

THE WEEK AHEAD, 19 JUNE 2026

Ready for the wave?

In football World Cup stadiums, fans are once again preparing for the famous Mexican wave. Equity investors, however, are currently dealing with a different kind of wave, namely a surge in large-scale equity issuance. This raises an important question: can markets absorb this flood of new supply without losing momentum? And what does it imply for the overall market environment?

In recent years, the balance between supply and demand in equity markets has been favourable. Limited new issuance was offset by substantial share buybacks. This relationship is now set to shift, at least temporarily. Recently, a record-breaking wave of new issuance has started, and companies that are already listed are also considering or have executed major capital increases. As a result, the supply of equities is rising.



Stefan Rondorf
Senior Investment
Strategist, Global
Economics & Strategy

At the same time, on the demand side, the growth of share buybacks is being somewhat constrained by massive investments in technology infrastructure. Another key driver of demand, namely inflows into equity funds, has remained robust in recent quarters, particularly in the US and especially in technology equities. Overall, the key takeaway is that as long as inflows into US equities do not decline sharply, markets should be able to absorb the new issuance relatively well.

For the overall market, a wave of new issuance initially signals a supportive environment and strong risk appetite among investors. Otherwise, it would be unattractive for companies to go public. Looking at past decades, there is no systematic evidence that large IPO waves have a direct impact on future index returns. Macroeconomic conditions, valuations, and investor positioning remain the key drivers. Even when previous issuance waves were followed by weaker market phases, for example in 1999 or 2021,

PUBLICATIONS

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Reasons to remain cautious.

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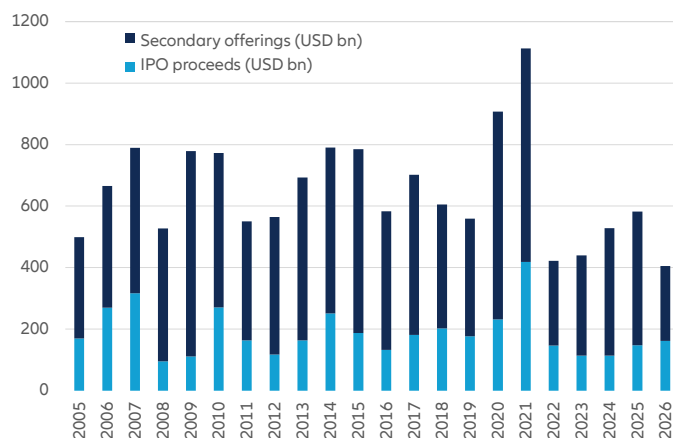
Q&A with a portfolio manager.

these should be viewed more as a symptom of elevated valuations and strong risk appetite rather than a primary cause of weaker returns.

Within the US equity market and major indices, the IPO wave may lead to reallocations through two main channels:

- **Index-driven reallocations:** Large new entrants may displace existing constituents in benchmarks and index funds. Overall crowding-out effects should remain manageable, partly because new entrants are included in different indices at different points in time and not all of their market capitalisation is considered free float.
- **Reallocation away from “proxy” stocks:** In the absence of direct investment opportunities in AI developers, suppliers, customers and thematically related companies have often served as proxies for major developers of large language models. As these primary companies become publicly listed, valuation premiums of such proxy stocks may decline. Established companies in AI and space are therefore likely to face stronger competition for capital, research coverage, and investor attention.

Strong equity supply: Global emission activities up to mid June almost match full year numbers of recent years



Source: LSEG Deals, AllianzGI Global Capital Markets & Thematic Research, as of June 17th, 2026.

UPCOMING POLITICAL EVENTS 2026

21 June	COL	Presidential runoff
25 June	ECB	General meeting
1 July	NAFTA	USMCA joint review
7–8 July	NATO	Nato summit

The week ahead

In addition to the wave of new issuance, investors also focused on a series of central bank meetings last week. For example, the Bank of Japan raised its policy rate to 1 percent, the highest level in more than thirty years.

In the coming week, the focus will be on sentiment indicators related to economic activity. These may provide an early indication of whether declining oil prices and a stabilisation of the situation in the Middle East have already had a positive impact on the sentiment of companies and consumers, or whether uncertainty remains elevated. On Monday, the preliminary June consumer confidence index of the European Commission for the euro area will be released. Tuesday will focus on preliminary purchasing managers’ indices, reflecting business sentiment in regions such as the eurozone, Japan, and the US. On Wednesday, the German ifo business climate index for June will provide further insights. On Thursday, attention will shift to the US, with the release of the PCE price index for May, including the core measure, which are key inflation indicators closely monitored by the Federal Reserve. In addition, data on durable goods orders will offer insights into the resilience of investment activity in the US. Finally, on Friday, inflation data from Japan will be in focus.

Find your “perfect wave” in the coming week.

Best regards,

Stefan Rondorf

Calendar Week 26

Monday			Consensus	Previous
CN	Loan Prime Rate 1Y	Jun	--	3.00%
CN	Loan Prime Rate 5Y	Jun	--	3.50%
EC	Consumer Confid. Flash	Jun	--	-19.0
Tuesday				
UK	Flash Composite PMI	Jun	--	49.7
UK	Flash Manufacturing PMI	Jun	--	53.9
UK	Flash Services PMI	Jun	--	49.3
UK	Nationwide house price yy	Jun	--	1.7%
US	S&P Global Mfg PMI Flash	Jun	--	55.1
US	S&P Global Svcs PMI Flash	Jun	--	50.7
Wednesday				
GE	Ifo Business Climate New	Jun	--	84.9
GE	Ifo Curr Conditions New	Jun	--	86.1
GE	Ifo Expectations New	Jun	--	83.8
JN	Service PPI	May	--	3.00%
US	Current Account	Q1	--	-190.7B
US	New Home Sales-Units	May	--	0.622M
Thursday				
JN	Leading Indicator Revised	Apr	--	0.5
UK	CBI Distributive Trades	Jun	--	-46
US	Core PCE Price Index YY	May	--	3.3%
US	PCE Price Index YY	May	--	3.8%
US	Durable Goods	May	--	8.0%
US	Durables Ex-Transport	May	--	1.1%
US	GDP Final	Q1	--	1.6%
US	GDP Deflator Final	Q1	--	3.5%
US	Core PCE Prices Fnal	Q1	--	4.4%
US	Initial Jobless Clm	15 Jun, w/e	--	--
US	Cont Jobless Clm	8 Jun, w/e	--	--
Friday				
JN	CPI Tokyo Ex fresh food YY	Jun	--	1.3%
JN	CPI, Overall Tokyo	Jun	--	1.4%
US	U Mich Sentiment Final	Jun	--	48.9

The calendar data for the current week comes directly from LSEG Datastream. They are published in the week in which "The Week Ahead" appears. These are economic data that come from official sources. Where available, the previous figure is collected together with the consensus estimate. The consensus estimate is collected by LSEG Datastream through a survey of analysts and economists. It is the average of all estimates submitted.

If not mentioned otherwise data and information sources are from LSEG Datastream.

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