THEMATIC RESEARCH · ARTIFICIAL INTELLIGENCE

Financing the AI Build-Out in 2027

the $1.2 trillion question

Spending on AI infrastructure will pass US$1 trillion next year, more than the largest technology companies can pay for from their own cash. This report follows the money: who funds the build-out in 2027, through which markets, at what cost, and how the bill spreads across credit, equities, banks, insurers, utilities and governments.

Global Markets Research · Thematic Research Desk Prepared by ANDRA MARKETS

capex > cash flow

Coverage summary. The five largest AI spenders (Amazon, Microsoft, Alphabet, Meta and Oracle) will invest about US$800 billion this year and, on Goldman Sachs and Morgan Stanley estimates, about US$1.2 trillion in 2027. Their own cash no longer covers that bill: Amazon's free cash flow over the past twelve months was negative, Alphabet reported its first negative quarter since its 2004 listing, Meta and Alphabet stopped buying back shares, and Oracle spent US$1.61 for every dollar of operating cash flow. The gap is being filled by record bond issuance, private credit, off-balance-sheet vehicles, securitisation, equity raises and financing from suppliers such as Nvidia and Broadcom. On our estimate, about half of next year's AI infrastructure spending will be paid from internal cash and about half by external investors, of which around 30 per cent through investment-grade bonds. The result is a financial system that is increasingly tied to the success of a single technology, with the risk sitting less in the companies' equity and more in the debt held by insurers, pension funds, private credit funds and banks.

AI CAPEX 2027E (TOP 5)	HYPERSCALER BONDS 2027E	CLOUD BACKLOG (4 FIRMS)	OFF-BALANCE-SHEET LEASES
~$1.2tn	**$420bn**	**$2.35tn**	**~$1.1tn**
~$800bn in 2026	*Goldman Sachs, +60%*	*MSFT, ORCL, GOOGL, AMZN*	*JPMAM estimate*

1.0 Executive Summary

Key takeaways

The bill. AI infrastructure spending by the five largest spenders is set to rise by about 50 per cent next year, to about US$1.2 trillion, with US$1.4 trillion expected in 2028. Including neoclouds such as CoreWeave, the AI laboratories' own sites, chip leasing vehicles and the power grid, we estimate total spending linked to AI infrastructure at about US$1.4 trillion in 2027.

2027: ~$1.2tn of capex

Who pays. On our central estimate, operating cash flow covers about 53 per cent of 2027 spending, investment-grade bonds about 30 per cent, private credit and special purpose vehicles about 9 per cent, securitisation about 4 per cent and equity and supplier financing about 5 per cent. Two years ago, internal cash covered almost all of it.

half internal, half external

The price is rising. Demand for AI bonds is fading: order books fell from about five times the deal size in February to below two times in July, AI issuers pay about 25 to 35 basis points more than the investment-grade index, Meta's Hyperion bonds trade at 91 cents, and CoreWeave pays above 10 per cent. Oracle is one notch above junk, with record credit default swap spreads.

investors demand more

Exhibit A. The AI financing landscape at a glance

Indicator	Value	Source and date
Top-5 capex 2026 / 2027e / 2028e	~$800bn / $1.2tn / $1.4tn	Goldman Sachs, Sep 2026
Consensus 2027 capex	~$0.9 to 1.1tn	Goldman via PYMNTS; ROIC (sources differ)
Aggregate free cash flow 2027e (5 firms)	−$144bn	BofA via TFTC, 2026 (secondary)
Hyperscaler bond issuance 2025 / 2026 YTD	$108 to 121bn / ~$250bn	BofA, Goldman, Reuters
Share of US IG issuance (hyperscalers)	>15% vs ~3% of index	BoE FSR (Jul 2026), IFR
AI-related debt issued in 2026 (broad)	$489bn	Goldman Sachs, Aug 2026
Private credit share of AI financing	34% (2025) vs 9% (2024)	OECD via BoE FSR
Data-centre ABS and CMBS outstanding	~$61bn	SFA (Barclays data), Jul 2026
OpenAI cash burn 2026 to 2030	−$278bn	FT via Reuters, Sep 2026
Anthropic compute obligations	$518bn	Reuters, leaked prospectus, Sep 2026

Figures as reported by the sources listed; definitions differ between sources (see Section 12). Colour convention (charts only): green marks capacity and funding, red marks deficits and risk.

BofA: FCF turns negative

a new debt market

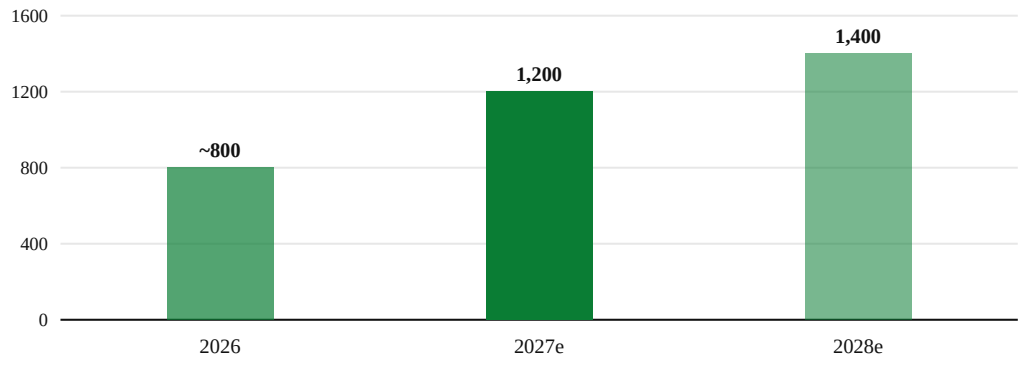
risk moves to credit holders

Who bears the risk. The risk is migrating from the equity of the technology giants to the balance sheets of bondholders, insurers, private credit funds and banks, and to electricity consumers. The Bank of England, the BIS, the IMF and the ECB have all flagged it this year. A shortfall in AI revenue would now be a credit event, not only an equity correction.

2.0 The Bill for 2027

Capex on a steep path

Exhibit 1. Capital expenditure of Amazon, Microsoft, Alphabet, Meta and Oracle ($bn)



+50% in one year

consensus $0.9-1.1tn

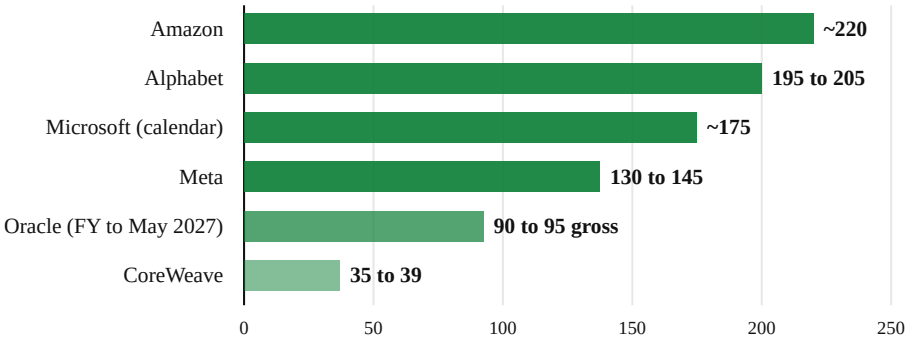
Source: Goldman Sachs (25 September 2026) via PYMNTS. Consensus estimates for 2027 range from about $0.9tn to $1.1tn depending on the source; Moody's expects close to $1tn and BofA a path towards $1.2tn for the top four. Estimates, not company guidance.

2026 guidance by company

Company guidance for 2026 already implies a step change. Amazon expects about US$220 billion, raised in July because of higher memory prices; Alphabet US$195 to 205 billion; Microsoft about US$175 billion for the calendar year, after an accounting change that moved some leases outside capital expenditure without reducing spending; Meta US$130 to 145 billion; and Oracle US$90 to 95 billion gross for its fiscal year to May 2027. None has given a 2027 figure, but all have signalled more: Alphabet's finance chief said capital spending will "significantly increase", Microsoft that it will grow, and Amazon that capacity will still trail demand in 2027.

Oracle: 161% of OCF

Exhibit 2. 2026 capital expenditure guidance by company ($bn, midpoint)



memory prices +$20bn

Source: company results and earnings calls (July to September 2026). Microsoft figure after reclassification of leases; Oracle net cash capex guided at about $70bn.

3.0 The End of Self-Funding

Cash flow no longer covers capex

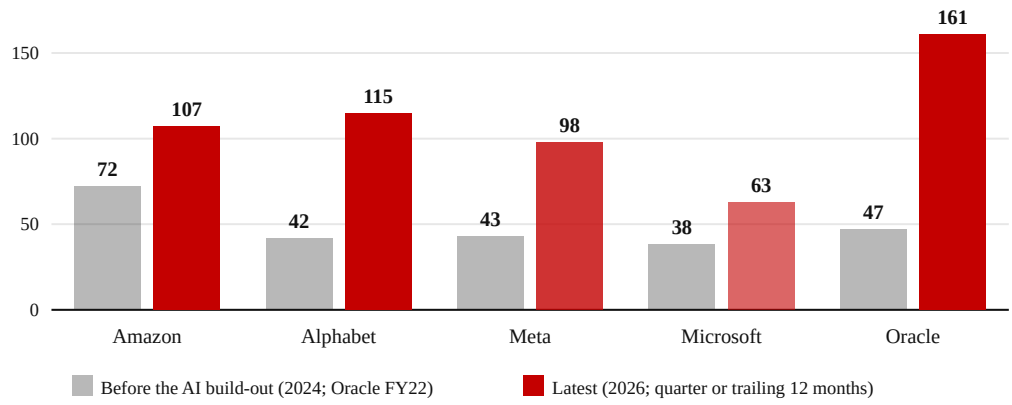
Alphabet: first negative FCF

Until 2024, the hyperscalers paid for their data centres from operating cash flow and still returned large sums to shareholders. That has changed. Capital spending as a share of operating cash flow rose at Amazon from 72 per cent in 2024 to 107 per cent over the past twelve months, at Meta from 43 to 98 per cent in the second quarter, at Alphabet from 42 per cent to 115 per cent in the second quarter, and at Oracle to 161 per cent. Alphabet's free cash flow was negative US$5.9 billion in the second quarter, its first negative quarter as a listed company, and Amazon's was negative US$7.6 billion over twelve months while its long-term liabilities almost doubled to about US$129 billion. Alphabet and Meta both bought back no shares in the second quarter, against US$15 billion and US$10 billion a year earlier. Microsoft is the exception: it expects to remain free-cash-flow positive in fiscal 2027 and has not cut its buyback.

buybacks: $0

Exhibit 3. Capital expenditure as a share of operating cash flow (%)

above 100 = borrowing



Oracle the extreme

Source: company filings and results releases; Andra Markets calculations. Latest: Amazon and Oracle trailing 12 months, Alphabet and Meta Q2 2026, Microsoft FY26 (cash capex only). Above 100 means capex exceeds operating cash flow.

BofA: –$144bn FCF 2027

The arithmetic for 2027 is unforgiving. Reuters and LSEG estimate that between 2025 and 2027 the group's operating cash flow rises by about US$340 billion while capital spending rises by about US$534 billion, so each additional dollar of cash generated is matched by US$1.57 of new investment. BofA projects aggregate free cash flow for the five companies of negative US$144 billion in 2027, after positive US$180 billion in 2025. Depreciation adds a second strain: Meta's quarterly depreciation charge rose 47 per cent in a year, and the useful lives of five to six years assumed for servers are being questioned by investors who argue that AI chips become obsolete faster, which would mean higher costs and lower reported profits in future.

4.0 Who Pays: Sources of Funding in 2027

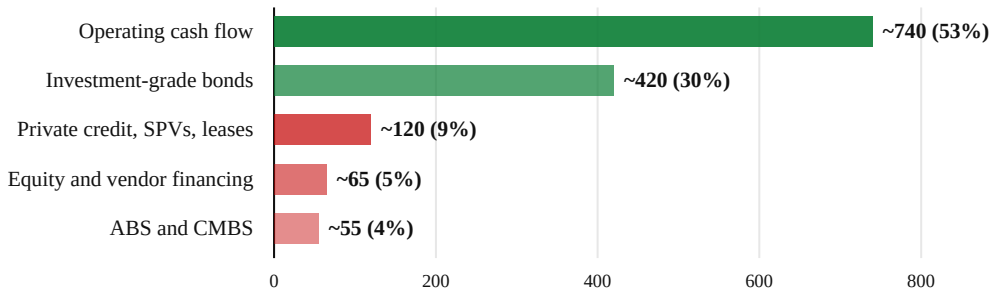
An Andra Markets estimate

To answer the question in the title, we combine the published forecasts into a single sources-and-uses estimate for 2027. On the uses side, we take hyperscaler capital spending of about US$1.2 trillion (Goldman Sachs) and add about US$200 billion for spending outside the five companies: neoclouds such as CoreWeave, which plans US$35 to 39 billion this year; chip-leasing vehicles for OpenAI, Anthropic and xAI; and the share of utility investment driven by data centres. On the sources side, we use Goldman's forecasts of US$400 to 420 billion of hyperscaler bonds, about 35 per cent of their capital spending; projections for data-centre securitisation above US$55 billion; and the pace of private credit and equity deals seen this year. Internal cash flow covers the remainder.

uses ~$1.4tn

internal ~$740bn

Exhibit 4. 2027 AI infrastructure funding: estimated sources ($bn, total ~$1,400bn)



half from outside

the opaque part

Andra Markets illustrative estimate based on Goldman Sachs (capex and bond forecasts, July and September 2026), Moody's, JPMAM, Morgan Stanley (2025 financing-gap study) and data-centre ABS projections. Ranges are wide: IG bonds $220 to 420bn (JPMAM to Goldman); internal cash $650 to 850bn.

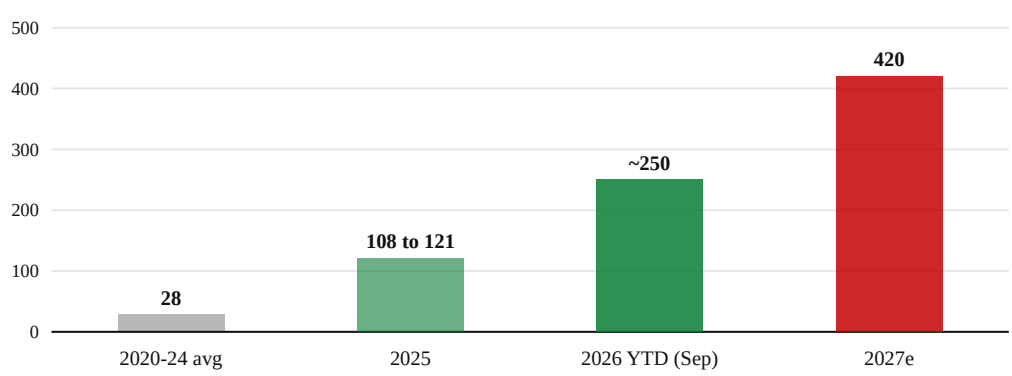
The estimate is illustrative and the ranges are wide, but the conclusion is robust to the assumptions: about US$600 to 700 billion of AI infrastructure in 2027 must be financed by outside investors, roughly double this year. For comparison, total US investment-grade issuance this year is running at about US$1.9 trillion on our derivation from SIFMA and BlackRock data, so AI alone would need the equivalent of a third of a normal year of US corporate bond supply. The longer view is similar: JPMorgan estimates US$5.5 trillion of AI build-out costs through 2030, of which about US$4.1 trillion could come from debt, and Morgan Stanley's 2025 study put the external financing gap through 2028 at US$1.5 trillion.

external: ~$660bn

5.0 The Bond Market

A new giant borrower

Exhibit 5. Bond issuance by the hyperscalers ($bn)



15x the old average

Sources: BofA via Reuters (2020-24 average, 2025: $121bn; Goldman $108bn and JPMAM $109bn on narrower definitions); Reuters (about $250bn by 29 September 2026); Goldman Sachs forecast for 2027 (22 September 2026). JPMAM expects $220 to 300bn in 2027.

record order books

The bond market has absorbed a wave of record-breaking deals: Meta's US$30 billion in October 2025, Oracle's US$25 billion in February with orders of about US$129 billion, Amazon's US$54 billion in March, SpaceX's US$25 billion after its merger with xAI, Alphabet's US$25 billion in August and even a sterling bond with a 100-year maturity.

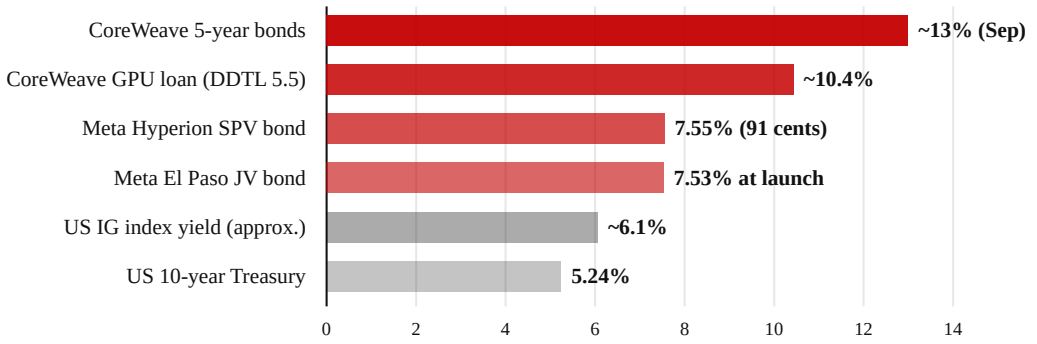
Hyperscalers accounted for more than 15 per cent of US investment-grade issuance by May against about 3 per cent of the index, according to figures cited by the Bank of England and IFR. But appetite is weakening: Apollo estimates that order books fell from about five times the deal size in February to less than two times in July, Amazon paid an extra 18 to 21 basis points on its July long bonds, and new Meta bonds in April priced wider than the October deal. Goldman Sachs said in late September that the 2026 supply peak may already have passed, yet it still expects a record US$420 billion next year.

demand: 5x to <2x

6.0 The Cost of AI Debt

Spreads are widening

Exhibit 6. Indicative yields and spreads on AI-related debt (%)



SPVs pay ~150bp more

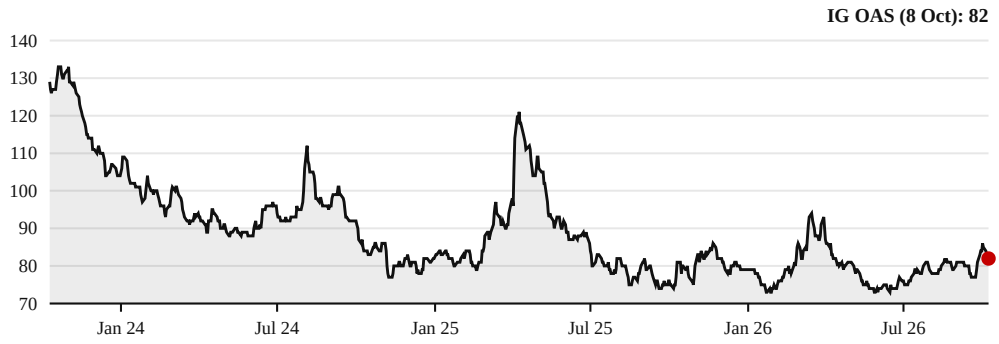
Sources: Real Investment Advice (CoreWeave bonds, single source); PitchBook/Yahoo and Global Data Center Hub (DDTL 5.5, August 2026); Reuters via The Edge (Hyperion, 28 September 2026); Bloomberg Law (El Paso, July 2026); US Treasury and ICE BofA via FRED (IG index approximated as 10-year yield plus OAS of 0.82%). Indicative, different maturities.

Oracle: BBB-, CDS ~219bp

Investors are starting to price the risk. AI issuers trade about 115 basis points over Treasuries against 78 for the investment-grade index, according to Goldman Sachs and ICE BofA data in September, and JPMAM calculates that hyperscaler spreads have widened about 30 basis points this year against 2 for the index. The off-balance-sheet bonds are priced more like high yield: Meta's Hyperion bond, rated A+, was issued at a 6.581 per cent coupon and traded at 91 cents in late September. Oracle, downgraded by S&P to BBB-, one notch above junk, in July, saw its five-year credit default swaps reach about 215 basis points in August, an 18-year high; it carries about US$169 billion of debt and negative free cash flow of US$28.7 billion over twelve months. Net notional default protection on technology names has risen about 500 per cent since mid-2025, to a record US$12.5 billion, half of it on Oracle.

AI premium ~25-35bp

Exhibit 7. US investment-grade corporate spread (ICE BofA OAS, basis points), three years



index still near tights

Source: ICE BofA US Corporate Index option-adjusted spread via FRED. The index remains tight; the widening is concentrated in AI issuers.

7.0 Shadow Financing

Off balance sheet, out of sight

A growing part of the build-out is financed outside the hyperscalers' balance sheets. In the joint-venture model pioneered by Meta's Hyperion campus, an investor such as Blue Owl owns 80 per cent of a vehicle that issues bonds, builds the data centre and leases it to Meta, which keeps 20 per cent and a lease commitment; BlackRock replicated the structure for Meta's El Paso site with a US$12.6 billion bond in July. In chip-leasing vehicles, investors buy processors and lease

Hyperion: $27bn, 80% Blue Owl

Broadcom: $35bn + $50bn+

them to the user: xAI used one in 2025, Broadcom arranged a US$35 billion vehicle with Apollo and Blackstone for Anthropic in June, and in October the Wall Street Journal reported that Broadcom is seeking more than US$50 billion for OpenAI's chips and that Oracle is discussing a similar structure with Apollo and Goldman Sachs. JPMAM estimates that the hyperscalers have about US$1.1 trillion of off-balance-sheet data-centre leases plus about US$1.5 trillion of purchase commitments; Morgan Stanley puts total off-balance-sheet commitments and credit support at about US$3 trillion. The true leverage of the AI build-out is far higher than reported debt suggests.

leases ~$1.1tn

Exhibit B. Main off-balance-sheet and structured AI financings

Vehicle	Size	Investors / structure	Status
Meta Hyperion (Louisiana)	$27.3bn bond + $2.5bn equity	Blue Owl 80%, Meta 20%; A+ rated	bond at 91 cents
Meta El Paso	$12.55bn bond	BlackRock 80% JV	priced Jul 2026
Anthropic chip SPV	$35bn	Apollo, Blackstone; Broadcom backstop	drawing, 144A in 2027
OpenAI chip financing	>$50bn	Broadcom with Apollo, Blackstone	early talks (WSJ)
Oracle chip SPV	not disclosed	Apollo, Goldman Sachs	talks (WSJ)
xAI GPU SPV	~$20bn	Apollo, Diameter; Nvidia equity	2025
Vantage sites leased by Oracle	$38bn loans	JPMorgan, MUFG	slow syndication
Stargate Abilene	$15bn	Crusoe, Blue Owl, JPMorgan loans	2025

Broadcom backstops

Sources: IFR, Bloomberg Law, Benzinga, WSJ via investingLive and Bloomberg, Roic (xAI, single source), FT via Resultsense, Spyglass (2025 to October 2026).

8.0 Private Credit and Securitisation

The fastest-growing lenders

private credit: 9% to 34%

Private credit has become a central lender. According to OECD figures cited by the Bank of England, its share of AI financing rose from 9 per cent in 2024 to 34 per cent in 2025, and the Financial Stability Board that AI deals made up 34 per cent of private credit transactions last year, double the five-year average. Blue Owl financed more than US$50 billion of data centres in 2025, Apollo more than US$40 billion and Blackstone more than US$25 billion, while lending terms loosened, with loan-to-cost ratios rising from about 50 to 55 per cent to 60 to 68 per cent. Securitisation is the newest channel: about US$61 billion of data-centre ABS and CMBS is outstanding, up from US$4 billion in 2020, issuance of about US$38 billion in 2026 to August is well above last year's pace, and Barclays expects US$180 billion outstanding by 2028. CoreWeave pioneered publicly syndicated loans backed by GPUs, but its latest facility, closed in August, priced at 550 basis points over SOFR against 450 for its May loan.

ABS: $38bn YTD

9.0 Equity and Supplier Financing

The circular economy of AI

Equity is returning as a funding source. Alphabet raised US$84.75 billion in June through common stock, mandatory convertible preferred shares, a private placement and an at-the-market programme, with capital spending among the stated uses, and Oracle sold about US$20 billion of shares in a single quarter. Venture funding has become an AI market: 86 per cent of US venture dollars in the first half went to AI. OpenAI raised US$122 billion at an US$852 billion valuation in March and is discussing a new round at US$1.2 to 1.5 trillion, with a listing planned for 2027; Anthropic raised US$65 billion in May and, according to press reports, is preparing a listing that could raise about US$100 billion. SpaceX, which absorbed xAI, completed the largest IPO in history in June. SoftBank has funded its US$64.6 billion OpenAI commitment with a US$40 billion bridge loan, a margin loan secured on OpenAI shares (planned at US$10 billion, later reduced) and bond issues, and is rated BB+ with a negative

Alphabet: $84.75bn equity

OpenAI: $122bn round

Anthropic IPO ~$100bn

outlook.

Exhibit C. Supplier and circular financing links

From	To	Form	Amount
Nvidia	OpenAI	equity (2026 round)	$30bn
Nvidia	xAI (now SpaceX)	equity (Series E)	$10bn
Nvidia	Anthropic	equity	$10bn
Nvidia	CoreWeave	equity, lease guarantees, capacity buyback	$2bn + $6.3bn
Nvidia	OpenAI Ohio campus (SB Energy)	lease guarantee	up to $105bn
AMD	OpenAI	warrants on 160m AMD shares	~10% of AMD
OpenAI	Cerebras	loan at 6% plus compute contract	$1bn + $10bn
Broadcom	Anthropic, OpenAI	backstop of chip SPVs	$35bn; >$50bn

Sources: Data Center Dynamics, Techstrong, TheStreet, IFR, Implicator (Ohio guarantee and AMD, secondary sources), Benzinga, WSJ. Amounts as reported; some are commitments rather than cash.

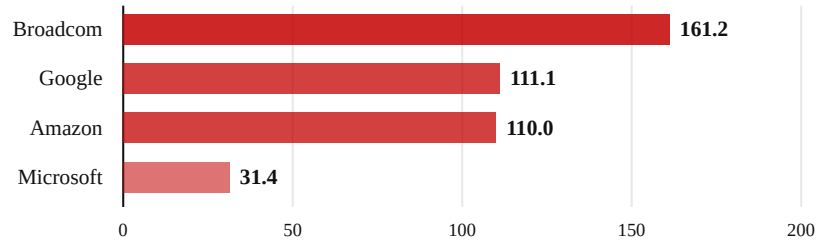
Nvidia: lender of last resort?

BIS: same asset pledged twice

These links create what the BIS called in June a “complex web of private arrangements”, in which suppliers finance their own customers and, in the BIS’s words, the same asset can be pledged more than once. The concern is not that each deal is unsound, but that the system’s revenue depends on a small number of laboratories that are themselves deeply loss-making: OpenAI expects to burn about US$278 billion between 2026 and 2030, and Anthropic disclosed US$518 billion of compute obligations against 2025 revenue of US$4.6 billion.

circularity

Exhibit 8. Anthropic: reported compute and cloud commitments by counterparty ($bn)



= suppliers’ backlog

Source: Reuters, leaked IPO prospectus, via Yahoo Finance and BusinessDay (29 September 2026). Reuters reports total compute obligations of $518bn; it is unclear whether the Broadcom lease obligations are included in that total. The public filing was not yet available.

10.0 The Revenue Side

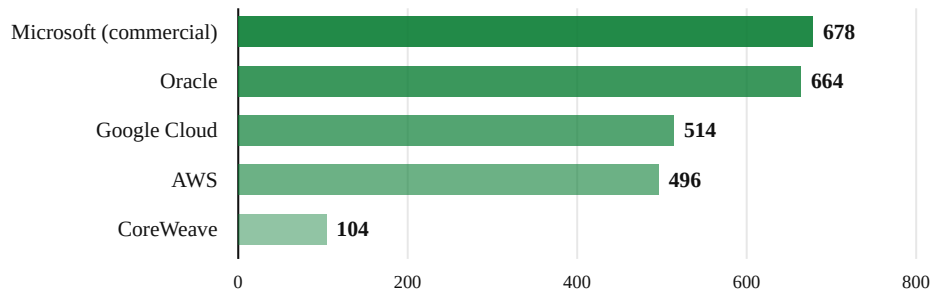
Backlogs are the collateral

$2.35tn of backlog

What makes the borrowing possible is contracted demand. Microsoft’s commercial backlog is US$678 billion, Oracle’s US$664 billion, Google Cloud’s US$514 billion and Amazon Web Services’ US$496 billion, a combined US$2.35 trillion, and cloud revenue is growing fast (Google Cloud +82 per cent and AWS +37 per cent in the second quarter). But much of the backlog depends on the same few customers: Microsoft’s backlog grew 84 per cent, but only 25 per cent excluding OpenAI, and only 13 per cent of Oracle’s is due within twelve months. The question that ultimately decides who pays is whether end demand grows into the investment: Bain estimates that AI needs about US$6 trillion of annual revenue by 2031 to justify it, against US$1.2 to 1.8 trillion from current uses, and Sequoia’s David Cahn puts the annual revenue requirement at US$1.5 trillion.

Bain: $4.2tn gap by 2031

Exhibit 9. Contracted cloud backlog (remaining performance obligations, $bn)



Sources: company results (July to September 2026). Oracle as of fiscal Q1 2027; Microsoft as of June 2026. Backlogs partly overlap with AI laboratories' obligations.

OpenAI ~half of Oracle's

11.0 Power: The Other Bill

Consumers pay too

A less visible part of the bill falls on electricity customers. The EIA expects US electricity demand to rise from 4,195 billion kilowatt hours in 2025 to 4,356 billion in 2027, with commercial demand overtaking residential this year, and wholesale prices in the PJM region, home to the largest data-centre cluster, up 41 per cent in 2026. PJM's capacity auction for 2027/28 cleared at its price cap of US$333.44 per megawatt-day, a total of about US$16.4 billion, with data centres accounting for about 97 per cent of the forecast load increase and supply short of the reliability target. US utilities plan about US$1.3 to 1.4 trillion of capital spending in 2026 to 2030, largely financed with regulated bonds and new shares and recovered through customer bills; electricity prices in the consumer price index were up 3.8 per cent in August. Technology companies are also signing long-term contracts directly, such as Google's 20-year agreement with Constellation to expand output at 11 nuclear reactors.

PJM: capacity at the cap

electricity CPI +3.8%

12.0 How the Bill Spreads Across Markets

Transmission channels

Exhibit D. Transmission of AI financing to the financial system

Channel	Who is exposed	What to watch
Investment-grade credit	bond funds, insurers, pension funds	AI spread premium; order-book cover
High yield and leveraged loans	CLOs, credit funds	CoreWeave, neocloud yields; repricings
Private credit and SPVs	insurers (life), private credit funds, retail semi-liquid funds	redemptions; marks on Hyperion-type bonds
Securitisation	ABS and CMBS investors	tenant concentration; lease terms
Banks	construction loans, revolvers, margin loans	syndication speed; risk transfers
Equities	index investors (AI-linked stocks ~half of S&P 500 value, estimate)	buybacks; depreciation; FCF
Government bonds	Treasury market	corporate supply vs term premium
Electricity consumers	households, industry	capacity prices; utility rate cases
Suppliers	Nvidia, Broadcom, AMD shareholders	guarantees, vendor loans
Global	SoftBank (Japan), Gulf funds, Taiwan, Korea	SoftBank LTV; sovereign deals

insurers: the quiet holders

Japan via SoftBank

Andra Markets framework based on the Bank of England FSR (July 2026), FSB (May 2026), ECB FSR (May 2026), BIS Annual Report (June 2026), IMF, Chicago Fed and company data.

The most important shift is in who holds the risk. Life insurers, which hold about a fifth of their fixed income in private or illiquid bonds according to Moody's, are natural buyers of long-dated data-centre debt, and US regulators (the NAIC) are reviewing that exposure. Banks are exposed through construction loans and credit lines: the Chicago Fed estimates that large US banks had about US$450 billion of AI-related corporate loan commitments in late 2025, about a quarter of their tier 1 capital, and the Financial Times reported that JPMorgan, Morgan Stanley and SMBC were selling down data-centre loans as they approached internal limits. In an ECB stress scenario, euro area pension funds would lose 5 to 6 per cent of assets and insurers about 4 per cent. Regulators' central concern, expressed by the Bank of England, is a maturity mismatch: debt with maturities of ten years or more financing chips that may be obsolete in five.

insurers: 20% private assets

banks: ~$450bn committed

For equity investors, the change is subtle but important: the largest companies in the index are shifting from returning cash to raising it, which removes a steady source of demand for their shares and dilutes existing holders, as at Oracle, whose share count rose 5 per cent in a quarter. For the economy, AI investment accounted for about 36 per cent of US GDP growth in the second quarter on ING's preferred measure, so any slowdown in spending would be felt in growth. For government bonds, the effect so far appears limited: Capital Economics argues that AI issuance is not the main driver of the rise in Treasury yields, although competition for the same pool of savings is one more reason why long-term rates are high.

equities: buybacks gone

Treasuries: limited effect

13.0 Scenarios for 2027

Three paths

Exhibit E. Scenarios for AI financing in 2027 (illustrative)

Scenario	What happens	Market effect
Base: funded, at a higher price	capex ~$1.2tn; ~$650bn external; AI spreads +25 to 50bp; Anthropic and OpenAI listings succeed	IG supply record; buybacks low; utilities, credit managers benefit
Squeeze: funding gets harder	revenue growth slows; IPO window shuts; SPV and HY yields rise; projects delayed	AI spreads +100bp; Oracle, CoreWeave, SoftBank under pressure; capex cut
Bust: demand falls short	lab revenue misses; capex cut sharply; lease and guarantee calls	credit losses at private credit and insurers; equity bear market; growth hit

Andra Markets scenarios; not forecasts. Probabilities not assigned.

our base case

tail risk

base: funded, but dearer

Our base case is that the 2027 bill will be paid, because the companies at the centre of the build-out still generate large cash flows and enjoy strong credit ratings, but at a rising price: wider spreads, more equity issuance, fewer buybacks and more complex structures. The squeeze scenario would be triggered by a disappointment in AI revenue, a closed IPO window or a credit event at a weaker borrower such as a neocloud; in that case the most leveraged names (Oracle, CoreWeave, SoftBank) and the off-balance-sheet vehicles would be tested first. The weak links are not the giants; they are the vehicles and partners around them.

14.0 Monitoring Points

Signals to watch

Q3 results late Oct

The coming weeks will provide several tests. The third-quarter results of Alphabet, Microsoft, Meta and Amazon in late October will show whether free cash flow keeps falling and whether 2027 capital spending guidance rises again; Oracle's credit spreads and its chip-leasing deal will show the price of funding for the most stretched issuer; the Anthropic listing, expected in November, will test the depth of equity demand; and the IMF's Global Financial Stability Report, expected around the annual meetings in Bangkok this week, is likely to address AI leverage. Investors should also watch order-book cover on new hyperscaler bonds, the price of the Hyperion bonds, data-centre ABS spreads, and PJM capacity prices.

Anthropic IPO Nov

verdict: 2027 gets paid, half by outsiders, at a rising price.
the risk is moving into credit

Methodology and Source Notes

Method. This report combines company filings and earnings calls, published bank research and press reports to 11 October 2026. The 2027 sources-and-uses estimate is an Andra Markets illustration built from published forecasts and carries wide uncertainty; capex ratios are Andra Markets calculations; definitions of AI-related issuance differ across sources. Andra Markets uses AI tools made by Anthropic, a company discussed in this report; figures on Anthropic come from press reports of a prospectus not yet publicly filed. Handwritten notes and highlights are informal commentary by the desk. This note is analysis, not investment advice.

Principal sources. Company results and transcripts (Amazon, Microsoft, Alphabet, Meta, Oracle, CoreWeave, July to September 2026); Goldman Sachs via PYMNTS, Yahoo Finance and Reuters; Moody's via Data Center Dynamics; BofA via investingLive and TFTC; Morgan Stanley (2025 financing-gap study); JPMorgan via Bloomberg Law; JPMAM; Reuters/LSEG via The Star; Bank of England FSR (July 2026); FSB (May 2026); ECB FSR via FT; BIS Annual Report via Fortune; IMF; Chicago Fed; IFR; Bloomberg Law; Benzinga; WSJ via investingLive; Reuters via The Edge; SFA; SIFMA; BlackRock; PitchBook-NVCA; Crunchbase; Fortune and Yahoo Finance (Anthropic prospectus); FT via Reuters (OpenAI); TechCrunch; TNW (SoftBank); EIA via Reuters; PJM via Power Engineering; S&P Global; FRED; ING; Capital Economics; Bain; Sequoia.

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