

5/16/2024

## MARKET COMMENTARY

FUSCO  
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To Our Valued Clients,

Corporate Development Teams have been busy in 2024 as the M&A and IPO faucet continues to flow. Following a slow 2023, a return to more robust deal-making is in full swing as corporations and investors alike are sitting on record levels of cash. The uptick in activity isn't limited to the U.S. either as European and Chinese companies have been some of the year's biggest players.

So far this year 103 U.S. companies worth over \$200B in market cap have gone public, a 37% increase from this same time last year<sup>1</sup>. Some you may have heard of like Reddit or General Electric's Vernova, others like Solidion or Core Scientific, probably not. Foreign companies have taken advantage of the hot market as well with companies like China's EV-producer ZEEKR or Mexico's BBB Foods turning to U.S. investors for capital. M&A activity has been even hotter, according to Crunchbase data there were 413 deals completed through the first quarter of the year with Technology and Energy sectors seeing the most activity. Capital One's \$35.3B acquisition of Discover Financial Services headlines this year's deals so far. Although still subject to regulatory approval, the resulting bank would overtake Goldman Sachs, Truist, and PNC becoming the sixth-largest domestic bank with over \$620B in consolidated assets<sup>2</sup>. The sheer size of transactions across the globe has many feeling that the recent momentum is here to stay, "when you see larger deals happening, it's a much more direct sign of the returning health of the market, because boards and CEOs, due to the nature of large deals, are going to be more conservative when they approach them," says Blair Efron of Centerview Partners.

There's no doubt that a resilient U.S. economy, healthy corporate balance sheets, buyout funds loaded with cash, and a clearer rate picture have all played a hand in the recent flurry of deals. The rise in activity has certainly presented a notable theme in capital markets, one that we will be watching closely throughout the year. Thanks for reading, and as always, if you have any questions or if we can help in any way, please don't hesitate to give our office a call.

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<sup>1</sup> Morningstar Direct

<sup>2</sup> Federal Reserve Board

With My Best Regards,

*Brandon Hethcoat*

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