IE INVESTMENT EXECUTIVE

As Uncertainty Spikes, M&A Activity Drops

The value of so-called "mega" deals fell in the third quarter, Crosbie & Co. reports

James Langton

November 5, 2026

Amid elevated economic and geopolitical uncertainty, merger and acquisition (M&A) activity declined in the third quarter, according to data from Crosbie & Co Inc.

The volume of deal activity was down 5% in the quarter, while the value of transactions dropped by 38% — coming in at $71.5 billion, down by $44 billion from the previous quarter, the firm reported.

The drop in deal value was driven almost entirely by a dearth of so-called “mega”deals (defined as transactions worth more than $1 billion). The total value of mega deals was down by $47.1 billion in the quarter, Crosbie noted.

Declining mega deal activity came amid an increasingly unpredictable operating environment in the third quarter, the firm said, including intensifying trade tensions.

“Renewed tariffs also added to cost pressures, with businesses unable to pass through all of the increases to customers. Trade uncertainty and technological disruption are also increasing scrutiny of revenue forecasts, pipeline conversion and the sustainability of margins,” it said.

With the mega deals dropping off, mid-market M&A activity held up better, the data showed.

“The divergence between headline activity and mid-market deal-flow underlines the importance of looking beyond the largest deals when assessing conditions for private business owners,” said Sadat Mirza, managing director at Crosbie, in a release.

“We are also seeing more owners consider taking some liquidity while remaining materially invested in the next stage of their business’s growth. That is broadening sale conversations to include partnerships that better reflect how much capital, control and continuing involvement an owner wants.”

The industrials and tech sectors remained the most active dealmakers in the third quarter, Crosbie reported. Meanwhile, the real estate sector accounted for the largest share of deal value, with $23.8 billion worth of deals, followed by utilities at $17.6 billion, and the energy sector at $13.4 billion.