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RAYA Surges 107% Pre-Market on $400K Private Placement — The Micro-Cap Dilution Machine Cranks Up Again

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Key Data (as of 9:06 AM ET, April 10, 2026)
Price: $0.9477 | Change: +107.33% | Volume: 18.63M | Float: ~400K shares | Market Cap: $409.1K

RAYA's pre-market explosion tells the classic small-cap story: massive percentage moves on tiny dollar amounts. The stock surged 48.80% in after-hours trading Thursday following disclosure of a $400,000 private placement, then continued climbing to current levels exceeding 100%.

On April 7, Erayak entered into Securities Purchase Agreements with non-U.S. investors, issuing up to 5 million Class A ordinary shares at $0.08 per share for total proceeds of $400,000. That's 8 cents per share when the stock closed Thursday at 46 cents — a 83% discount to market price.

Here's how these moves work: The filing hits after hours, traders see "private placement," assume institutional validation, and pile in without reading the details. The shares were sold under Regulation S, meaning they went to offshore investors outside U.S. registration requirements. Classic move for micro-caps seeking quick cash with minimal regulatory friction.

But RAYA's got bigger dilution machinery running. The company operates a $20 million at-the-market facility through Craft Capital Management, having already issued 1.25 million shares for $720K in gross proceeds through March 31. Craft takes a 4% commission on gross sales, and they can dump shares whenever market conditions allow.

The math gets ugly fast. RAYA has dropped 99.83% over 12 months, with a 52-week range of $0.31 to $736.99. A 220-for-1 reverse split became effective September 30, 2025, which means this thing was trading in fractions of pennies before the consolidation.

Volume patterns matter here. RAYA closed Thursday up 8.91% at $0.46 on regular session volume, but pre-market is showing 18.63 million shares traded — that's massive relative to the float. Someone's either covering shorts or unloading into strength.

Erayak announced a strategic pivot following the 2026 National Hardware Show and a 5,000-mile research tour across the U.S., with Chairman Lingyi Kong positioning the company as a "U.S.-centric R&D and Brand Powerhouse". The company's pushing Tri-Fuel Inverter Generators (9kW to 13kW) targeting energy independence markets in Texas and Florida.

The business fundamentals show why they need cash. Net income of negative $1.1 million on $5.1 million in total debt, with operating cash flow barely positive. 360 employees burning through working capital while trying to pivot from Chinese manufacturing to U.S. market presence.

Trading this requires understanding the setup: tiny float, major dilution overhang, and retail traders who see triple-digit percentage moves without calculating the share count destruction. The $0.08 private placement price sets a floor for smart money, but that's 91% below current levels.

Watch these levels: If this holds above $0.50, momentum players might push it toward $1.00. But any sign of ATM selling or profit-taking could collapse this back toward the 20-40 cent range where it's been grinding. Volume needs to stay elevated to absorb the dilution flow.

The pattern's familiar: cash-strapped micro-cap raises money at massive discount, retail sees the percentage move and assumes something fundamental changed, smart money uses the pop to distribute. RAYA's got the business transformation story, but the dilution mechanics are running faster than revenue growth.

This analysis is based on publicly available information and SEC filings. Past performance doesn't predict future results, and micro-cap stocks carry substantial risk of total loss.

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Summary

RAYA rockets over 100% pre-market after disclosing a $400K offshore private placement at $0.08 per share while running a $20M ATM facility — textbook small-cap volatility meets dilution mechanics.

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Data Box

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Mkt cap	$409.1K

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