

How to invest in the next chapter of SpaceX

Eight stocks poised to benefit from the coming space economy boom



Credit: bymuratdeniz

It finally happened.

The largest and most anticipated IPO in history is in the books.

SpaceX is now public... and Elon Musk has over \$50 billion to invest in the next chapter of his storied business career.

Musk is expected to spend this war chest of capital on building an enormous semiconductor complex in Texas, increasing SpaceX's rocket launch cadence, and on a multi-year program to build, launch, and operate space-based AI data centers.

If Musk pulls off his "AI data centers in space" master plan, he will eventually have many deep-pocketed customers like Google lining up to pay SpaceX tens of billions of dollars to launch their own data centers into space.

Add all that money up... and you get a future where Elon Musk – the fastest-moving, most aggressive, most successful manufacturing mind of our time – is directing Amazon-river-sized money flows into specialized semiconductor, satellite, high-tech materials, and communications equipment industries... which will massively increase the size of the space economy.

At Money & Megatrends, we expect Elon's giant investment plans will create a series of rolling "demand shocks" that will generate enormous wealth and big stock market moves... and what lies ahead will present one of the biggest investment opportunities of the 21st century.

Recent history shows why this is a reasonable expectation...

Over the past two years, we've seen similar large and fast money flows create "demand shocks" in many industries... which have driven the largest, fastest stock market moves in history.

Not a supply shock, where a war or a pandemic abruptly cuts off the supply of a resource like oil.

Instead, I'm talking about a "demand shock," where demand for a specific resource or manufactured product suddenly skyrockets... and sends its price hundreds of percent higher.

This creates boom times for the companies involved, as their unit sales and per-unit prices skyrocket simultaneously.

Twenty years ago, demand shocks for manufactured goods and natural resources were relatively rare. Businesses had time to anticipate new sources of demand and plan accordingly.

For many industries, those days are over.

AI – the fastest-evolving technology in history and the focus of the largest-ever capex cycle – has changed the rules.

AI's power demands, adoption rates, and capacity are exploding... from just one quarter to the next.

AI is advancing at such a rapid pace... and large tech firms such as Google, Microsoft, and Amazon are spending such huge, unprecedented sums on it (over \$700 billion in 2026 alone) that AI-driven demand shocks are now happening every year.

Recent "AI demand shock" bull markets include:

****** In 2023, just after ChatGPT was introduced, there was an AI demand shock for Nvidia's advanced semiconductors. The company's revenue soared, and so did its stock price. Nvidia advanced 525% in less than two years.

****** Around the same time, there was a demand shock for systems that cool AI data center components. This drove shares of cooling systems maker Vertiv up 1,050% in under three years. It sent Comfort Systems' shares up 1,000% in three years.



Credit: Gerville

****** AI data centers require advanced optical systems that allow fast data transfer. This demand shock drove the stock of optics firm Coherent up 295% in two years. It drove the stock of optics firm Lumentum up 1,164% in two years. It drove shares of optics materials firm American Xtai up by 1,035% over two years.

****** AI data centers also drove a demand shock in memory systems that support computer processing. This drove SanDisk's stock up 1,567% in just one year and Western Digital's stock up 579% in two years.

They are happening because Big Tech's historic investment spree and AI's breakneck rate of advancement are creating massive demand spikes that traditional manufacturing and resource chains are simply not equipped to handle.

These firms don't have enough lead time to adjust to rapid demand shocks. The trends are taking shape and exploding too quickly.

One day, an aggressive demand forecast for AI infrastructure components such as optical lasers, memory, or semiconductors is just a spot on the horizon to conventional thinkers... a futurist's fantastical estimate...

The next day, the demand spike is on us... and we don't even have blueprints for the new factories we need today. So, prices can explode by 3, 5, 10 times or even more. The demand shock hits the market like a meteor.

The typical manufacturing industry needs 5 to 10 years to build operations capable of meeting increasing demand. Same with mining industries that supply critical raw materials.

But our new, lightning-fast technological cycles now move way, way faster than that. They are hitting our economy like supersonic tidal waves.

We now have enormous mismatches across the economy's interlocking, interdependent parts. It's like we have a rocket engine attached to the drivetrain of a Toyota Corolla.

As a result of the SpaceX IPO, we could soon see a similar series of “demand shocks” hit the relatively small manufacturing and resource base that supports the building and operation of new satellite clusters, rocket fleets, and lunar infrastructure.

Some small companies are about to get some very large – and very urgent – orders.

With all this in mind, it’s worth looking into what individual companies will get paid a lot of money to help Elon meet his lofty goals.

It’s worth knowing the “who’s who” in key space economy players.

In this report, we highlight ten key space economy companies you’ll want to keep an eye on for at least the next five years.

These firms supply equipment and services that are vital to the growth and operation of satellites, rockets, and, eventually, Moon-based infrastructure that will greatly expand the space economy.

Some of these firms are known SpaceX suppliers. Some are not... but stand to benefit from the increased spending and attention the space economy will get in the wake of the SpaceX IPO.

1. Comtech (CMTL) is a \$160 million electronic equipment maker with \$732 million in funded backlog. Its Satellite and Space Communications segment manufactures traveling wave tube amplifiers, satellite modems, frequency converters, and other space components for Low Earth Orbit and Geostationary Earth Orbit satellites.

Comtech has another segment that supplies next-generation infrastructure to emergency services. However, the space segment alone generated \$2.5 million in operating income in the most recent quarter. This is about \$10 million in annualized operating income. That means at a \$100 million market cap, CMTL is trading at 10x earnings. This is also during a turnaround period, so the upside here is large if management executes well. But keep in mind the company is very small and carries more risk than most larger defense firms.

2. Intuitive Machines (LUNR) is a \$7.3 billion vertically integrated space infrastructure contractor. It builds and operates lunar landers that physically transport payloads, scientific instruments, cargo, and infrastructure equipment from Earth to the lunar surface. NASA is a major customer. In Q1, it hit \$187 million in revenue, nearly triple the previous year’s figure. It also has a backlog of \$1.1 billion, which is up \$842 million from the year before. The stock is up 56% since we profiled it in January.

3. Redwire (RDW) is a \$4.2 billion space infrastructure company deeply embedded in the space economy. While many suppliers focus on one or two components, RDW produces a broad range of technologies, including solar arrays, avionics, sensors, docking systems, and in-space manufacturing capabilities. Its products are used across both commercial and government space programs, positioning the company at the center of the rapidly expanding Low Earth Orbit (LEO) ecosystem. Major customers include NASA and the Department of War.

4. Frequency Electronics (FEIM) is a \$710 billion company that designs atomic clocks. Atomic clocks are extremely high-tech, extremely accurate timekeepers that count the natural vibrations of atoms at exactly 9,192,631,770 oscillations per second. These clocks are key components in satellites and other defense equipment.

5. In space, tiny timing errors cause huge problems. A 1-nanosecond error in GPS timing results in a 30cm positioning error on Earth, which can cause communication failures, satellite crashes, and mission failures. FEIM's largest customers are the U.S. government and big defense contractors like **Lockheed Martin (LMT)**

6. Filtronic (FLTCF, FTC.L) is a \$400 million pure-play supplier to SpaceX. It is a UK-based company that designs and manufactures radio-frequency components used in Starlink satellites. This relationship is not speculative. It now has orders worth more than \$115 million, and SpaceX even has the right to buy up to 10% of Filtronic's shares, which is a powerful sign of commitment in both directions.

7. STMicroelectronics (STM) is a \$56 billion supplier to SpaceX with a decade-long relationship. It designs and manufactures semiconductors, including microcontrollers, RF chips, sensors, and power electronics. The relationship with SpaceX is so ingrained in STM's business that a director has said, "Our numbers are more influenced by our market share in SpaceX rather than the success of another LEO constellation." STM now supplies SpaceX with over 5 million chips per day. Importantly, STM has significant other business in automotive and industrials, so SpaceX is a meaningful part of the business, but not something STM must rely on.

8. Sphere Corp (KRX: 007610) is listed on the Korean stock exchange. It's a \$1.6 billion firm that provides SpaceX with high-performance special alloys, including nickel and superalloys. These materials are used in the highest-stress parts of SpaceX's rocket infrastructure (engines, nozzles, combustion chambers, and launch pads). Sphere has filed a 10-year supply agreement with SpaceX, making it one of the longest-duration supplier agreements in the SpaceX ecosystem.

Summing Up

To be clear, we are not saying every stock on this list is a buy right now.

Any time there is a big, widely followed IPO, it typically generates enormous hype that sends the IPO and related companies to wildly overvalued levels.

That has certainly been the case with the SpaceX IPO.

In their early years, hypergrowth industries like space typically go through volatile boom-and-bust periods... where stock prices can soar hundreds of percent and then stage 25%-50%+ corrections.

These corrections are often great times to buy into the trend at reasonable prices. With this in mind, we recommend keeping this list of stocks handy and buying them when the space trend experiences a significant correction.

And of course, make sure to read *Money & Megatrends* each day for our updated analysis and actionable recommendations.