

Investing Beyond *Earth*

Insights

Space is no longer a distant frontier — it is rapidly becoming the next arena for transformative growth and strategic investment. The past year has marked a paradigm shift: reusable launch systems are driving down costs, mega-constellations are redefining global connectivity, and lunar infrastructure projects are laying the foundation for an interplanetary economy.

Beyond exploration, space is emerging as a critical enabler of terrestrial industries, from climate intelligence to secure communications, creating unprecedented opportunities for scalable, high-impact ventures.

For investors, the convergence of advanced propulsion, AI-driven mission planning, and resource utilization signals a future where space is not just a destination, but a cornerstone of global innovation and resilience. With the global space economy projected to surpass \$1 trillion by 2040 and double-digit annual growth in satellite and launch services, 2026 represents a pivotal moment to capture value in one of the fastest-evolving sectors.

Space-related investments have gained significant traction and is now one of the most prominent investment themes going into 2026. The theme is driven by three major catalysts - an executive order signed by President Trump in December 2025, space-based computing, and a potential SpaceX IPO anticipated in the second half of 2026.



Executive Order: Ensuring American Space Superiority

On December 18, 2025, President Trump signed an executive order titled "Ensuring American Space Superiority", establishing a comprehensive U.S. space policy framework aimed at reaffirming American leadership in space exploration, national security, and commercial development. The order sets ambitious objectives, including:

- Returning astronauts to the Moon by 2028 and initiating construction of a permanent lunar outpost by 2030.
- Deploying nuclear power systems in space.
- Strengthening capabilities to detect and counter threats to U.S. space assets.
- Encouraging private-sector innovation and investment in the space economy.

Additionally, the order calls for reforms in acquisition processes and inter-agency coordination to accelerate these priorities, framing space as a critical domain for national strength, security, and economic prosperity. Importantly, the directive signals tens of billions of dollars in new space-related investment, explicitly aiming to spur private capital and technological advancement.

The Space executive order is potentially a major catalyst for space stocks in 2026, driving faster commercial contracting, procurement reforms, and repeatable contract triggers that can move stock prices before revenue is realised.

Space-based Computing: AI Infrastructure Beyond Earth

Data centers in space sound absurd. And they are – until the first demos show up. Orbital computing is now reaching that "demo threshold".

The concept of orbital computing, deploying data centers in space, is poised to redefine the digital infrastructure landscape and unlock a new dimension of investment opportunities.

By moving computing power beyond Earth's atmosphere, orbital data centers promise unparalleled advantages: near-zero latency for global connectivity, enhanced security through physical isolation, and sustainable energy utilization via direct solar harvesting. This innovation addresses the exponential growth in data demand driven by AI, the internet of things (IoT), and real-time analytics, while mitigating terrestrial constraints such as land scarcity and energy costs.

For investors, orbital computing represents a convergence of two high-growth sectors—space and cloud computing—creating a unique thematic play with long-term scalability.

Early initiatives are already underway: Microsoft's Azure Space is partnering with satellite operators to extend cloud services beyond Earth, Lonestar Lunar is developing lunar-based data storage solutions, and the European Space Agency (ESA) is exploring orbital edge computing for Earth observation and defense applications.

These pioneering efforts signal a transformative shift where space becomes the backbone of the next digital economy.

SpaceX IPO in 2026?

Thirdly, and arguably the most significant influence in space investment in 2026, is the anticipated SpaceX IPO, which stands to reshape the landscape for public and private capital in the sector.

Major financial outlets, including Reuters, Bloomberg, Financial Times, and Economic Times, report that SpaceX is actively preparing for an initial public offering (IPO) targeted for mid-to-late 2026, though timing could extend into 2027 depending on market conditions.

What is SpaceX?

SpaceX, or Space Exploration Technologies Corp., is a US-based private aerospace company founded by Tesla CEO Elon Musk in 2002. It develops and operates launch systems, satellite networks and next-generation spacecraft designed for Earth-orbit transport, lunar missions and future deep-space activity.

Alongside its launch services, SpaceX runs Starlink, a global low-Earth-orbit (LEO) satellite network that provides broadband access in more than 150 countries. As of the start of 2026, SpaceX's Starlink constellation — the company's fleet of internet satellites in low Earth orbit (LEO) — is by far the largest in the world, with nearly -9,000 satellites currently in orbit and operational according to recent tracking data.

Starlink's rapid expansion has become a major driver of SpaceX's commercial strategy and financial performance, serving millions of users globally and offering broadband in remote and underserved regions.

Will SpaceX really go for an IPO?

Elon Musk has hinted on social media that the media reports are accurate, signaling that the possibility of an IPO is under serious consideration. Notably, SpaceX may opt to list the entire company—including Starlink—rather than spinning off only the satellite division.

Recent developments suggest strong momentum toward public markets. On December 5, 2025, the Wall Street Journal reported that SpaceX CFO Bret Johnsen confirmed a secondary share sale valuing the company at USD 800 billion, doubling its previous valuation of USD 400 billion from July. The purpose of this sale is to provide liquidity for existing shareholders and establish a benchmark valuation ahead of an IPO.

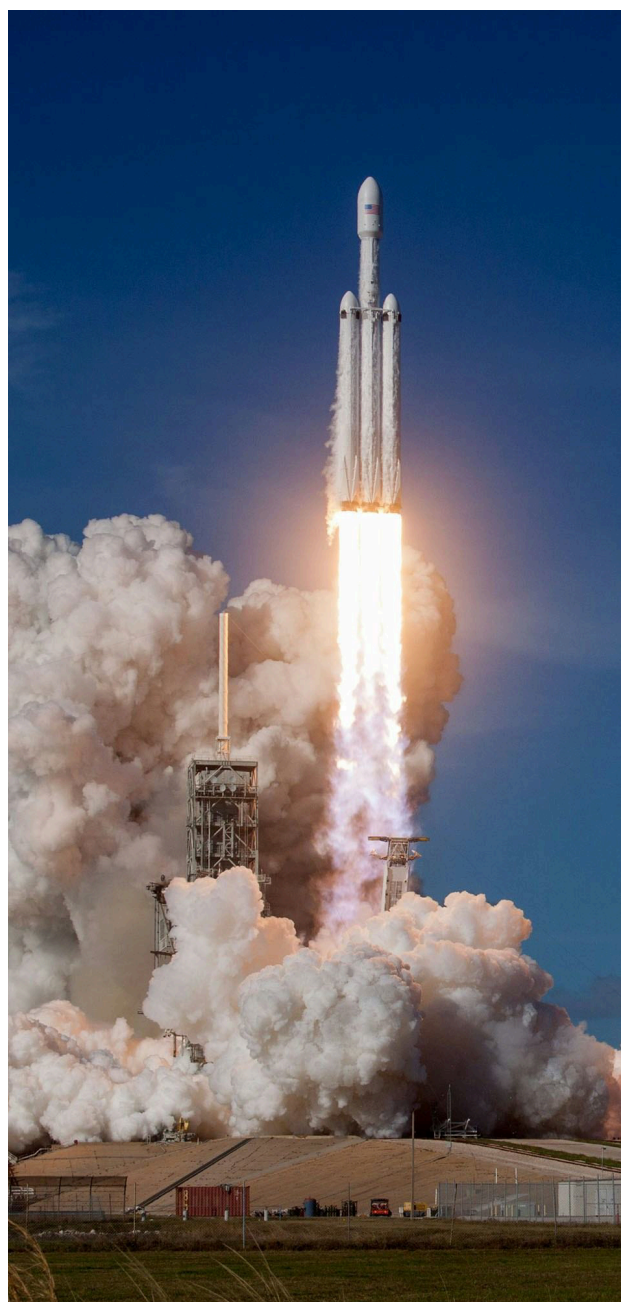
Reports indicate SpaceX aims to raise over USD 30 billion, which could make this the largest IPO in history, positioning the company's valuation near USD 1.5 trillion.

Additionally, Morgan Stanley is cited as a leading contender to manage the offering, underscoring significant Wall Street interest. The potential IPO reflects SpaceX's ambitious expansion across satellite internet, human spaceflight, and Mars colonization initiatives. However, no formal SEC registration has been filed, and details remain speculative until official documentation is submitted.

How a SpaceX IPO could change the space industry

According to company communications reviewed by Bloomberg, funds raised from the anticipated IPO will primarily support what SpaceX describes as an "insane flight rate" for its next-generation Starship rocket.

Starship is central to Elon Musk's long-term vision, designed to carry heavy payloads, enable Mars missions, and dramatically reduce launch costs. The IPO capital will accelerate Starship production and flight cadence, advancing development for lunar and interplanetary missions.

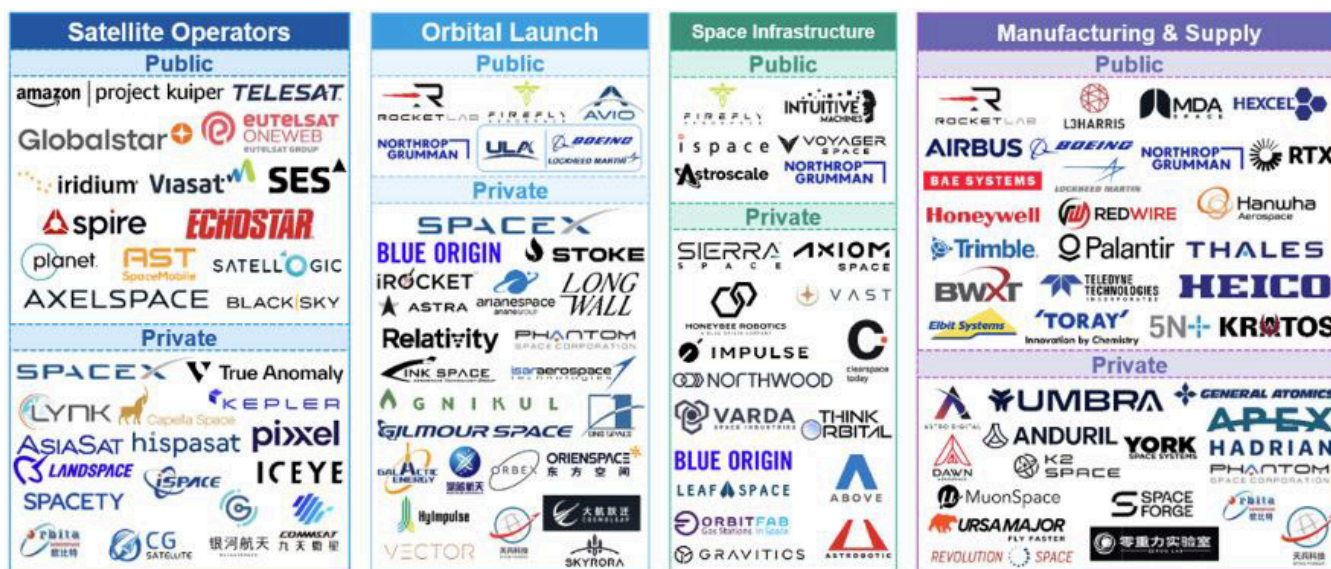


Beyond launch systems, SpaceX plans significant investment in orbital data centers powered by AI chips. These data centers would form a network of satellites leveraging space's unique advantages:

- Cooling Efficiency – Space's natural temperature (~2.7 Kelvin or -270°C) offers superior cooling conditions.
- Uninterrupted Solar Power – Space provides continuous, abundant solar energy without atmospheric interference.
- Global Edge Connectivity – Optimally positioned orbital data centers could enhance connectivity for distributed users and edge-compute workloads.
- Scalability – SpaceX currently accounts for ~90% of global mass-to-orbit capacity, enabling large-scale deployment.

However, challenges remain, including radiation exposure requiring hardened hardware, in-orbit maintenance limitations, orbital debris risks, and complex regulatory issues around spectrum management and multinational data governance.

Space related companies – Both Private and Publicly listed



Source: Morgan Stanley Research

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