case isn?t dead. Analysts are penciling in 20-24% earnings growth for each of the next three quarters, with CY 2026 tracking 21.5%. Nvidia?s \$91 billion Q2 guide suggests AI capex is still accelerating, not peaking. The question is whether the Street?s 20%-plus path for the back half is achievable, or whether estimates need to come down to meet reality.

So which is it, *?as good as it gets?* or *?just getting started??* Probably both, depending on the name. When great earnings produce mediocre stock responses, expectations have already caught the data. That?s the tell.

We?re staying long, but trimming our biggest winners, raising stops on extended positions, and using strength to upgrade portfolio quality. The bottom line is this is a good environment to participate in. It?s a poor one to be complacent in.

The SimpleVisor logo, featuring the word "SimpleVisor" in white text on a blue background.

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Nvidia: The Market Was ?Priced In? For Good News

Nvidia handily beat expectations on earnings and revenue. Moreover, they gave strong earnings guidance (\$89?92B), announced an \$80B buyback, and increased the dividend from \$0.01 to \$0.25. Adding to the good news, CEO Jensen Huang stated:

Demand has gone parabolic. The reason is simple: Agentic AI has arrived.

Despite the seemingly great earnings report, the stock was flat in overnight trading. While all earnings metrics beat formal analyst expectations, it didn't beat the unsaid investor expectations. Its 18% year-to-date rally and 70% over the last year were the result of the market pricing in what Nvidia delivered. The ?problem? was not the earnings or guidance, but the stock was already ?*priced in?* for the news.

One important takeaway about Nvidia's future is that Jensen Huang projected:

Vera Rubin is going to be even more successful than Grace Blackwell at this point,? and ?every single frontier model company will jump on Vera Rubin from the get-go,? adding that the platform is already off to a ?tremendous start.?

Vera Rubin is the successor chip to its overwhelmingly popular Blackwell chip. Its CFO confirmed Huang's sentiment, stating that most of its customers will adopt its new Vera Rubin chip immediately.



Walmart: Consumer Health Update

Walmart's earnings were generally good, with revenue beating estimates and EPS matching expectations. However, they did reduce earnings guidance in part because of higher energy prices. Its CFO explained that the impact of higher oil prices may become more prominent this quarter, as larger-than-normal tax refunds offset some of the pressure in the first quarter. The overarching picture Walmart painted is of a consumer who is still spending but increasingly cautious, with the lower-income earners showing more stress. We share some comments from their executives.

On CNBC regarding consumer financial health, its CFO, John David Rainey, said, *"They're discerning. They're mindful. They're maybe a little concerned about possible looming price increases, but their behaviors largely have not changed. They're still looking for value."*

CEO Doug McMillon told investors, *"If you look at the middle to upper income levels, we're seeing strong demand, and if you look at middle to lower, there has been a little bit of stress."*

Regarding prices and margins, McMillon stated that *"we will do our best to keep our prices as low as possible, but given the magnitude of the tariffs, even at the reduced levels announced this week, we aren't able to absorb all the pressure given the reality of narrow retail margins."* Rainey agreed, saying the tariff pressure is *"more than any retailer can absorb"* and *"more than any supplier can absorb."*



Tweet of the Day

↻ Sean Brodrick reposted



Tracy Alloway @tracyalloway · 22h



US crude inventories (including the Strategic Petroleum Reserve) plunged by 17.8 million barrels last week -- the most on record



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