The AI Race, Starship and Silicon Valley's Defense Bet | Bloomberg Tech 7/20/2026

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SUMMARY

China's AI landscape is rapidly evolving, highlighted by the launch of the Kimi K3 model from the startup Moonshot, which boasts 2.8 trillion parameters, positioning it as a formidable competitor to U.S. AI firms. This development is prompting discussions about the implications for the global AI market, particularly regarding hardware requirements and the competitive gap between Chinese and American AI capabilities.

- *Moonshot's Kimi K3 model is a significant AI breakthrough with 2.8 trillion parameters, indicating China's swift advancement in AI technology.*
- *The release has led to a rebound in technology stocks, particularly in the chip sector, which had recently entered a bear market.*
- *Analysts suggest that China is closing the AI capability gap with the U.S. faster than previously thought, now estimated to be just a few months behind.*
- *Moonshot's founder, a 33-year-old Carnegie Mellon graduate, aims to create a model that rivals leading U.S. AI systems.*
- *The company is reportedly preparing for a Hong Kong IPO, potentially valuing it at over $30 billion.*
- *Competition among Chinese AI developers is intensifying, with Alibaba also releasing a new model closely following Moonshot's announcement.*
- *The broader implications of these developments raise questions about the future of AI investment and innovation in the U.S. and globally.*
- *Upcoming earnings reports from major tech companies like Alphabet and Tesla will be closely watched for insights into AI's impact on their financial performance.*

>> "BLOOMBERG TECH" IS LIVE FROM THE HEART OF SILICON VALLEY, WITH ED LUDLOW IN SAN FRANCISCO. ED: THIS IS "BLOOMBERG TECH." CHINA'S LATEST AI BREAKTHROUGH SHAKING OF THE INDUSTRY. WHAT MOONSHOT'S KMI K3 MEANS FOR ANTHROPIC AND THE CHIP MAKERS POWERING IT. SPACEX AND A SECOND ATTEMPT AT THE STARSHIP SPACE LIKE THIS WEEK. MOST OF THE BIG NASDAQ IP -- UNDERPERFORMING NASDAQ IPOS.

CONNOR LOVE JOINS THE SHOW. GOOD MORNING FROM SAN FRANCISCO. THE SURPRISE RELEASE OF KIMI K3 FROM CHINA'S MOONSHOT IS STILL THE THING EVERYONE IS TALKING ABOUT AND READING ABOUT. WE ARE REBOUNDING IN TECHNOLOGY STOCKS MODESTLY. CHIP STOCKS ENTERED A BEAR MARKET FRIDAY IN PART BECAUSE OF ALL OF THE QUESTIONS POSED BY WHAT KIMI K3, A $.28 TRILLION PARAMETER-- $2.8 TRILLION PARAMETER MODEL MEANT.

NVIDIA IS AN EXAMPLE OF A NAME THAT IS REBOUNDING. A LOT OF FOCUS HAS SHIFTED TO THE INTENSE MEMORY REQUIREMENTS FOR WHAT IS HAPPENING IN THE MODELS. WHEN CHINA HAS GONE FROM AI UPSTART TO GLOBAL CONTENDER--MOONSHOT HAS GONE FROM UPSTART TO GLOBAL CONTENDER ALMOST OVERNIGHT. THE COMPANY SAYS IT IS LIMITING NEW SUBSCRIPTIONS AS IT WORKS OUT MORE CAPACITY. EDITOR FOR ASIAN TECH PETER ELSTROM IS WITH US FROM D.C.

THERE ARE SO MANY REPORTS ON THE BLOOMBERG THIS MORNING, SO MANY PLACES WE COULD START. I WANT TO GO TO ONE OF THE PIECES THE TEAM DID ABOUT, OK, IT IS MONDAY MORNING. WE PROBABLY WENT INTO THE WAKING THINKING --WEEKEND THINKING, OH NO, WE DON'T NEED TO SPEND AS MUCH ON COMPUTE. NOW THIS PUTS A LOT OF EMPHASIS ON MEMORY. WHAT IS THE TEAM IN ASIA WRITING ABOUT? >> LET'S BROADEN OUT HTE LENS A LITTLE BIT HERE.

WHAT IS GOING ON IS CHINA'S HOLDINGS WORLD AI CONFERENCE IN SHANGHAI AND WE ARE SEEING THEIR COMPANIES COME FORWARD WITH NEW OFFERINGS AND ALSO IT'S DIFFERENT AREAS. MOONSHOT IS THE ONE THAT GOT THE MOST ATTENTION OVER THE WEEKEND. WE SAW THIS COMPANY THAT WAS PROBABLY NOT THAT WELL KNOWN OUTSIDE OF CHINA, IF AT ALL, AND ALL OF A SUDDEN PEOPLE ARE PAYING ATTENTION TO IT. ITS PERFORMANCE IS VERY CLOSE TO THE VENTURE MODELS. 2.8 TRILLION PARAMETERS. THE SYNAPSES OF -- THE BRAIN SYNAPSES OF THIS MODEL ARE VERY SIGNIFICANT.

ALSO, YOU SAW ALIBABA, WITH A NEW VERSION OF THEIR MODEL THAT IS CLOSE BEHIND, 2.4 TRILLION PARAMETERS. I THINK THE BIG LESSON, THE BIG TAKEAWAY HERE, CHINA AI IS MUCH CLOSER BEHIND THE U.S. IN TERMS OF AI CAPABILITY THAN WE REALIZE. IF YOU THOUGHT CHINA WAS SIX TO 12 MONTHS BEHIND BEFORE, IT LOOKS LIKE MAYBE THEY ARE ONLY A COUPLE MONTHS BEHIND AND THEY ARE CATCHING UP QUICKLY, AND IT IS A BROADER SELECTION OF COMPETITORS THAN WE ANTICIPATED.

PEOPLE HAVE BEEN FOCUSING MOSTLY ON DEEPSEEK IN PARTICULAR, MAYBE A LITTLE BIT ON ALIBABA, AND THEN A COUPLE OF THE SMALLER MODELS. NOW WE ARE SEEING COMPANIES LIKE MOONSHOT COME FORWARD AND THEY ARE VERY COMPETITIVE AND A LOT OF PEOPLE DIDN'T REALIZE THEY WOULD BE IN THIS RACE. ED: REALLY IMPORTANT BLOOMBERG REPORTING ON WHAT MOONSHOT IS LOOKING AT FINANCIALLY. WE WILL GET TO THAT WITH BAILEY LIPSCHULTZ IN A MOMENT. AWAY FROM THE NUMBERS, WHAT DO WE KNOW ABOUT THE PEOPLE BEHIND MOONSHOT?

WHAT DO WE ACTUALLY KNOW ABOUT THIS STARTUP AND ITS TEAM THAT HAVE BEEN THRUST INTO THE LIMELIGHT IN SUCH A QUICK AND SHORT SPACE OF TIME? PETER: THE FOUNDER OF MOONSHOT IS A 33-YEAR-OLD. HE GRADUATED FROM CARNEGIE MELLON. HE GOT HIS DEGREE IN THE UNITED STATES. HE DECIDED TO GO BACK TO CHINA BECAUSE OF

THE POSSIBILITIES THEY HAD THERE. AND BEFORE DEEPSEEK HE WAS SEEN AS THE RISING STAR WITHIN THE AI UNIVERSE. HE IS A BIG MUSIC FAN. HE NAMED THE COMPANY IN CHINESE AFTER "DARK SIDE OF THE MOON," THE PINK FLOYD ALBUM WHICH IS APPARENTLY HIS FAVORITE. BEYOND BEING THIS GEEK AND MUSIC FAN AT THE SAME TIME HE HAS BEEN AT THE CUTTING EDGE OF AI DEVELOPMENTS THERE. HE MADE A CONSCIOUS CHOICE RATHER THAN TRYING TO MAKE A LEAN, EFFICIENT MODEL, HE DECIDED TO GO VERY BIG WITH HIS VERSION OF KIMI K3 AND TRY TO MAKE SOMETHING THAT WAS VERY CLOSE TO THE FRONTIER EDGE WE ARE SEEING IN THE U.S. I THINK HE IS SOMEBODY WE WILL HEAR MORE ABOUT THE SAME WAY WE TALK ABOUT DEEPSEEK'S FOUNDER.

WE WILL SEE MORE BREAKTHROUGHS AND MORE INNOVATIONS AND PEOPLE ARE GOING TO START WATCHING HIM A MUCH MORE CLOSELY THAN WE HAVE SEEN IN THE PAST. WE HAD AN NICE SCOOP OVER THE WEEKEND THAT MOONSHOT IS PLANNING ON GOING PUBLIC. WE WILL LOOK AT THE FINANCIALS OF THEIR COMPANY AND AWAY WE HAVE SEEN FROM THE OTHER CHINESE MODELS AND WE HAVE NOT SEEN FROM U.S. PLAYERS SO FAR. ED: A LOT OF KEY FIGURES FOR THE "BLOOMBERG TECH" AUDIENCE -- THIS COULD HAVE BEEN AN AMERICAN STARTUP. THERE HAS BEEN A LOT OF FOCUS ON THE U.S.' OWN POLICY WITH REGARDS TO TALENT AND IMMIGRATION. PETER ELSTROM, THANK YOU VERY MUCH. WE WILL STAY WITH MOONSHOT, PETER JUST MENTIONED IT. THE COMPANY IS NOT JUST MAKING WAVES WITH ITS AI MODEL, IT IS SETTING ITS SIGHTS ON THE PUBLIC MARKETS. THE START IS SAID TO BE PREPARING FOR A HONG KONG IPO THAT COULD COME IN THE NEXT SIX MONTH FOLLOWING A SURGE IN DEMAND.

ITS VALUATION ABOVE $30 BILLION RIGHT NOW. BAILEY LIPSCHULTZ COME ALL THINGS IPO. SO INTERESTING TO READ THROUGH THIS ONE. LET'S START WITH THE BASIC. WHAT ARE WE REPORTING, WHAT DO WE KNOW ABOUT HOW QUICKLY THEY'RE MOVING TO DO A HONG KONG LISTING, AND ANY OF THE VALUATION CONSIDERATIONS AROUND THAT? BAILEY: YOU NAILED IT ON THE HEAD WITH THE INTRO. CLOSING UP AROUND $30 BILLION, A SMALL DROP IN THE BUCKET RELATIVE TO WHAT WE HAVE BEEN REPORTING AROUND THE ANTHROPICS AND OPENAIS OF THE WORLD IN THE U.S., AND THE EXPECTATION THAT IN THE NEXT SIX MONTHS COULD BE PRICING THAT IPO IN HONG KONG. BLOOMBERG HAS REPORTED THAT DEEPSEEK IS LOOKING AT A MAINLAND LISTING SOMETIME IN 2027.

THESE TWO NOW-PREMIER COMPANIES IN ASIA AND CHINA COULD BE RACING TO GO PUBLIC, KIND OF SIMILAR TO WHAT WE ARE SEEING WITH ANTHROPIC AND OPENAI. MAINLAND CHINA VS. HONG KONG VS. U.S. LISTINGS OPEN UP COMPLETELY DIFFERENT INVESTING UNIVERSES. ED: GO INTO THAT IN A LITTLE MORE DETAIL. I FIND THAT INTERESTING, A BIG PART OF THE STORY OVER THE WEEKEND IS THAT THIS IS A CHINESE AI STARTUP. WE ARE SAYING THEY ARE LOOKING AT HONG KONG AS A LISTING. WHAT OTHER POLITICAL CONSIDERATIONS AROUND THAT AS OPPOSED TO THE U.S.?

WHERE DO THE POOLS OF CAPITAL COME FROM WITH AN HK LISTING? BAILEY: IT OPENS UP A DIFFERENT INVESTING UNIVERSE. THE REST OF ALL OF ASIA. YOU THINK ABOUT PEOPLE IN AUSTRALIA AND SINGAPORE AND COUNTRIES THAT COULD TAP THAT LISTING. U.S. INVESTORS AND SOMETIMES TO INVEST IN HONG KONG, BUT SIMILAR STORY TO WHAT WE TRACK WITH SK HYNIX, HIGHER BAR TO CLEAR AND THERE HAD BEEN CONSTERNATION AROUND THAT. ON THE FLIPSIDE, A DEEPSEEK LISTING IN MAINLAND CHINA, COMPLETELY DIFFERENT INVESTING UNIVERSE. IT IS A LOCAL-DRIVEN INVESTING COMMUNITY. YOU HAVE REAL TAIL NUMBERS -- RETAIL NUMBERS THAT ARE EYE-POPPING, LIKE A GAMBLING AND TRYING TO GET IN ON THOSE OPTIONS.

THE BIG NEWS IS THE FACT THAT MOONSHOT WANTS TO TAP THE HK MARKET. THAT OPENS UP AN ENTIRELY DIFFERENT INVESTING UNIVERSE, SIMILAR TO ALIBABA OR THOSE OTHER COMPANIES. AND ALSO LISTED HERE IN THE U.S. ED: BAILEY LIPSCHULTZ, THANK YOU VERY MUCH INDEED. COMPETITION AMONG CHINESE AI DEVELOPERS CONTINUES TO INTENSIFY. ALIBABA JUST UNVEILED ITS LATEST FLAGSHIP MODEL WHICH IT SAYS IS SECOND ONLY TO ANTHROPIC'S LATEST SYSTEM, WHICH SENT HONG KONG SHARES OF ALIBABA RISING ON THE NEWS. THE SUNDAY RELEASE CAME DAYS AFTER MOONSHOT UNVEILED ITS LATEST K3 MODEL.

WE HAVE BREAKING NEWS CROSSING THE TERMINAL IN THE LAST FEW MINUTES. THE U.K.'S RACHEL REEVES HAS RESIGNED AS CHANCELLOR OF THE EXCHEQUER. IN A POST ON X, SHE SAID, "IT'S BEEN THE PRIVILEGE OF MY LIFE TO SERVE AS THE CHANCELLOR OF THE EXCHEQUER," THE U.K.'S EQUIVALENT OF A FINANCE MINISTER OR TREASURY SECRETARY. YOU CAN SEE AN IMMEDIATE RESPONSE IN THE POUND, DROPPING AGAINST THE DOLLAR, 1.34 WHERE IT CURRENTLY STANDS. MEANWHILE, NEW PRIME MINISTER ANDY BURNHAM TOLD REPORTERS THAT THE LABOUR GOVERNMENT WILL USE "ANY FLEXIBILITY WITHIN ITS FISCAL RULES."

HE SAID HE WOULD STICK TO THE SELF-IMPOSED RULES ADJUSTED BY RACHEL REEVES TWO YEARS AGO TO ALLOW FOR GREATER CAPITAL SPENDING. DYNAMIC SITUATION IN THE U.K. GOVERNMENT. WE WILL KEEP YOU UP-TO-DATE AS THINGS CHANGE. THE COUNTDOWN IS BACK ON. SPACEX TARGETS THURSDAY FOR ANOTHER ATTEMPT FOR STARSHIP'S 13TH TEST FLIGHT. MORE ON THAT NEXT. THIS IS "BLOOMBERG TECH." ED: SPACEX IS GEARING UP FOR ANOTHER ATTEMPT AT THE 13TH STARSHIP TEST FLIGHT. IT IS SET THURSDAY AS THE NEW BOND AFTER LAST WEEK'S ATTEMPT WAS SCRUBBED AND RIGHT AT THE LAST MOMENT. SHARES WERE DOWN 1.5%.

THIS HAS BEEN A BROADER STORY POST-IPO WITH SPACEX UNDERPERFORMING. BRETT LINDSAY, MANAGING DIRECTOR AND HEAD OF INDUSTRIAL SECTOR RESEARCH, JOINS US. RECENTLY INITIATED ON SPACEX, HAS AN OUTPERFORM RATING WITH STOCK PRICE TARGET OF $200 PER SHARE. HYPER INITIATE THERE IS LIKELY YOUR THESISAT THE COURT--I

APPRECIATE THAT THERE IS A- CLEAR THESIS AT THE CORE OF YOUR ANALYSIS. I SAT AT THIS DESK AT THE STARSHIP ATTEMPT LAST WEEK AND IT WAS AMAZING TO SEE HOW QUICKLY AND AFTER-HOURS TRADING THE STOCK DROPPED, 4% IN THE MOMENT, BECAUSE THE TEST WAS ABORTED AT THE FINAL MOMENT.

ALL OF THESE FUTURE BUSINESS LINES ON THE AI SIDE, NEO CLOUD SIDE, STARLINK, DATA CENTER, THEY ARE ALL PREDICATED ON STARSHIP NOT JUST WORKING, BUT BEING RAPIDLY REUSABLE. CAN WE JUST START THERE AND YOUR RESPONSE TO THE TRACKING THE CADENCE OF THE STARSHIP'S DEVELOPMENT? >> YOU BET, THANKS FOR HAVING ME ON. THIS WAS FLIGHT 13, RECENT DELAY. MINOR TECHNICAL ISSUES WERE IDENTIFIED PRELAUNCH.

I REMIND YOU THIS IS VERSION THREE, SO IT IS A BIGGER, MORE POWERFUL VEHICLE. THEY DEBUTED IT ABOUT TWO MONTHS AGO, THE AUTOMATIC REPORT OF IGNITION, THE 33 ENGINES ON THE BOOSTER DID NOT IMMEDIATELY LIGHT UP AND THE ONBOARD SYSTEM CAUGHT IT AND STOOD THE VEHICLE DOWN BEFORE THE FALL. THAT IS A SAFETY SYSTEM WHAT -- SAFETY SYSTEM DOING WHAT IT IS SUPPOSED TO DO. MUSK AND THE TEAM, THEY IDENTIFIED THE ROOT CAUSE WITHIN A FEW HOURS. TWO ENGINES ARE BEING SWAPPED OUT AND THEY ARE BACK ON THE PAD AND ARE TARGETING THIS THURSDAY FOR RELAUNCH. THAT IS ABOUT A WEEK OF TURNAROUND ON A PRETTY COMPLEX ROCKET.

THESE DEVELOPMENT PROGRAMS THAT YOU SEE HISTORICALLY AT THIS SCALE FROM A DIAGNOSIS AND FIXED CYCLE, THAT IS RELATIVELY QUICK VS. SOMETHING STRUCTURALLY WRONG WITH THE SHIP. ED: BRETT, HERE'S THE THING. I'M READING YOUR RESEARCH. INVESTMENT THESIS, SPACEX IS NOT A ROCKET COMPANY. WE ARE JUST TALKING ABOUT ROCKETS. EXPLAIN YOUR THESIS. BRETT: YEAH, NO, ABSOLUTELY. THE ENABLER OF THE STARLINK OPPORTUNITY AND THE CONNECTIVITY OPPORTUNITY LONGER-TERM IS GOING TO BE DEPENDENT ON THE SUCCESS IN THE REUSABILITY CADENCE OF STARSHIP. FALCON 9 IS THE CURRENT VEHICLE THEY FALCON 9 IS THE CURRENT VEHICLE THEY USE THIS YEAR.

WE DO THINK LONG-TERM IT WILL HINGE UPON THE SUCCESS OF STARSHIP. RIGHT NOW, THEY HAVE A BIG RUNNING START RELATIVE TO THE OTHER COMPETITIVE SET. ABOUT 85% OF ALL MAST ORBIT WAS ENABLED BY SPACEX OVER THE LAST THREE YEARS. OPERATIONAL CADENCE WILL BE IMPORTANT. THEY ARE MAKING INROADS. WE WILL SEE ON THURSDAY. THAT WILL BE A BIG ENABLER FOR SUCCESS THE NEXT COUPLE OF YEARS. ED: WITHIN YOUR $200 PRICE TARGET, HOW DO YOU BREAK OUT EACH BUSINESS LINE WITHIN THAT PRICE TARGET? BRETT: GREAT QUESTION.

WHEN WE LOOK AT THE NEXT THREE-YEAR ROADMAP, WE ARE TAKING A LARGE DISCOUNT RELATIVE TO THE AI PLATFORM. NEAR-TERM, A LOT OF OUR PRICE TARGET WILL HINGE ON THE SUCCESS OF STARLINK AND SOME OF WHAT THEY ARE DOING WITH THE GOVERNMENT

CONTRACTS AND CONTRACTS WITH THE AIRLINES. WE THINK THERE IS PRETTY GOOD LINE OF SIGHT NEAR-TERM. WE ANCHORED OUR VALUATION ON 2029 AND TOOK A LARGE HAIRCUT RELATIVE TO THE INTERNAL PLAN. WE THINKING CONNECTIVITY IS MORE OPTIONALITY AROUND THE STOCK VERSUS THE LONG UPSHOT ON ORBITAL DATA CENTERS IN 2030 AND BEYOND. ED: DO YOU MODEL AT ALL FOR ANY KEY MAN RISK WITH ELON MUSK?

HOW DO YOU FACTOR THAT INTO HOW YOU VALUE THE COMPANY AS MUCH AS ANYTHING? BRETT: THAT IS CERTAINLY A CONSIDERATION. HE IS A VISIONARY. HE IS VERY INVOLVED IN THE OPERATIONS ACROSS EVERY SINGLE DIVISION WITHIN THE ORGANIZATION. ALL THAT BEING SAID, THERE IS A BLUEPRINT IN PLACE. I WOULD SAY THE MOST THEY HAVE BEEN ABLE TO DEVELOP, SOME OF THE SECULAR STRENGTHS ACROSS THE BUSINESS, THEY HAVE OWNERSHIP WITHIN THE LAUNCH CAPABILITIES IN THE U.S.

SENATE ACROSS THE GLOBE. THAT IS THE KEY DIFFERENTIATOR THINKING ABOUT OPTIONALITY WITH THE OTHER SEGMENTS DOWN THE ROAD. SOMETHING TO BE CONSIDERED. BUT HE HAD BUILT SOMETHING FROM WHAT WAS REALLY A VISION YEARS AGO, AND IT IS A REAL COMPANY WITH REAL DEFENSIBILITY. ED: BRETT LINZEY OF MIZUHO ON "BLOOMBERG TECH." THANK YOU VERY MUCH INDEED.

THIS SPACE INFRASTRUCTURE START UP JUST FOUND A WAY TO ADDRESS A BOTTLENECK IN SCALING QUANTUM COMPUTING. ROB MEYERSON JOINS US NEXT. THIS IS "BLOOMBERG TECH." >> IT IS TIME FOR TALKING TECH. YAHAIRA: A BEZOS-BACKED BRITISH START-UP HAS REACHED $450 BILLION TO ACCELERATE THE DEVELOPMENT OF NEXT GENERATION CHIP MATERIALS USING AI. THE COMPANY IS ALSO LAUNCHING THE AI MATERIALS FOUNDRY BRINGING TOGETHER MORE THAN 48 ORGANIZATIONS TO SPEED UP CHIP INNOVATION.

THE DEEPSEEK FOUNDER'S INVESTMENT FIRM FELL 16%. THE VOLATILITY IN CHINESE HEDGE FUNDS HIGHLIGHT THE WILD SWING IN STOCKS AS BUBBLE CONCERNS INTENSIFY. THEY WILL WAIT UNTIL THE END OF THE NEXT DECADE TO BRING THE NEXT GENERATION DEBT TO MARKET. CUSTOMERS KEEP BUYING THE CURRENT MODEL. THE CEO SPOKE WITH GUY JOHNSON EARLIER TODAY AT THIS YEAR'S SHOW.

>> THE MARKET IS NOT QUITE READY FOR THE NEW AIRPLANE. CUSTOMERS ARE TELLING US FOCUS ON THE EXISTING PRODUCT. WE WOULD LIKE TO SEE BETTER DURABILITY OF THAT PRODUCT IN THE MARKETPLACE. WE HAVE BIG BACKLOGS. THEY ARE LOOKING FOR US TO DELIVER ON THE BACKLOGS. WE ARE STARTING A NEW AIRPLANE. WE WILL BE READY WHEN THE MARKET IS READY. ED: THIS START-UP IS TACKLING A BOTTLENECK FACING QUANTUM COMPUTING AFTER PRESIDENT TRUMP MADE THE TECHNOLOGY A STRATEGIC NATIONAL PRIORITY.

INTERLUNE SAYS IT HAS DISCOVERED A NEW WAY TO HARVEST HELIUM 3, ESSENTIAL TO

COOL COMPUTERS AND SCALE THE INDUSTRY. JOINING US IS ROB MEYERSON. WHEN THIS IDEA HIT MY INBOX, I WAS INTRIGUED. INTERLUNE'S GOAL IS TO HARVEST HELIUM THREE IN INDUSTRIAL QUANTITIES FROM THE MOON. IN THE HERE AND NOW, THERE IS NOT ENOUGH FOR THE QUANTUM COMPUTER INDUSTRY ON EARTH TO SCALE. YOU SEEM TO HAVE FOUND A STOPGAP RATE WHAT HAVE YOU DONE?

ROB: THAT IS RIGHT. THANKS FOR HAVING ME. WE HAVE DEVISED A TECHNIQUE. OUR TEAM HAS GONE BACK TO FIRST PRINCIPLES AND INVENTED A WAY TO DISTILL HELIUM-3 FROM HELIUM ON EARTH. IT IS AN IDEA AROUND FOR A WHILE BUT WE ARE THE FIRST TO DEMONSTRATE THE ABILITY TO SEPARATE HELIUM-3 FROM COMMERCIAL GRADE HELIUM. ED: THE "BLOOMBERG TECH" AUDIENCE IS FAMILIAR WITH IT IN THE CHIP INDUSTRY. WITH THE WAR IN IRAN AND THE STRAIT OF HORMUZ BOTTLENECK, WE CAME TO UNDERSTAND THERE WAS A SHORTAGE. HOW REAL IS THIS FOR YOU?

WHAT IS YOUR SOLUTION LOOKING LIKE ON A TIMELINE BASIS? ROB: THE SHORTAGE WE ARE TALKING ABOUT IS HELIUM-3, AN ISOTOPE OF HELIUM EXTREMELY RARE ON EARTH. IT IS USED TO CHILL DOWN CHIPS. FOR DECADES WE SECURED OUR HELIUM-3 FROM DECAY IN THE USN OVERSEAS INCLUDING CANADA. THERE IS NOT MUCH TRITIUM MADE ANYMORE. IT DECAYS TO HELIUM-3.

WE ARE NOT PRODUCING HELIUM-3 ANYMORE. WE HAVE IDENTIFIED THE MOON AS A TARGET MARKET IN THE FUTURE. THE SUN PRODUCES HELIUM-3 IN LARGE QUANTITIES. IS OVER ONE MILLION METRIC TONS OF HELIUM-3 ON THE MOON. DEVELOPING THAT PLAN TO GO TO THE MOON AND EXTRACT HELIUM-3, WE DEVISED THIS TECHNOLOGY WE CALL COLD CAPTURE TO SEPARATE HELIUM-3 HERE ON EARTH. ED: IT IS THE SAME TECHNIQUE.

YOU HEARD RIGHT, "BLOOMBERG TECH" AUDIENCE, WE ARE TALKING ABOUT HARVESTING HELIUM-3 FROM THE MOON. THAT IS THE OVERALL GOAL. FROM AN ECONOMICS PERSPECTIVE, THAT TECHNIQUE HAS A HIGHER YIELD ON THE MOON? GET US TO THE POINT WHERE THIS IS REAL. ROB: IT ABSOLUTELY WILL HAVE A HIGHER YIELD ON THE MOON. WE ARE PLANNING TO PRODUCE 10 KILOGRAMS OF HELIUM-3 ON THE MOON.

ON EARTH, BY DEPLOYING COLD CAPTURE TO PLANTS ON EARTH, WE EXPECT TO PRODUCE ABOUT 2.5 KILOGRAMS OF HELIUM-3 ANNUALLY. WE HAVE CUSTOMERS ALREADY SIGNED UP TO BUY HELIUM-3 FROM US. JUST UNDER $500 MILLION IN PURCHASE ORDERS, BINDING CONTRACTS THAT EXTEND FROM 2028 OUT SEVEN TO 10 YEARS IN THE FUTURE. WE HAD TO FIND A WAY TO SERVICE THOSE CUSTOMERS EARLIER. BY APPLYING THIS TECHNOLOGY WE DEVELOPED FOR THE MOON TO THE EARTH APPLICATION, WE ARE ABLE TO DO THAT. ED: VERY QUICKLY, HAVE YOU A PATHWAY OR PLAN IN PLACE TO GET YOUR TECHNOLOGY TO THE MOON'S SURFACE?

WHO IS THE LAUNCH PROVIDER? WHO WILL HELP YOU DO THAT OPERATIONALLY? ROB: WE HAVE A LITTLE TIME TO DECIDE ON THAT. WE ARE LOOKING TO THE ARTEMIS PROGRAM AND LAUNCH COMPANIES LIKE SPACEX AND BLUE ORIGIN. BUT OTHER COMPANIES ARE BUILDING LANDERS. WE PLAN TO INVEST ALONGSIDE THE ARTEMIS PROGRAM, THE NASA PROGRAM TO GO BACK TO THE MOON AND ON TO MARS. WE WILL USE THAT INFRASTRUCTURE THEY DEVELOPED.

THE INFRASTRUCTURE WE NEED TO HARVEST LARGE VOLUMES OF HELIUM-3 IS INFRASTRUCTURE THAT ALSO COULD HELP NASA BUILD A MOON BASE, BUILD ROADS, AND DO CONSTRUCTION ON THE MOON THAT WILL SUPPORT LARGE-SCALE, LONG-TERM ECONOMY. ED: INTERLUNE FOUNDER AND CEO ROB MEYERSON, THANK YOU FOR YOUR TIME. IT HAS BEEN A FASCINATING WEEKEND IN AI. THERE IS A LOT TO UNPACK. KIMI K3 BUT BIGGER QUESTIONS ABOUT THE FUTURE OF AMERICAN AI. MARY DID NO FREE UPX -- MARY D'ONOFRIO JOINS US TO DISCUSS. THIS IS "BLOOMBERG TECH."

ED: WELCOME BACK TO "BLOOMBERG TECH." WE HAVE REBOUNDING IN THE TECHNOLOGY SECTOR WHEN IT COMES TO PUBLIC MARKETS THE QUESTIONS POSED BY THE RELEASE OF CHINA'S MOONSHOT. UP SESSION HIGHS RIGHT NOW THAT THE NASDAQ 100 ADDING ALMOST ONE POINT, THE SOX UP 2%.

A LOT OF ACUTE NAMES IN NVIDIA BUT ALSO MEMORY NAMES DRIVING UPSIDE IN THE PUBLIC MARKETS. SINCE MOONSHOT RELEASED, EVERYONE IS DEBATING WHAT IT MEANS. DOES IT MEAN LESS HARDWARE? THIS CHINA CLOSING THE GAP FASTER THAN WE EXPECTED? IT IS AI'S REAL VALUE REALLY A CREW? JOINING US IS CROSS-LINKED CAPITAL PARTNER MARY D'ONOFRIO, FOCUSED ON VENTURE GROWTH INVESTMENTS FOR THE CROSS AI INFRASTRUCTURE. FOR THE LAST THREE DAYS, I HAVE SAID IT MANY TIMES, BUT IT WAS INTERESTING TO TAKE A LOOK AT VC'S, FOUNDERS, PEOPLE AND INDUSTRY OF HOW THEY REACT SO DIFFERENTLY. SOME PEOPLE ARE VERY FEARFUL, DEFENSIVE. OTHERS SAY THIS IS VERY GOOD.

VERY DIFFICULT REACTION TO WHAT HAPPENED. MARY: KIMI K3 WAS PHENOMENAL. 2.8 TRILLION FOR A MODEL. WHAT IT DEMONSTRATES, I THINK, IS THAT CHINA AND OPENWEIGHT MODELS ARE CLOSING THE GAP WITH FRONTIER MODELS. OBVIOUSLY, IT WAS DONE BASED ON THEIR OWN BENCHMARKING, BUT ACCORDING TO THE BENCHMARKS, THE FOURTH. AND WHILE YOU COULD DEBATE THE MERITS OF THE BENCHMARKS THEMSELVES, THE PRODUCTIVITY GAINS ARE TREMENDOUS.

I THINK THAT IN GENERAL, IT IS PART OF THE PATHWAY TOWARDS MORE WIDESPREAD OPENWEIGHT TO MODEL USAGE AND IN THE CONTEXT OF ENTERPRISE BUDGETS ELUDING AI, I THINK IT IS A BOON FOR AI EQUITY OVER TIME. ED: WHEN YOU THINK ABOUT YOUR EXISTING PORTFOLIO OF COMPANIES, HOW DOES THIS IMPACT THE TRAJECTORIES AND

DOES ANYTHING FUNDAMENTALLY CHANGE FOR THE DIFFERENT PIECES OF THE AI LINK YOU ARE INVESTED IN? MARY: I DON'T KNOW IF IT CHANGES THE CAKE ITSELF BUT I THINK IT IS ANOTHER DEMONSTRATION THAT MODELS KEEP LEAPFROGGING ONE ANOTHER, AND IF COMPANIES DON'T OUT-INNOVATE, THEY WILL BE LEAPFROGGED, TOO, WHETHER IT IS EVERY SINGLE MODEL THAT OUTPERFORMS THE LAST, AND IT IS A MODEL -- MATTER OF OUT INNOVATING BY CREATING DATA, PERFORMANCE, AND OTHERWISE, UNFORTUNATELY, THE INNOVATIONS IN BOTH FRONTIER AND OPENWEIGHT MODELS IS TREMENDOUS. ED: YOU ARE ON THE CROSSOVER INVESTMENT TEAM BUT FOCUSED ON PRIVATE VENTURE GROWTH INVESTMENTS.

SEVEN YEARS PRIOR TO BEING AT CROSS-LINK, SO INTRODUCE US TO YOUR OVERALL INVESTMENT THESIS. MARY: AS YOU MENTIONED, I'M A PARTNER ACROSSLI -- AT CROSSLINK CAPITAL. I SPENT TIME IN A AND AI INFRASTRUCTURE. ED: WHAT ARE EXAMPLES OF WHAT YOU CALL VERTICAL AI AND AI INFRASTRUCTURE? MARY: AI INFRASTRUCTURE IS A PLACE I SPEND A LOT OF TIME, PHYSICAL AND CROSS WERE SYSTEMS REQUIRED TO BUILD AND TRAIN MODELS. THE FIRST WAVE IT WAS ABOUT HOW TO BUILD A SCALABLE MODEL.

NOW WE HAVE THOSE, AS WE ARE TALKING ABOUT RIGHT NOW. IN THE NEXT WAVE, IT IS HOW TO DEPLOY THEM QUICKLY, VASTLY, CHEAPLY. AGENTS, OF COURSE, BEING ONE OF THE WAYS TO DO SO IN AN EFFICIENT WAY, TAKING MODELS, ADDING TOOLS AND INFRASTRUCTURE AROUND IT TO CONNECT OUTSIDE DATA AND APPS, AND USING MEMORY IN ORDER TO DO IT IN A WAY THAT PRODUCES OUTCOMES. AND AGENT INFRASTRUCTURE ITSELF HAS BECOME A SECTOR THAT I'VE SPENT A LOT OF TIME IN, WHETHER IT IS THE IDENTITY LAYER AROUND IT.

ONE OF MY PORTFOLIO COMPANIES IS A LEADER IN THAT SPACE AND A PLACE I'M SPENDING A LOT OF TIME. ED: I WANTED TO GET TO THAT BACKGROUND ON YOUR FOCUS TO ANSWER QUESTIONS THAT WERE POSED. WHAT IDEA -- ONE IDEA IS THAT BASICALLY BY LOWERING THE MARGINS OF THE MODEL LAYER, IT OPENS UP THE MARKET A LITTLE BIT. IT IS A DRIVER OF DEMAND ESSENTIALLY. DO YOU AGREE WITH THAT KIND OF THINKING IN RESPONSE TO MARY: THIS? I DO THINK -- IN TO THIS?

MARY: I DO THINK IT DEMONSTRATES WITH THE LAYER IS DEMONSTRATING. COST HAS GONE DOWN BY 95%. DOES THAT DISPLACE THE TOTAL DOLLAR VALUE EXPENDED BY CUSTOMERS? I WOULD ARGUE IT PROBABLY WON'T BECAUSE THE MIGRATION WILL JUST BE FROM WORKLOADS THAT ARE AT THE FRONTIER THAT ARE MOST EXPENSIVE AND THAT REQUIRE THE MOST REASONING CAPABILITIES AND ARE THE MOST ADVANCED, BUT THEY WILL GO TO CHEAPER MODELS THAT STILL PROVIDE THE SAME AMOUNT, THE REQUISITE AMOUNT OF COMPUTE FOR THE QUESTION BEING POSED, BUT DO SO AT MUCH CHEAPER COSTS WHILE NOT SACRIFICING ON PERFORMANCE. ED: IT IS INTERESTING BECAUSE KIMI K3 KIND OF PRICING $15 PER OUTPUT ON A CERTAIN SIDE, LIKE IT IS IN LINE WITH LEADING

MODELS AND WHAT THEY ARE PRICED AT. I FIND THAT INTERESTING.

MAYBE WE SHOULD TALK VALUATIONS. IT IS NOT AN OVERSIGHT IS A GATED ARGUMENT THAT WHEN THIS HAPPENED, A LOT OF PEOPLE SAID, WELL, IF A 20 BILLION DOLLAR CHINESE START UP CAN DO A 2.8 TRILLION PARAMETER MODEL WITH THESE ECONOMICS, WHY RECITING OPENAI AND ANTHROPIC AT A VALUATION OF A TRILLION? THEY LOOK TO THE FUNDAMENTALS OF THAT. IS THAT THE RIGHT WAY TO THINK ABOUT IT? MARY: FRANKLY, I DON'T KNOW YET AND I DON'T THINK ANYBODY KNOWS YET.

EVEN IN THE CONTEXT OF THOSE QUESTIONS, ANTHROPIC AND OPENAI ARE STILL PRODUCING BILLIONS OF REVENUE AND IT IS NOT JUST -- THEY HAVE FIRST PARTY BUSINESSES, THIRD PARTY BUSINESSES. I THINK OBVIOUSLY THE API OPENED FOR MOONSHOT, -- ED: THE 27TH OF JULY. MARY: BECAUSE IT IS OPENWEIGHT DOES NOT MEAN IT IS FREE TO RUN. THAT IS A DYNAMIC THAT PEOPLE COULD UNDER APPRECIATE, AS WELL. ED: THE ARGUMENT OUTLINES THIS PAYMENT MADE ON FRIDAY ON THE SHOW THAT THESE ARE VERY ROBUST BUSINESSES THAT HAVE MULTIPLE REVENUE STREAMS. YOU ARE FOCUSED ON THE PRIVATE MARKETS, BUT WE HAVE HAD SOME INTERESTING IPO'S OF LATE.

NOT JUST SPACEX BUT SK HYNIX. I WAS IN NEW YORK CITY FOR THAT. WHAT DOES THAT SIGNAL TO YOU? MARY: TWO THINGS. OBVIOUSLY THOSE ARE FANTASTIC BUSINESSES. WHEN IT COMES TO WHAT IT SAYS FOR MARKETS, INVESTORS ARE REALLY LOOKING FOR ANYTHING HAVING TO DO WITH THE AI BUILDOUT. AI INFRASTRUCTURE, YOU MAKE A REFERENCE TO THE PERFORMANCE OF PUBLIC MARKET STOCKS TODAY, BUT I THINK IT IS ONE OTHER THING FOR THE CAPITAL MARKETS, WHICH IS THAT WE HAVE THIS NARRATIVE THAT POTENTIALLY THE IPO WINDOW IS REOPENING BUT IS DOING SO WITH LONG-STANDING BUSINESSES AND BILLIONS OF DOLLARS OF REVENUE THAT ARE FRANKLY OLDER.

THEY ARE AT THE CUTTING EDGE OF INNOVATION, BUT THEY HAVE BEEN AROUND DECADES. I THINK IT IS SAYING, YOU KNOW, THERE IS A DESIRE FOR THINGS HAVING TO DO WITH AI, NONETHELESS, INVESTORS ARE HARDLY SPECULATIVE. THEY ARE LOOKING FOR THINGS THAT ARE RELATIVELY SECURE. ED: CROSSLINK PARTNER, MARY D'ONOFRIO. TSMC COMMITTEE A RECORD $265 BILLION TO THE U.S. EXPANSION.

WITH AI FUELING AN ENORMOUS CAPITAL NEEDS ACROSS THE CHIP INDUSTRY, HOW WILL IT PAY FOR IT? STEPHEN ENGLE ON WHETHER ANOTHER TRIP TO THE BOND MARKET COULD BE ON THE TABLE. >> WILL OUR FUNDAMENTAL BELIEF IS WE SHOULD SELF SUSTAIN USING OUR OPERATING CASH FLOW. AND BELIEF IN FREE CASH FLOW TO RETURN CASH TO SHAREHOLDERS THROUGH A SUSTAINABLE AND STEADILY INCREASING CASH DELIVERANCE, WHICH WE HAVE BEEN DOING THAT THE PAST SEVERAL YEARS. WE HAVE A GOOD TRACK RECORD OF IT. NOW, FROM TIME TO TIME, WE CAN GO OUT OF THE MARKET IF THE TIMING IS RIGHT.

WE HAVE BEEN DOING IT, WE HAVE DONE $30 BILLION FUNDRAISING A FEW YEARS BACK. HALF OF IT IN U.S. DOLLAR, HALF OF IT IN NT.NT IS VERY CHEAP FUNDING FOR US. U.S. DOLLAR IS BECOMING MORE AND MORE EXPENSIVE, SO WE WILL SEE IF THE TIMING IS CORRECT. IF THE TIMING IS RIGHT, WE DO NOT RULE OUT THAT WE COULD GO TO THE BOND MARKET AGAIN. STEPHEN: GIVEN WHAT YOU LAID OUT, WITH A MIX OF MORE ANTI-DOLLAR DENOMINATED BONDS BE MORE LIKELY? OR YIELDS?

>> ANTI-DOLLAR BOND MARKET IS MUCH SHALLOWER, SO IT HAS LIMITATIONS. ED: THAT WAS THE TSMC -- BETTING BIG ON DEFENSE. NEW SIGNING, CONNOR LOVE, ON THE START OF SHAPING THE FUTURE OF NATIONAL SECURITY. CONNOR JUST JOINED THE AMERICAN DYNAMISM TEAM. THAT IS NEXT. "BLOOMBERG TECH." THIS IS -- THIS IS "BLOOMBERG TECH."

ANDREESSEN HOROWITZ IS DOUBLING DOWN ON ITS AMERICAN DYNAMISM THESIS AND PRACTICE ADDING CONNOR LOVE TO THE TEAM. CONNOR JOINS US NOW. GREAT TO HAVE YOU ON THE SHOW. DAY ONE ON AMERICAN DYNAMISM, READING ABOUT YOUR INVESTMENTS AT THE LAST FIRM AND HOW YOU HAVE APPROACHED YOUR CAREER, YOU WOULD CALL IT AMERICAN EXCEPTIONALISM, RIGHT?

THERE IS A CLOSE ALIGNMENT BETWEEN THOSE IDEAS. REFLECT ON WHAT PROMPTED YOU TO JOIN THE FIRM. CONNOR: FIRST OF ALL, THANKS FOR HAVING ME. AMAZING OPPORTUNITY TO INVEST IN THE FABRIC OF AMERICA. THE TEAM APPROACHED ME. THIS IS A CATEGORY FOUR YEARS THEY DID NOT JUMP ON THE BANDWAGON. THEY SAID THIS IS IMPORTANT FOR THE FABRIC OF AMERICA AND TECHNOLOGY FUTURE FOR OUR NATION. GIVEN THAT OPPORTUNITY, YOU HAVE TO GET ON BOARD AND JOIN THE TEAM. IT HAS BEEN AMAZING SO FAR TO DIVE IN AND GET TO KNOW EVERYONE. WHEN YOU LOOK AT THE OPPORTUNITY, AS I SAID BEFORE, WHAT IS HAPPENING IS A ONCE IN A GENERATION OPPORTUNITY WHERE WE ARE REDEFINING WHAT IT MEANS TO BE MADE IN AMERICA.

IT IS DEFENSE TECHNOLOGY, ENERGY, MANY THINGS. TO JOIN A TEAM LIKE ANDERSON HORWITZ AND CONTINUE TO INVEST, I AM THRILLED AND EXCITED TO BE ABLE TO DO IT. ED: DO YOU MIND IF I ASK MORE ABOUT THE BACK STORY? YOU MENTIONED MARC ANDREESSEN AND BEN HORWITZ. DID THEY APPROACH YOU? HOW DID THIS COME TOGETHER? CONNOR: IT IS FUNNY. ONE OF THE FOUNDERS OF AMERICAN DYNAMISM, I SPOKE TO HER SEVEN YEARS AGO. I HAD THE PRIVILEGE OF SERVING IN THE MILITARY AND WAS FORWARD TO FLOYD IN A RACK.

I CONNECTED WITH HER IN A HAPHAZARD OUT OF THE BLUE WAVE AND SHE SAID THERE IS THIS COMPANY YOU SHOULD LOOK AT. I GOT EXPOSED TO SILICON VALLEY AND SAW THEN WHAT I KNOW NOW THAT TECHNOLOGY WILL BE A FORCE FOR GOOD, NOT JUST FOR THE DEFENSE FABRIC OF OUR NATION BUT YOU CANNOT HAVE AN INDUSTRIAL BASE IN AMERICA IF YOU DO NOT HAVE A BURGEONING DEFENSE SPACE. IT IS AN OPPORTUNITY ROOTED IN MY

BACKGROUND THAT HAPPENS TO CONNECT WITH KATHERINE BOYLE WHEN SHE WAS AT HER PREVIOUS FIRM. ED: IT IS NOT EXCLUSIVELY DEFENSE TECHNOLOGY.

AMERICAN DYNAMISM IS BROADER THAN THAT. ANDREL IS THE BEST-KNOWN CASE. WHAT IS THE NEXT PHASE? CONNOR: YOU REALLY CANNOT HAVE A DEFENSE INDUSTRIAL BASE WITHOUT AN INDUSTRIAL BASE. YOU LOOK AT WHAT GOES INTO THE AUTONOMOUS SYSTEMS AND NEW PLATFORMS, IT IS THE PARTS AND THE END COMPONENTS OF WHAT IS GOING ON. WHEN YOU TAKE A STEP BACK AND LOOK AT CREATING A NEW OPPORTUNITY TO CAPTURE AND SERVE THE UNITED STATES AND ALLIES, YOU SEE THINGS LIKE ENERGY, MANUFACTURING. IMPORTANTLY, YOU SEE THINGS LIKE SPACE. AS WE PUT MORE KILOGRAMS OF MASS IN SPACE IN THE CHEAPER WAY, IT IS KIND OF THE NEXT FRONT TIER OF WHERE WE WILL BE BUILDING NOT JUST FOR DEFENSE AND GOVERNMENT USE BUT ALL OTHER PARTS OF THE ECONOMY.

I THINK WHEN I LOOK AT AMERICAN DYNAMISM, I VIEW IT AS A PROXY FOR HOW SOME OF THE MOST VALUABLE COMPANIES IN THE WORLD ARE CREATED. HISTORICALLY, YOU LOOK AT BOEING AND ALL OF THESE COMPANIES THAT HAVE BEEN IMPORTANT TO AMERICA, THEY HAVE BEEN IMPORTANT TO THE AMERICAN INDIVIDUAL BUT NOT ALWAYS THE MOST VALUABLE COMPANIES. TECHNOLOGY IS CHANGING THAT. TECHNOLOGY IS SAYING YOU CAN BE IMPORTANT TO AMERICA AND ALLIES AND BE SOME OF THE MOST VALUABLE COMPANIES IN THE WORLD. THAT IS WHAT WE ARE EXCITED TO INVEST IN.

ED: ANDURIL IS A BIG FOCUS FOR THE "BLOOMBERG TECH" AUDIENCE. I THINK WHAT IS INTERESTING IS IT IS CLEARLY AN IMPORTANT PART OF AMERICAN DYNAMISM AND THE PORTFOLIO. HOW ARE YOU GOING TO APPROACH THAT? CONNOR: I WILL SAY A COUPLE THINGS ABOUT ANDRURIL.

WHEN YOU THINK THEY HAVE GOTTEN TO THEIR LAST PRODUCT, YOU ARE WRONG. THERE ARE A LOT OF PROBLEMS THAT NEED TO BE SOLVED. TO SEE THIS KIND OF PARTNERSHIP WITH ARCHER IS IMPORTANT. WHEN YOU TAKE A STEP BACK AND SAY THIS MARKET IS MASSIVE, THERE ARE A LOT OF PROBLEMS TO BE SOLVED IN THE DEFENSE SPACE. EVERYTHING FROM MISSILES TO GROUND AUTONOMY SYSTEMS. IT IS A MASSIVELY LARGE MARKET. THIS A TON OF TECHNOLOGY PROBLEMS TO BE SOLVED. THE UNDERLYING SUBSTRATE THAT IS IMPORTANT AND WHAT WE LOOK AT IS WHAT IS HAPPENING IN DEFENSE IS THIS LOW-COST AUTONOMY THESIS.

IT IS PLAYING OUT ON THE BATTLEFIELD. LOOK AT THE CONFLICT IN IRAN AND UKRAINE. WHEN YOU CAN INTRODUCE SOMETHING 10 TIMES CHEAPER AND AS PERFORMANT, IT CHANGES THE GAME. THE MARKET IS BIG AND I THINK THERE IS GOING TO BE A TON OF OPPORTUNITY. ED: YOU MENTIONED KATHERINE BOYLE AND AARON, REGULAR CONTRIBUTORS TO THE SHOW. AS A VETERAN, REFLECT ON THE SKILL SET AND EXPERIENCE

YOU BRING. CONNOR: THERE ARE MORE IMPRESSIVE PEOPLE WHO HAVE DONE IMPRESSIVE THINGS FOR OUR COUNTRY I WANT TO PUT IN FRONT OF ME.

I THINK THAT TIME IN SERVICE GROUNDS ME AND WHY WE ARE DOING THIS. LIKE I SAID AT THE START, IMPORTANTLY, THIS IS A CATEGORY WHERE YOU ARE NOT JUST DOING GOOD ECONOMICALLY BUT DOING GOOD FOR THE WORLD AND THE AMERICAN PUBLIC. THAT PUTS ME IN A POSITION TO TAKE A STEP BACK AND SAY THIS MEANS A LOT. NOT JUST FOR SHAREHOLDERS AND EVERYONE AT ANDREESSEN BUT ALSO FOR AMERICA. I AM DEEPLY THANKFUL AND WILL KEEP DOING IT FOR DECADES. ED: CONNOR LOVE NOW ON THE AMERICAN DYNAMISM TEAM.

GREAT TO HAVE YOU ON THE SHOW. ALPHABET, TESLA, INTEL, AND MORE POSTING EARNINGS THIS WEEK. WE ARE GOING TO LOOK AHEAD AND DISCUSS WHAT TO EXPECT. THIS IS "BLOOMBERG TECH." ED: EARNINGS KICKING OFF. WE ARE EXPECTING BIG NAMES THIS WEEK INCLUDING ALPHABET, TESLA, AND INTEL. INVESTORS WILL BE LOOKING FOR PROOF BILLIONS OF AI SPENDING ARE STARTING TO PAY OFF, EVEN AS CHEAPER MODELS FROM CHINA HAVE RAISED QUESTIONS.

MANDEEP SINGH JOINS US ON WHAT TO EXPECT. IT HAS BEEN INTERESTING TO READ THE TEAMS RESEARCH. THERE WILL BE A FOCUS ON CAPEX BUT LOOKING PAST THAT, WHAT IS THE DATA POINT THAT SHOWS THIS AI THING ISRAEL? MANDEEP: CLOUD REVENUE IS STILL THE KEY METRIC WHEN IT COMES TO HYPERSCALERS WHO ARE AT THE FOREFRONT OF CAPEX, AND EVERYONE IS EXPECTING THOSE NUMBERS TO GO UP. THE QUESTION IS, IS NEXT YEAR GOING TO BE 30% TO 40%, OR ARE WE GOING TO HAVE ANOTHER YEAR OF 50%-PLUS INCREASE IN CAPEX?

TO MY MIND, THE NUMBERS ARE GETTING VERY BIG IN ANNUALIZED FROM HYPERSCALERS. THERE IS A LIMIT TO HOW FAR THEY CAN GO. CLEARLY, 2027 NUMBERS WILL BE HIGHER. WE ARE EXPECTING POSITIVE UPWARD REVISIONS JUSTIFIED BY ACCELERATING CLOUD GROWTH FROM THESE HYPERSCALERS. ED: LET'S STICK WITH THE GOOGLE PARENT AS THE CASE STUDY. OVERALL REVENUE GROWTH IS EXPECTED TO BE ABOUT 20%. WITH GOOGLE CLOUD, I THINK 60% YEAR ON YEAR GROWTH. GOOGLE CLOUD IS WHERE THE TRACTION WITH AI SHOWS UP. MANDEEP: YOU ARE ABSOLUTELY RIGHT. THAT IS WHERE COMPARISONS WOULD BE DRAWN TO AZURE AND THE FACT GOOGLE CLOUD IS GROWING FASTER THAN AZURE. AWS, THINGS SEEM TO BE PICKING UP. NOW OPENAI IS DEPLOYING ON AMAZON AS WELL AS AZURE. THE IMPACT ON MICROSOFT IS GOING TO BE FRONT AND CENTER. THERE IS NO DOUBT CLOUD INFRASTRUCTURE IS WHERE THE MONETIZATION WILL BE EVIDENT.

ALL THE FRONTIER LABS ARE MONETIZING TOKENS. WE WILL NOT BE ABLE TO GLEAN THAT FROM THE EARNINGS OF COMPANIES. IT IS TOO EARLY TO SEE THAT TOKEN MONETIZATION BE VISIBLE. ED: THIS IS WHAT THE WEEK LOOKS LIKE. IT ALL KICKS OFF WEDNESDAY.

ALPHABET AND TESLA. IBM PRERELEASE. MAYBE WE WILL LEARN MORE THURSDAY. MANDEEP SINGH, THANK YOU VERY MUCH INDEED. A BUSY WEEK FOR MANDEEP TOO. LET'S LOOK AT TODAY'S BIG NUMBER. 200 624 $.1 MILLION.

THAT IS HOW MUCH THE NEW MOVIE TOOK IN SALES GLOBALLY IN ITS OPENING WEEKEND. IT WAS THE NUMBER ONE FILM IN THE USA AND CANADA OVER THE WEEKEND WITH 124 $.5 MILLION IN TICKET SALES IN NORTH AMERICA, A LARGE PORTION OF WHICH WAS GENERATED IN IMAX SCREENINGS. MANY WERE SOLD OUT MANY MONTHS IN ADVANCE. I AM STILL YET TO SEE IT. THAT DOES IT FOR THIS EDITION OF "BLOOMBERG TECH."

A REALLY BIG FOCUS STILL ON MOONSHOT'S KIMI K3 MODEL, 2.8 TRILLION PARAMETERS, AND ALL THE QUESTIONS POSED FOR THE WORLD. WE GOT THROUGH ALL OF THAT IN THE PROGRAM. RECAP ON THE PODCAST. YOU KNOW WHERE TO FIND IT ON THE BLOOMBERG TERMINAL. IT IS ONLINE. HAVE A GREAT WEEK. THIS IS "BLOOMBERG TECH."