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INTELLIGENCE ON THE AI FRONTIER

Always-on agents, two-billion-parameter bouncers, and the six-month data centre

THE AGENT WEEK

The Agents Are Off the Leash — and Nobody Has Written the Rulebook

Always-on assistants with their own computers, a frontier model that rewrites kernels, and a new breed of tiny "decision models" mark the week autonomy stopped being a demo.

4,000+	77.9%	393%	48%	\$1.4T
APPS ONE AGENT CAN DRIVE	NEW FRONTIER SCORE ON DEEPSWE V1.1	RISE IN AI-SOURCED US RETAIL TRAFFIC	MISTOOK AI FOR HUMAN	FORECAST AI CAPEX, 2027

The personal agent has left the chat window. This week's headline launch gives each user an always-on agent with its own cloud computer and browser, wired into more than 4,000 apps and reachable from chat, voice, Slack and Teams. Its safety model is a list of Custom Rules — allow, require approval, or block — plus a monitor that can pause it mid-task. It ships to the top paid tiers first.

The model race kept pace. A new Gemini generation, Argon, posts 77.9% on DeepSWE v1.1, lifts output limits from 64K to a million tokens, and was used internally to

migrate more than 800,000 lines of a kernel to Rust. It reaches vetted cyber-defenders first, at \$2/\$10 per million tokens, before a wider release. Anthropic made Opus 5.5 the default in its coding tool — over 30% faster and 40% cheaper than its predecessor — while Sonnet 5.5 is said to match it at half the price.

The quieter shift is underneath: small, open "decision models" that answer an agent's yes-or-no questions in milliseconds. Autonomy is getting cheap. Accountability is not.

INTERACTION

A Face That Passes

A preview "human interaction model" fooled 48% of people after a one-minute live video call, up from under 5% for earlier systems. It listens, watches, speaks and gestures at once. Public release waits on safety work.

TOOLING

Coding Agents Get Mods

Claude Code now accepts TypeScript "mods" that can hold or rewrite tool calls, draw UI and replace built-ins. Five-hour limits rose 20%, and cloud sessions left preview with a one-off credit to claim by 7 October.

"LLMs are world models — but they could be better. We're approximately on the right path."

PETER NORVIG, ON WHY THE FIELD NEED NOT START OVER

FRONTIER

Argon Rewrites the Kernel

Google's Gemini 4 Argon is aimed at long-horizon coding and cyber defence. It claims first place on the Vals Index and Zapier's AutomationBench (51.3%), 91.7% on long-video LVBench and a shared top score on CWE-bench. Internally it rewrote 32,000 lines of SIMD code into Rust that runs 2.7x faster than an earlier port.

The catch: vetted defenders get it without cyber guardrails, with chain-of-thought monitored instead. Independent rankings place it joint third, behind Anthropic's 5.5 pair.

PRICING

The Cost Curve Bends Again

Every lab shipped a cheaper tier this fortnight. Opus 5.5 lands at roughly Fable-class quality with shorter answers and fewer verbal tics; OpenAI's Sol and Luna push frontier-grade reasoning at lower cost. Critics note that cheaper releases have come with thinner outside evaluation.

Anthropic has now shipped seven frontier releases this year — more than any rival — and every major lab signed a new voluntary White House pledge with four oversight layers.

OPEN WEIGHTS

Small Models, Sharp Edges

Qwen3.8 Flash Next behaves like the 27B sibling with better accuracy; its "xhigh" thinking mode is far stronger on agentic tasks, while "low" looks like a renamed medium. DeepSeek-V4.1-Flash adds KV-cache compression, and a 27B ternary model claims near-lossless quality at a ninth of the footprint.

At the tiny end, a 608M model trained on just 75B synthetic tokens drawn from 58,698 encyclopedia articles roughly matches 350M–600M peers — proof that curated data still beats scale at the bottom.

ARCHITECTURE

Meet the Bouncer: Why Agents Need a Two-Billion-Parameter Doorman

Most of what an agent does is not reasoning; it is triage. Call this tool? Ask the user? Escalate for review? Sending those questions to a frontier model is like asking a surgeon to take your temperature. A new class of "decision models" answers them instead.

Amazon's open-source Strands Decider 2B, released under Apache 2.0 and built on a fine-tuned Qwen base, runs on a local CPU or GPU and returns a verdict in tens of milliseconds. Cloudflare's Clef (27B)

and Clef Flash (9B) now run locally through Ollama, returning categories, yes/no answers or scores from text and images. A rival, Jev, arrived two weeks earlier and is already being tested for search reranking.

The pattern is a cascade: a cheap judge decides, and a frontier model is called only when the judge is unsure. For anyone paying an inference bill, that is the most consequential architecture change of the quarter.

SELF-IMPROVEMENT

Harnesses That Evolve Themselves

Research on regularised recursive self-improvement lets an agent tune its own scaffolding rather than its weights. A rival approach runs competing branches, each with its own dev set and proposal policy, routed per input — a claimed 34.8% gain on olympiad maths (unverified).

SAFETY

One Threshold to Rule Them

A "Scientist AI" gate estimates the probability that an agent's action is harmful and blocks it above a threshold. Fifteen months in, it has a formal bound and up to CAD \$300M in government backing — and one tunable number carrying the design.

RELIABILITY

High Availability Is a Pipeline, Not a Checkbox

A reference build layers leader election with epoch fencing, Bloom-filter deduplication, watermark reordering, circuit breakers that spill to a 500-event buffer, and a 1,000-permit/s backpressure gate returning 429s — then injects chaos to prove recovery.

HUMAN BANDWIDTH

Stop Reading Raw AI Output

Models now produce tens of thousands of lines in minutes; the human reviewer is the bottleneck. The fix is not more text but better presentation — diffs, visuals and summaries designed for verification. A pre-ship checklist (empty input, jailbreaks, malformed JSON, runaway bills) helps too.

COMMERCE

Marketing to Machines

Brands are learning to persuade algorithms. AI-sourced traffic to US retail sites rose 393% this year, and agent-influenced spend could hit 20% of US e-commerce — about \$385B — by 2030. One documentation platform served 257M agent requests against 131M human page loads in August alone.

A cottage industry has formed: firms score websites 1–100 on agent usability, map "most valuable prompts", and charge retainers up to \$12K a month. Early findings say agents favour factual, stat-dense pages. Skeptics call it SEO with a new coat of paint; meanwhile Amazon is blocking some shopping agents outright.

INFRASTRUCTURE

The Six-Month Data Centre

Crusoe raised \$3.9B at a \$30.9B valuation, runs over 1 GW with 6 GW contracted, and builds campuses in about six months against roughly two years for rivals. Its modular units deliver ~1 MW each in three months. Banks see hyperscaler and neocloud capex near \$1.4T in 2027, up 42–52%.

EARNINGS & DATA

AI Shows Up in the Price, Not the Demand

Accenture grew revenue 6% to \$18.7B and won record managed-services bookings, yet warned pricing is falling as AI lifts productivity and hiring will slow. Elsewhere, Cloudflare made its Iceberg-based analytics platform generally available, and MongoDB 9.0 doubled throughput on large instances.

SYNTHESIS I

The Classifier Dividend

Put decision models next to the frontier price cuts and a new cost structure appears. If 80–90% of agent steps are routing judgements, the frontier model becomes a judge of last resort, invoked only when a cheap classifier's confidence drops. Teams that instrument confidence and escalation rates — not tokens — will see bills fall by an order of magnitude while competitors argue about which flagship to buy.

SYNTHESIS III

The Harness Is the Product

Self-improving harnesses, open-source harness kits claiming 28% fewer tokens, coding-agent mods and analysts calling harnesses the enterprise product of the year all point one way: the moat is migrating from weights to scaffolding — routing, memory, evals and permissions. Models will be swapped quarterly; harnesses will be audited annually.

SYNTHESIS II

Your API Docs Are the New Shopfront

When agents outnumber humans two to one on documentation sites and products go "headless" so agents can sign up through a command line, the storefront is a schema. Agent-usability scores will become as watched as Core Web Vitals. The winners will publish machine-first catalogues: prices, limits and guarantees as structured, verifiable data.

MOVE 37 — THE CONTRARIAN PLAY

The Winning Agent Will Be the One You Can Sue

Everyone is racing to make agents smarter. The scarce asset is not intelligence; it is attestation. With agents already tripping over government websites and lawyers preparing novel suits, the advantage goes to agents that carry a signed, tamper-evident ledger of every action, bound to a named principal and an underwriter. Insurers, not regulators, will set the real guardrails — pricing risk per permission. Build the flight recorder before you build the autopilot.