

# WHAT WE SAW EARLY IN 2025

Five calls we made early and  
how they played out

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# Introduction

In 2025, we made several calls about:

- Guidance evolution
- Tariffs & inflation risk
- 24-hour trading
- Real-time valuation
- Strategic IR roles

**Here's what happened.**

# 1

# Defending Valuation Without Certainty

## What we said (April 2025):

- Tariff uncertainty would push companies to withdraw or qualify guidance and defend valuation through scenario logic rather than false precision.

## What happened:

- Guidance withdrawals and increased qualifications clustered in tariff-exposed sectors as forecasting confidence deteriorated.
- Management teams relied more heavily on scenario framing.
- Sell-side commentary increasingly emphasized ranges and downside cases alongside traditional point estimates

**Outcome:** We were early and accurate on the evolution of guidance practices.

*“Q&A: How to Defend Valuation When Pulling Quarterly Guidance in a Tariff-Driven Market” (Apr 2025)*

# 2

# Inflation Isn't Done

## **What we said (May 2025):**

- While markets celebrated cooling inflation, we warned that tariff pass-through had yet to hit.
- We advised companies to stress-test margins and rely on scenario ranges rather than point guidance.

## **What happened:**

- Tariffs drove an estimated ~1.8% increase in consumer prices.
- Inflation proved stickier than expected, with sell-side research increasingly attributing this to tariffs.
- Margin pressure emerged across many tariff-exposed sectors.

**Outcome:** We were early and right on inflation dynamics and guidance strategy.

*“Transparency over Precision: How to Navigate the Investor Guidance Amid Inflation-Tariff Disconnect”*  
(May 2025)

# 3

# The Markets Never Sleep

## What we said (Feb 2025):

- 24-hour trading isn't hypothetical — it's an imminent structural shift that will compress information windows and require around-the-clock IR monitoring.

## What happened:

- Nasdaq formalized plans for 24/5 trading with a targeted H2 2026 rollout.
- Extended-hours market structure became a live regulatory and operational reality.
- IR teams are actively planning for continuous market operations.

**Outcome:** We were early and validated.

*“What 24-Hour Trading Could Mean for Investor Relations — And How to Prepare” (Feb 2025)*

# 4

# The Age of Infinite Momentum

## What we said (Mar 2025):

- Markets would shift from periodic repricing to continuous valuation, with AI-driven models and real-time data compressing price discovery from quarters to minutes.

## What happened:

- Valuation became faster and more dynamic, with prices adjusting intraday as new data, narratives, and risk signals emerged.
- Markets didn't reach full automation, but repricing increasingly reflected AI-driven analytics, real-time information flow, and heightened interconnectedness.

**Outcome:** We were spot-on in the reframing of modern valuation dynamics.

*“The Age of Infinite Momentum Has Arrived” (Mar 2025)*

# 5

# Elevating IR to the C-Suite

## **What we said (Jan 2025):**

- IR should be a C-suite strategic function, combining investor engagement, macro scenario planning, and valuation narrative architecture.

## **What happened:**

- IR continued its shift from disclosure to a strategic valuation function embedded in senior decision-making.
- Leading organizations leveraged IR to connect market perception, capital allocation, and long-term strategy.
- Boards paid growing attention to valuation narratives.

**Outcome:** We were early but directionally right.

*“The Case for Chief Strategic Investor Engagement Officers” (Jan 2025)*

# The Common Thread

## What separated these calls:

### **Structural over cyclical**

We focused on permanent shifts in market infrastructure, regulation, and investor behavior, not short-term earnings beats or Fed headlines.

### **Operational over theoretical**

Each insight came with execution tools: scenario frameworks, guidance models, sentiment tracking, and communication playbooks.

### **Early but actionable**

Clients had 6–12 months to prepare, early enough to build advantage and practical enough to act immediately.

# Where We're Still Early

## Three areas to watch in 2026:

### 1. All-source sentiment models

- The buy-side already operates unified intelligence systems combining fundamental research, alternative data, sentiment, and macro signals—while most IR teams still rely on fragmented inputs like street research and point-in-time perception studies.

That gap is narrowing. Companies that build internal sentiment models will gain real-time insight into valuation drivers.

### 2. IR organizational evolution

- IR is moving from disclosure compliance toward strategic valuation architecture.
- IR leaders are moving into Strategy and CFO-adjacent roles.
- Boards are discussing valuation narratives at the governance level.

Organizational structures will soon reflect this reality.

### 3. The impact of 24-hour trading

- Exchanges are committed. Nasdaq plans 24/5 by H2 2026.
- The question is no longer whether markets will extend, but how transformative the shift will be.

Will this simply lengthen after-hours trading, or fundamentally change IR workflows? We are preparing for the latter.

# **READY FOR WHAT'S NEXT?**

*The frontier keeps moving.*

*The question isn't whether these shifts will happen—it's whether you'll be ready.*

*Want to discuss your 2026 IR strategy? Connect with us.*

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# BREAKWATER CAPITAL MARKETS

Capital markets and investor relations advisory elevating valuations, providing advanced investor intelligence, and optimizing executive decision-making and investor communications.