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### IPOs Shield Traders From Brunt of Trade War Bloodbath: ECM Watch

By Drew Singer, Gregory Calderone and Crystal Kim

(Bloomberg) -- The market's worst stretch of 2019 is creating odd bedfellows in the IPO market, where recent debuts are dodging much of the broader sell-off.

Investors seeking shelter from the U.S.-China trade war are finding protection in recent listings, an uncommon trade during downturns. Many recent IPOs lack significant exposure to the negative impact of the trade war, especially when compared to more mature peers.

IPOs conducted over the past month have fallen just 2.6% on average since July 31, according to data compiled by Bloomberg, nearly half of the S&P 500's decline over the same period. The First Trust U.S. Equity Opportunities ETF, which tracks recent debuts, outperformed during both Wednesday's volatile session and throughout the market's week-long slide.

While it's not unheard of for one or two hot IPOs to surge amid a broad decline in stocks, the outperformance across most deals suggests a bigger trend is underway. More consistent outperformance could help bankers advance IPO plans despite volatility that would typically derail most deals.

Chinese-based issuers flooded U.S. exchanges this summer, viewing U.S. investors as more tolerant of trade-related price swings.

#### Match, Angi Secondaries May Follow IAC Distribution

Massive secondary offerings in Match Group Inc. and ANGI Homeservices Inc. look increasingly possible after IAC/InterActive Corp. announced plans to explore the possibility of distributing its interests in both firms to shareholders.

As of June 30, IAC owned 226.1 million shares of Match Group and 421.5 million shares of Angi. Approximately 19.7 million Match Group shares are short -- 9.6 million shares for Angi -- according to financial analytics firm S3 Partners. The high short interest is driven in large part by holders of IAC attempting to hedge the media conglomerate's exposure to these subsidiaries.

#### Snap Lags After Upsizing Convert Offering

Snap Inc.'s \$1.1 billion upsized convertible offering didn't give shares the same boost as other big equity-linked deals, perhaps owing to tougher market conditions.

Shares fell 2.3% on Wednesday after the offering priced, while rivals Facebook Inc. and Twitter Inc. both rose.

This year's biggest convertible offerings besides Snap -- Tesla Inc. and Fortive Corp -- received warmer receptions after they priced. Both stocks rose on the news.

#### Post-market launches of U.S. secondary offerings:

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- Dynavax (DVAX) \$60m of shares, no terms
  - Bookrunners: Cowen, William Blair
  - Shares -16% post-market
  - Seller: Company
  - Notes: The company also reported 2Q results Wednesday post-market.
- National Vision (EYE) 9.15m shares at \$30.75-\$31.25
  - Bookrunner: Goldman Sachs
  - Share -0.4% post-market
  - Seller: KKR Vision Aggregator
  - Notes: Company intends to repurchase \$25m of shares at the underwriter's price
- MeiraGTx (MGTX) \$75m of shares at \$23.00-\$24.50
  - Bookrunners: BofA, Piper Jaffray, Chardan
  - Shares -6.2% post-market
  - Seller: Company
  - Notes: Shares closed up 165% YTD.
- Quanterix (QTRX) \$75m of shares, trades Aug. 9
  - Bookrunners: JPMorgan, SVB Leerink, Canaccord
  - Shares little changed post-market
  - Seller: Company
  - Notes: Shares closed up 56% YTD.
- Stemline Therapeutics (STML) 5m shares, trades Aug. 9
  - Bookrunner: JPMorgan
  - Shares -4.6% post-market
  - Seller: Company
  - Notes: Shares jumped 17% on Tuesday, the most since Oct. 2017, after saying CMS approved a new technology add-on payment for Elzonris.

More ECM Situations Bloomberg is following:

- Lyft Shares Fall After Co. Says Lock-Up Period Ending Early -- Lyft shares turned negative after the company said in a filing that its lock-up period is scheduled to end on August 19, 2019, which is ten trading days prior to the start of the company's quarterly blackout period. [Click here to keep reading](#)
- Elanco, Bayer Said Aiming to Reach Animal-Health Deal Next Week -- Elanco Animal Health Inc., the business Eli Lilly & Co. listed last year, is aiming to reach an agreement as soon as next week to combine with Bayer AG's animal-health unit, people with knowledge of the matter said. [Click here to read more](#)
- SoftBank's Son Eyes 5-6 IPOs From Vision Fund by March -- SoftBank Group Corp. CEO Masayoshi Son said the company plans to list five or six companies from Vision Fund 1 by next March. [Click here to read more](#)
- Uber and Lyft Seek Earnings Spark With Shares Below IPO Prices -- Uber Technologies Inc. and Lyft Inc. will get a chance to jump-start their languishing stocks when they report second-quarter financial

results this week. [Click here to read more](#)

- [Fiverr Rallies as Street Awaits First Earnings Report Since IPO -- Fiverr International Ltd. shares spiked in afternoon trading on Wednesday, ahead of the Thursday-morning release of the online marketplace's first quarterly report as a public company. Click here to read more](#)
- [Alteryx Offering Provides 'Dry Powder' for M&A: Raymond James -- Alteryx shares rose as much as 3% on Wednesday as Raymond James said its \\$700 million convertible offering created "dry powder" for potential mergers and acquisitions. Click here to read more](#)

Performance of Today's Additional Offerings:

- [Ceridian HCM Holding \(CDAY US\) +1.35% vs offering price](#)
  - Deal value pre-shoe: \$497.5 million
  - Offer price: \$49.75
  - Secondary shares: 10 million
  - Pricing discount: -1.05%
  - Industry: Application Software
  - Bookrunner: Goldman Sachs
- [Allakos \(ALLK US\) +13.6% vs offering price](#)
  - Deal value pre-shoe: \$350 million
  - Offer price: \$77
  - Primary shares: 4.55 million
  - Pricing discount: -3.11%
  - Industry: Biotech
  - Bookrunners: Jefferies and Goldman Sachs

League tables for 2019:

U.S. IPO Bookrunner	Issues	Volume (\$)	Market Share (%)
Goldman	36	3.95b	9.37
BofA	37	3.60b	8.54
Citi	20	3.06b	7.25
Deutsche Bank	17	2.96b	7.03
Credit Suisse	27	2.65b	6.29
Morgan Stanley	24	2.52b	5.98
JPMorgan	31	2.45b	5.81
Barclays	19	2.25b	5.34
RBC	14	2.20b	5.23
Cantor Fitzgerald	7	1.63b	3.87

U.S. Equity-Linked Bookrunner	Issues	Volume (\$)	Market Share (%)
BofA	19	3.61b	16.15
Morgan Stanley	17	2.98b	13.30
Goldman	17	2.09b	10.39
Barclays	17	1.96b	9.35

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JPMorgan	16 1.40b	7.53
Citi	12 1.32b	6.24
Credit Suisse	8 1.23b	4.83
Wells Fargo	8 1.08b	3.23
Jefferies	9 722.5m	3.16
RBC	8 707.9m	2.94

This week's calendar:

Thursday, August 8

- Expected to price
  - Silk Road (SILK) Secondary offering
  - Stemline (STML) Secondary offering
  - Quanterix (QTRX) Secondary offering
- Recent IPO earnings release:
  - Tradeweb (TW US) Reports 2Q 07:00
  - Farfetch (FTCH US) Reports 2Q post-market
  - Select Interior Concepts (SIC US) Reports 2Q pre-market
  - Brigham Minerals (MNRL US) Reports 2Q post-market
  - Revolve Group (RVLV US) Reports 2Q post-market
  - Fastly (FSLY US) Reports 2Q post-market
  - Mesa Air (MESA US) Reports 3Q post-market

Friday, August 9

- Nothing scheduled

SEE ALSO:

- Americas ECM Agenda
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SNAP US (Snap Inc)

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