



NOBLE SUMMIT
STRATEGIES

INAUGURAL PUBLIC RESEARCH EDITION / SEPTEMBER 2026

Market & Valuation Review

Monetary policy, valuation discipline and the difference between business momentum and investment merit.

RESEARCH PERIOD: SEPTEMBER 1-30, 2026
PUBLISHED: OCTOBER 18, 2026

INDEPENDENT INVESTMENT RESEARCH
CLARITY. CONVICTION. COMPOUNDING.

00 / EXECUTIVE ASSESSMENT

An expensive market for unverified conviction

September reinforced a deceptively simple principle: even credible growth businesses must be evaluated against the price paid, the capital required and the time it may take for projected earnings to become cash flow.

Three developments shaped this assessment. The Federal Reserve raised the target federal funds range to 3.75%–4.00% on September 16; August inflation data released at month-end showed headline PCE inflation of 3.4% year over year; and the benchmark 10-year Treasury yield reached 5.29% on September 30, up from 4.79% on September 1. Together, those readings describe a backdrop in which long-duration equity valuations face a higher hurdle rate—even as some businesses report strong operating momentum. [1][3][4]

Our research therefore separates four questions often blurred together: **Is the business improving? Can it fund its growth? What expectations are already embedded in the price? What evidence would change the thesis?** A high-quality operation is not automatically an attractive security at any valuation.

FED TARGET RANGE SEP 16 3.75– 4.00% After a 25 bp increase [1]	10Y TREASURY SEP 30 5.29% +50 bp from Sep 1 [4]	HEADLINE PCE AUGUST, Y/Y 3.4% Released Sep 30 [3]	REAL GDP Q2 ANNUALIZED 2.2% Third estimate, Sep 30 [5]
---	--	--	---

Month-end data are presented using information released by September 30, 2026. Company financial statements referenced below were available before month-end. Interpretation and editorial synthesis prepared October 18, 2026.

Conviction should be earned through research, not inherited from consensus.

01 / MACRO ENVIRONMENT

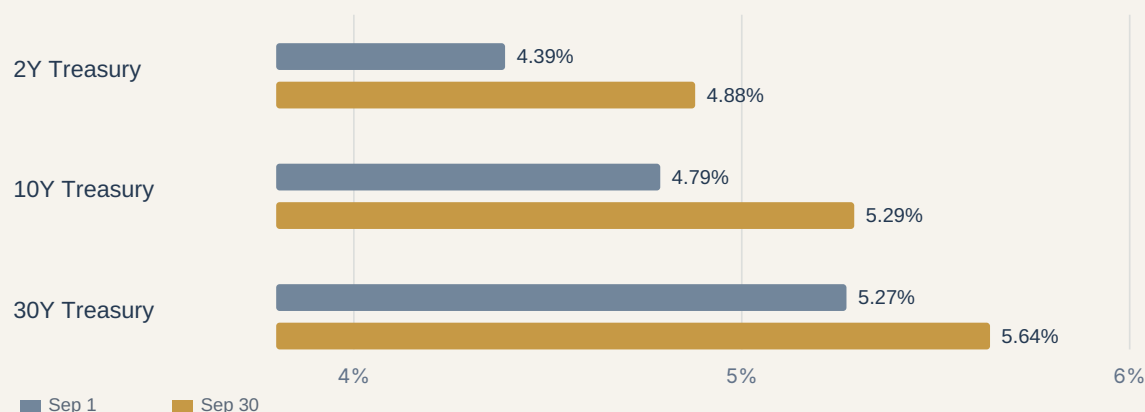
Resilient demand. Persistent inflation. More expensive capital.

The Fed's September decision was a **rate increase**, not an easing step. The statement described solid economic activity, resilient domestic spending and inflation remaining elevated, while acknowledging geopolitical uncertainty. The Fed's median September projections placed 2026 PCE inflation at 3.7%, core PCE inflation at 3.4% and real GDP growth at 2.3%. These are officials' projections, not realized annual outcomes. [1][2]

The August PCE release supplied a more current inflation observation: headline PCE prices were 3.4% above a year earlier and core PCE was 3.0% above a year earlier. Real consumer spending rose 0.6% month over month in August. That combination of continuing demand and above-target inflation complicates the case for a rapid return to lower discount rates. [3]

Importantly, the BEA's September 30 revision estimated second-quarter real GDP growth at a 2.2% annualized rate—evidence of activity that had not stalled, although it says little by itself about the next quarter. This mix does not establish a recession or a soft landing. It establishes **uncertainty around the future path of rates, margins and financial conditions**. [5]

FIGURE 1 / TREASURY YIELDS REPRICED HIGHER THROUGH SEPTEMBER



U.S. Treasury nominal par yields on September 1 and September 30, 2026. The ten-year rate increased 50 basis points over the comparison. This is a chart of public-market interest rates, not investment performance. Source: U.S. Treasury [4].

Why the long end of the curve matters for equity valuation

Higher risk-free yields raise the opportunity cost of tying up capital. In a discounted cash-flow model, this can increase the required return applied to projected free cash flow; all else equal, far-distant cash flows lose more present value than near-term cash flows. The effect is especially relevant for companies whose economic promise depends on substantial future scaling while material expenditures are required today.

This creates a valuation tension. A company's revenue, contracts and addressable market can improve even as its shares become less attractive if the market price assumes unusually rapid margin expansion, inexpensive future financing or a low terminal discount rate.

The discipline is not to reject growth. It is to distinguish growth that is visible from economics that remain assumed.

Business quality and market price are separate judgments

Our analysis begins with reported financial statements, not a target price. We separate revenue recognition from booked demand, accounting profitability from cash generation, and per-company progress from *per-share* value creation. Scenario models then test which operating outcomes, margins and reinvestment requirements must occur for a market price to be justified. The eight stages of the Noble Summit research process fall into three phases:

EVIDENCE · SOURCES, FINANCIALS Quality of evidence Reconcile claims to filings, reported figures, signed business activity and identifiable financial drivers. Treat forecasts as assumptions, not facts.	UNDERWRITING · DRIVERS, FORECAST, VALUATION Economics and scenarios Model revenue conversion, profitability, cash generation, funding requirements and dilution under differentiated bear, base and bull cases.	JUDGMENT · THESIS, DECISION, MONITORING Price against value Compare current expectations with independently reasoned outcomes, then revisit the thesis when new data or market conditions invalidate assumptions.
---	---	---

We do not present a price target as an objective fact. A modeled fair-value estimate is conditional on explicit inputs and can change considerably with financing assumptions, share count, terminal value or discount rate. Without a reproducible model and dated input schedule, publishing precise intrinsic-value figures would imply more certainty than the evidence supports.

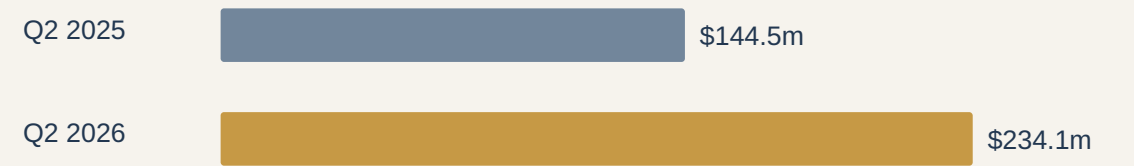
For September, the central analytical posture is therefore to **require more supporting evidence from expensive, capital-intensive growth businesses**, not to substitute blanket pessimism for disciplined underwriting.

Rocket Lab (NASDAQ: RCLB): Momentum is measurable; per-share value needs more proof

Rocket Lab illustrates the distinction between improving operations and an investment case that is fully supported by its future cash generation.

The company's August 10 release reported Q2 2026 revenue of \$234.1 million, up from \$144.5 million a year earlier, while backlog reached \$2.36 billion. This supports a favorable operating narrative: demand for launch and space systems is substantial and revenue conversion is accelerating. The same statements, however, show continuing operating losses, negative operating cash flow and heavy dependence on external capital during the first half of 2026. [6]

FIGURE 2 / REVENUE GROWTH IS REAL



Reported revenue, USD millions. Source [6].

Reported Q2 revenues, 2025 and 2026. About 62% year-over-year growth. Rocket Lab financial results [6].

REPORTED METRIC	2026	COMPARABLE PERIOD
Q2 revenue	\$234.1m	\$144.5m (Q2 2025)
Q2 GAAP gross margin*	36.1%	32.1% (Q2 2025)
Q2 operating loss	(\$57.5m)	(\$59.6m) (Q2 2025)
Q2 net loss	(\$49.3m)	(\$66.4m) (Q2 2025)
Six-month cash used in operations	(\$134.4m)	(\$77.5m) (H1 2025)
Six-month capital expenditures**	(\$53.1m)	(\$60.7m) (H1 2025)
Six-month FCF proxy***	(\$187.5m)	(\$138.2m) (H1 2025)

*Calculated as reported gross profit divided by reported revenue. **Purchases of property, equipment and software. ***Cash from operations less those purchases; an analytical proxy, not a company-reported GAAP metric. Dollar figures rounded. Source [6].

What improved

Revenue grew approximately 62% year over year; GAAP gross margin increased by roughly four percentage points; and the GAAP operating loss was modestly narrower. The company also guided to Q3 revenue of \$250–265 million and reported contracts spanning launch, spacecraft and national-security applications. These are legitimate indications of commercial execution, although guidance is prospective rather than reported performance. [6]

What remains unresolved

Rocket Lab used \$134.4 million of cash in operations in the first half, versus \$77.5 million a year earlier. Adding \$53.1 million of purchases of property, equipment and software results in a simple first-half free-cash-flow proxy of approximately negative \$187.5 million. This does not negate demand; it indicates that the revenue base has not yet fully funded the company's investment cycle. [6]

At June 30, cash and cash equivalents were approximately \$2.13 billion, but the company also reported \$1.53 billion of gross proceeds from at-the-market equity offerings during the first half, before issuance costs. Liquidity and funding capacity therefore need to be

considered alongside dilution and per-share economics rather than interpreted as purely operating self-sufficiency. Weighted-average shares used in Q2 basic and diluted EPS calculations were about 629.7 million, compared with 515.1 million in Q2 2025—a roughly 22% increase in that measure. [6]

The company's plans across launch, space systems and the announced Iridium transaction create integration, capital-intensity and execution risks. Backlog, while useful evidence of demand, must be converted into recognized revenue, profitable contracts and ultimately cash. Contract options and future deliverables are not the same as immediately available cash flow. [6]

BEAR / DOWNSIDE

Delays + dilution

Programs slip; contract conversion or margin expansion falls short; additional financing erodes per-share economics while discount rates stay high.

BASE / CONTINGENT

Growth, then proof

Reported growth and order conversion progress; profitability and cash conversion improve gradually while capital requirements remain material.

BULL / UPSIDE

Scale converts to cash

Launch and space-systems execution strengthens, integration delivers operating leverage, and free cash flow improves faster than anticipated.

Evidence that would change our assessment

- **Positive:** sustained improvement in gross margin and operating cash conversion as revenue scales.
- **Positive:** clear milestone delivery for Neutron and transparent conversion of large awards into revenue and cash receipts.
- **Negative:** material timetable slippage, more costly integrations or persistent working-capital requirements.
- **Negative:** additional issuance that substantially dilutes per-share outcomes without proportional growth in intrinsic value.

Research conclusion: Rocket Lab's commercial momentum is increasingly observable, but an investment judgment requires a separate and rigorous assessment of future cash

flows, share count, valuation and the price implied by market expectations. This report does not publish a price objective or make a buy/sell recommendation.

This company spotlight reflects Q2 results released August 10, 2026 and an editorial reassessment prepared October 18. It is not a claim that the full discussion was completed by September 30.

04 / OUTLOOK & RISK REGISTER

What we will monitor next

Our forward assessment is conditional. September's data do not guarantee that interest rates remain elevated indefinitely, nor do they prove that every growth company is overvalued. They do argue for explicit, testable assumptions where earnings and cash flows lie far in the future.

WATCH ITEM		WHY IT MATTERS
Inflation persistence	Can restrict the scope for easier monetary policy and keep discount rates elevated.	
Treasury yields	Alter the opportunity cost of capital and valuation sensitivity for long-duration equities.	
Earnings conversion	Reveals whether revenue growth is becoming durable operating profit and distributable cash.	
Capital intensity	Tests whether growth must be financed through debt, equity issuance or continuing internal cash burn.	
Execution milestones	Shows whether management's timeline and customer commitments are translating into measurable delivery.	
Valuation versus evidence	Determines whether changing market prices create opportunity—or merely reflect repricing of risk.	

These variables are intended to generate research updates, not constant activity. A sound thesis should state what would support it, what would disprove it, and which assumptions require revision when new information arrives.

Patient capital is not idle capital when it is waiting for an evidence-supported price.

05 / SOURCES, METHODOLOGY & DISCLOSURES

Source register

Unless explicitly identified as a calculation or analytical inference, quantitative claims in this report are drawn from the primary documents below. Source access and editorial review: October 18, 2026.

1. **[1] Federal Reserve.** FOMC Statement, September 16, 2026. Official source ↗
2. **[2] Federal Reserve.** Summary of Economic Projections, September 2026. Official source ↗
3. **[3] U.S. Bureau of Economic Analysis.** Personal Income and Outlays, August 2026 (released September 30). Official source ↗
4. **[4] U.S. Department of the Treasury.** Daily Treasury Par Yield Curve Rates, September 2026. Official source ↗
5. **[5] U.S. Bureau of Economic Analysis.** GDP (Third Estimate), 2nd Quarter 2026, released September 30. Official source ↗
6. **[6] Rocket Lab Corporation.** Second Quarter 2026 Financial Results (August 10, 2026). Official source ↗

Research status and purpose. Noble Summit Strategies is an independent investment research project. It is not an incorporated entity or a registered investment adviser. This publication provides general educational research and market commentary. It is not individualized investment advice, a promise of performance, an offer of securities or a solicitation to invest.

Estimates and uncertainty. Scenario descriptions and interpretations represent analytical judgments as of October 18, 2026. Projections, management guidance and model inputs may change; outcomes are not guaranteed. Figures obtained from company releases are unaudited unless explicitly indicated otherwise.

Conflicts of interest. As of the publication date, the author holds a long position in Rocket Lab (RKLB) in the Noble Summit strategy account. The author may buy or sell RKLB at any time, including after publication, without notice. This report does not disclose account values, position sizes, transactions or performance.

Independence. Views expressed are personal research perspectives of the project and are not attributable to any employer or public agency. No outside investor capital is offered or accepted through this publication.