

Third Quarter 2000 IPO Market Exhibits Strong Results

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The third quarter 2000 IPO market rebounded nicely from the market turbulence for technology and Internet stocks that chilled the IPO market for most of the second quarter. The third quarter ended with strong momentum, but the IPO market is likely to remain selective for the balance of the year.

Highlights of the third quarter IPO market include:

- 142 IPOs raised \$27.22 billion, compared to 104 IPOs raising \$31.33 billion in the second quarter of 2000 and 151 IPOs with proceeds of \$18.00 billion in the third quarter of 1999.
- Technology and Internet stocks continued to face a mixed reception in the third quarter; e-commerce IPOs remained largely unpalatable but IPOs in the Internet infrastructure, optical networking, wireless, software and life sciences sectors were well-received.
- 62 Internet-related IPOs raised \$6.52 billion, an increase from 48 Internet-related IPOs raising \$6.47 billion in the second quarter of 2000, but down sharply from the 101 deals that produced \$7.41 billion in the third quarter of 1999.
- Internet-related IPOs represented 44% of the total number of IPOs in the third quarter of 2000, compared to 46% of IPOs in the second quarter of 2000 and 67% in the third quarter of 1999.
- The average IPO ended the third quarter 56% above its offering price, compared to second quarter-end gains of 73% for second quarter IPOs; quarter-end performance of non-Internet related IPOs topped Internet-related IPOs, 60% to 50%.
- The average third-quarter IPO closed 39% above its offering price on its opening day, compared to an average first-day gain of 35% for second-quarter IPOs; the biggest first-day winner of the third quarter did not crack the all-time top-thirty list for first-day gains.

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

- trends and observations in the third quarter;
- monthly data on Internet-related IPOs and other IPOs;

- winners and losers in the aftermarket;
- regional differences in IPOs;
- the leading managing underwriters and law firms handling IPOs; 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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