

Tech Stock Swoon Chills Second Quarter 2000 IPO Market

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Market turbulence for technology and Internet stocks chilled the initial public offering market for most of the second quarter of 2000. The second quarter ended on a high note, however, giving the IPO market some momentum entering the third quarter.

In the second quarter of 2000:

- 103 IPOs raised \$31.22 billion, compared to 142 IPOs raising \$32.15 billion in the first quarter.
- 47 Internet-related IPOs raised \$6.36 billion, compared to 86 Internet-related IPOs raising \$10.15 billion in the first quarter.
- Nearly 60% of all IPO proceeds were attributable to the IPOs of AT&T Wireless (\$10.62 billion), China Unicom (\$4.92 billion) and Metropolitan Life (\$2.88 billion), and 30% of Internet-related IPO proceeds came from Genuity (\$1.91 billion).
- Internet-related IPOs represented 46% of the total number of IPOs in the second quarter of 2000, compared to 60% of IPOs in the first quarter.
- The average IPO ended the second quarter 73% above its offering price, compared to an average appreciation during the first quarter of 57%; quarter-end performance of Internet-related IPOs topped other IPOs 79% to 68%.
- The average second-quarter IPO closed 36% above its offering price on its opening day, compared to an average first-day gain of 93% for first-quarter IPOs; the biggest first-day winner of the second quarter did not crack the all-time top-thirty list.

We have just published a review of the second quarter IPO market which includes discussions of:

- trends and observations in the second quarter;
- monthly data on Internet-related and other IPOs;
- winners and losers in the aftermarket;
- the surge in foreign company IPOs;

- regional differences in IPOs;
- the leading managing underwriters and law firms handling IPOs;
- an updated analysis of valuation shifts from traditional businesses to their online counterparts; and
- an outlook for the balance of 2000

Click [here](#) to read the article. If you have any questions about this article, feel free to contact its authors David Westenberg (617-526-6626, david.westenberg@haledorr.com), or Timothy Gallagher (617-526-5605, timothy.gallagher@haledorr.com).

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