

## Will the IPO Market Rebound in 2024?

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Despite initial predictions of a continued market decline from 2022 into 2023, the market has exhibited remarkable resilience this year, approaching all-time highs as expectations around inflation and the Fed's next move have shifted.

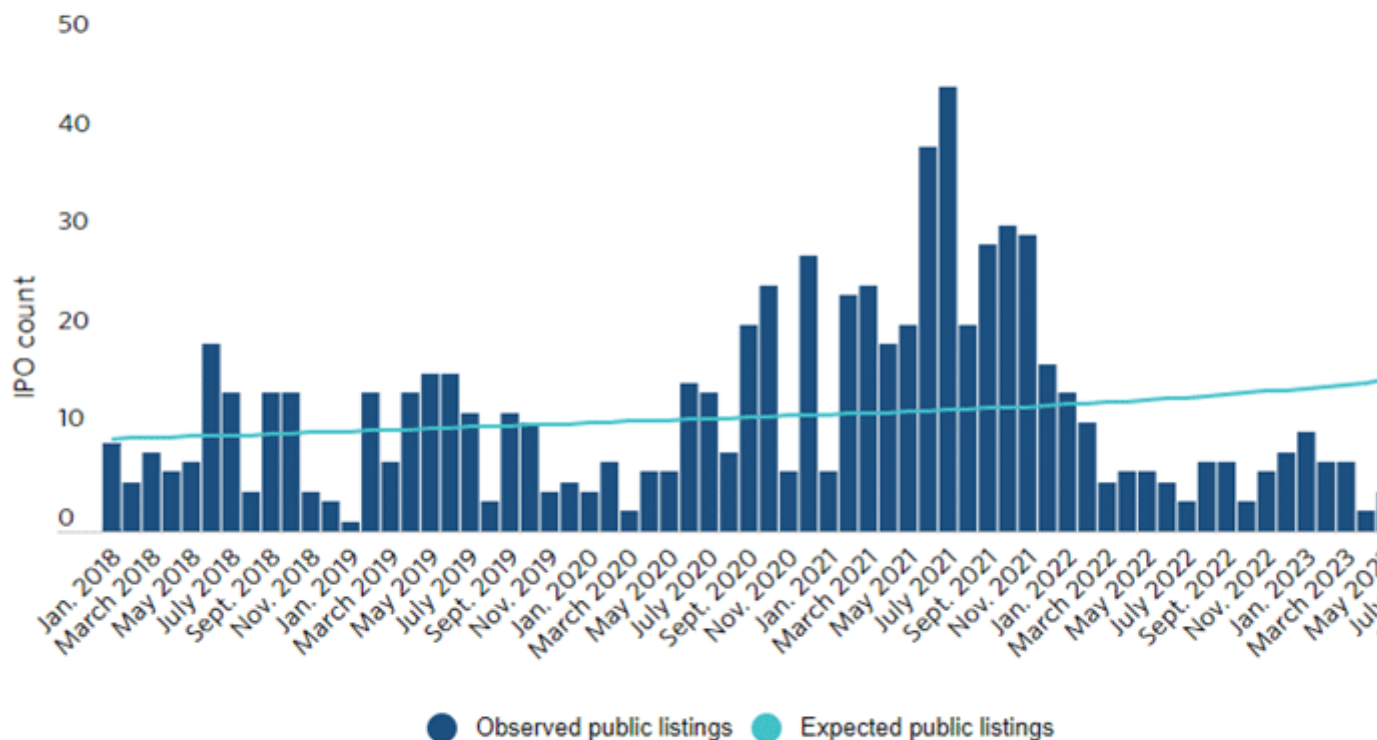
Recently, Evergreen's partner, Louis Vincent-Gave, published a comprehensive review of several unexpected bull markets that we witnessed in 2023:

- **Bull Market #1: The Magnificent Seven:** After a challenging year in 2022, Mag-7 stocks (Apple, Microsoft, Google parent Alphabet, Amazon.com, Nvidia, Meta Platforms and Tesla) nearly doubled in value in 2023.
- **Bull Market #2: Japanese Equities:** In 2023, the Nikkei 225 finally reclaimed the 30,000 level last seen in 1989.
- **Bull Market #3: Latin American equities and debt:** Countries such as Mexico, Brazil, Chile, Colombia, Peru, and Uruguay are experiencing a triple-merit scenario with falling interest rates, rising exchange rates, and increasing domestic asset prices. Since the lows of the Covid pandemic, the debt of these nations has significantly outperformed treasuries, and from April 1, 2020, the returns on Mexican equities have surpassed those of US equities, while Brazil has achieved a similar outcome.
- **Bull Market #4: Indian equities:** Indian equities have consistently posted positive returns over the past five years.
- **Bull Market #5: Uranium:** Bucking the trend of disappointing performances in most commodities, uranium has surged this year. This rise aligns with a pivotal shift in the perspective of nuclear powers showcased at the COP28 meeting, where participants pledged to triple the use of nuclear energy in the next decade.

Despite the success of these market segments in 2023, not all areas experienced a similar rebound. One notable segment, Initial Public Offerings (IPOs), stands out, with the number of completed IPOs remaining woefully below expectations since the beginning of 2022, as illustrated in the chart from PitchBook below.

## Pent up IPO demand

Completed US VC-backed IPOs vs. expected IPOs



Source: Q3 2023 PitchBook-NVCA Venture Monitor

\*As of Sept. 30, 2023

The question becomes whether double-digit stock returns, a resilient economy, and the perception that the Fed has concluded its hiking campaign will facilitate a turnaround for the IPO market in 2024, leaving behind the challenges of 2022 and 2023.

This week, we present a perspective from Marina Temkin at PitchBook, casting doubt on an IPO market resurgence in 2024 with a report titled, [“IPO outlook improved, but listing will remain a slog for startups”](#).

However, next week, we will present a separate perspective and release our sixth annual edition of "Initial Public Offerings (IPOs) to Watch" in 2024, highlighting exciting listings that could make their public market debuts next year.

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