



## TECH FIRMS GET SET TO TEST INVESTOR APPETITE FOR ARTIFICIAL INTELLIGENCE

This week Anthropic officially joined the AI IPO race as it filed the paperwork for a share listing in New York. With a target value of \$1tn, this would make it the second blockbuster listing this year. OpenAI is also set to join the trillion-dollar listing club in 2026. SpaceX has announced the price for its shares in advance of its listing and is allocating a significant chunk of the listed shares (although a small portion of the total share capital) for retail investors. Musk has regularly tried to favour retail investors, who sometimes appear to operate as a fan club, as he sells his vision of the future. However, many retail investors will end up signing up for the SpaceX journey even without the direct share offering, as SpaceX and this year's other mega IPOs are set for fast-track inclusion in many US equity index funds.

Equity markets were less active this week. Broadcom's update was positive but fell short of expectations, holding back AI-related tech stocks. Meanwhile, conflicting reports on Middle East ceasefire talks, with little sign of progress, drove further volatility in oil and gas.

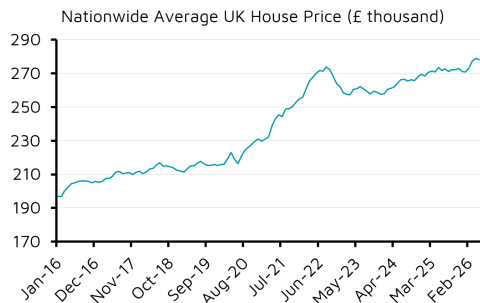
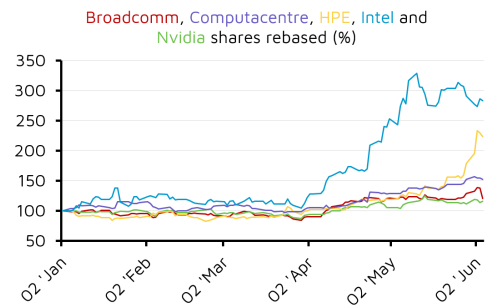
### THE MARKETS THIS WEEK

FTSE 100	S&P 500	Nikkei 225	STOXX 600	Hang Seng	US 10 Yr	UK 10 Yr	Brent Crude	Gold	Copper	GBP USD
-0.60%	-0.26%	+0.91%	-0.58%	-0.87%	+0.01%	+0.07%	+2.42%	-1.42%	+0.31%	+0.29%

### TECH: CHIPMAKERS AND INFRASTRUCTURE SURF THE AI WAVE

Spending on AI infrastructure keeps lifting chipmakers and the firms that supply them. Nvidia, now worth over \$5tn, unveiled a laptop chip, the RTX Spark, to challenge Apple, Intel and Qualcomm, and its shares rose 4%. Hewlett Packard Enterprise jumped 37% after raising its sales forecast, lifted by a 148% jump in networking revenue. Intel, up more than 200% this year, plans a cheaper AI data centre chip by the year end. Britain has a winner too. Computacenter, a 44-year-old Hertfordshire hardware reseller, looks set to join the FTSE 100 with its shares up 50%. It supplies the unglamorous kit that AI giants like Meta and xAI need, from cooling to cabling, and it grew its revenue 32% to £9.2bn last year.

Broadcom went the other way. Its shares fell 15% and it looked set to lose over \$300bn in value, one of Wall Street's biggest single-day falls, after its AI revenue forecast fell short of the most bullish hopes despite another strong quarter.



### UK: HIGH MORTGAGE COST HIT HOME SALES AND CONSTRUCTION

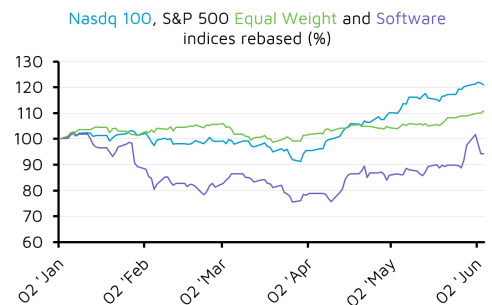
UK house prices fell in May as higher mortgage costs hit buyer confidence. The average price declined 0.6% between April and May, and annual growth slowed to 1.7%. Borrowing rates on two-year fixed mortgages have risen 0.85% since March and five-year rates by almost 0.6%. The Bank of England said net mortgage borrowing fell from £6.8bn in March to £4.4bn in April.

Higher mortgage rates and inflation have also hurt UK house builders. More expensive construction materials, fewer sales and lower prices are all squeezing revenues, and several firms, including Crest Nicholson, Vistry and Berkeley, have cut their earnings forecasts in recent weeks. Others are turning cautious on buying land. Building activity has dropped since March, with the closely watched survey of construction managers falling sharply. House builders have been one of the worst-performing sectors of 2026, with a steep decline since war broke out in the Middle East.

### TECH: ANTHROPIC FILES ABOVE \$1TN AS AI FUNDING HITS RECORD

A rush of AI fundraising is testing how much capital markets can absorb. Anthropic has confidentially filed for a listing expected to value it above \$1tn. Its revenue is running at roughly \$47bn a year, up fivefold this year and lifted by its Claude Code and Cowork tools, with its valuation up more than fifteenfold in 15 months. Alphabet's first share sale in two decades is aiming to raise about \$85bn, with \$10bn of it bought by Berkshire Hathaway. SoftBank's focus on AI investment has led to it overtake Toyota as Japan's largest company, its shares up 85% this year. Companies are also borrowing cheaply by issuing bonds that can convert into shares, a record \$57bn so far and set to beat last year's \$120bn.

SpaceX stands apart. It wants to raise up to \$86bn at a \$1.78tn valuation, despite running at a loss and trading near 92 times revenue. Large pension funds have warned about Musk's control. Yet once the stock joins major indices, passive funds will have to buy it regardless.



Data sourced from FE Analytics and Nationwide

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