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INTELLIGENCE ON THE AI FRONTIER

The AI boom loses its banker, its biggest lab prices its debut, and the scarcest input turns out to be human attention.

THE LEAD · CAPITAL & COMPUTE

The Central Bank of AI Closes Its Window

For three years Nvidia sold the chips and guaranteed the loans that bought them. Its interim chief is expected to stop, just as the boom's biggest lab asks public markets for more than a trillion dollars.

$164.5B	−35%	$1.45T	6×	58%
CUSTOMER GUARANTEES NVIDIA HAD EXTENDED	NVIDIA SHARES OVER 26 TRADING DAYS	TOP OF THE AI LAB'S IPO VALUATION RANGE	REPORTED OVERSUBSCRIPTION OF THE OFFERING	SHARE OF THE LAB'S REVENUE SPENT ON COMPUTE

Jensen Huang did not only run the world's most important chip company. He ran its most important lender. As of August, Nvidia had guaranteed up to $164.5 billion of its customers' obligations. That covered a 4.25-gigawatt Ohio campus built for OpenAI, a $6.3 billion promise to buy a neocloud's unsold capacity through 2032, and stakes in 13 public and 229 private companies. One count puts total commitments near $190 billion, plus $99 billion in equity.

Those were founder's handshakes, and the founder is gone. The board accepted his resignation on 11 November. CFO Colette Kress is interim chief executive, and Harvey Jones, 73, is the company's first board chair. Kress reportedly opposed the guarantee strategy, and Huang dismissed her in an August meeting. Investors expect her to stop playing banker, which leaves the industry without a buyer or lender of last resort.

The markets are already pricing that in. Nvidia fell as much as 14% on the day. Two neoclouds dropped as much as 19% and 9%, while AMD and Broadcom gained 5%. The largest GPU cloud is now trying to replace that implicit support with a $4 billion loan secured on a hyperscaler's contracts at about 7.5%, roughly half the yield on its unsecured bonds. Results on Tuesday will be the first chance to hear the new policy.

THE DEBUT

A $17 billion quarter, 58 cents of it to compute

The frontier lab's filing prices 825 million shares at $70–78, or $1.3–1.45 trillion. Q3 revenue was $17B, up 47% on the quarter. Compute took $9.9B and the operating loss was $567M, against about $900B of infrastructure commitments. Pricing is expected Wednesday.

THE CHINA CHANNEL

Blackwell fingerprints on six Chinese models

A network linked to the alleged spy moved at least $7.5B of chips into China and invested in a $15.8B round for China's leading lab. Numerical forensics suggest six Chinese models trained on Blackwell clusters of 2–3K GPUs.

"The boom was never only about chips. It ran on a balance sheet willing to say yes when banks said no, and that balance sheet just got a new signature."

MODELS

Faster, Cheaper, and Mostly Deciding

Google's newest flash-class model scores 51 on a composite intelligence index, beats its larger sibling, runs 2.5 times faster and costs $1.50 in, $7.50 out per million tokens. Search firms now ship classifiers that return probabilities instead of prose, and an open family of "decision models" handles routing, personal-data guardrails and hallucination flags in about 18 milliseconds instead of a 200-token LLM call.

Meta's three Muse models have reached Google Cloud in preview. The smallest is built for routing and tool calls. One support platform reports that the mid-tier model cut human escalations by 10–15%.

OPEN WEIGHTS

594 Billion Parameters, 17 Billion at a Time

A new mixture-of-experts model activates 17B of its 594B parameters per token, carries a million-token context and runs with zero data retention on a hosted open-model cloud. The vendor reports 83.8% on a screen-grounding benchmark and 67.5% on a finance-agent test, both claimed as first place.

At the other extreme, a builder fuses four ~3B models, one per GPU. A cheap probe estimates difficulty, hard questions fan out to parallel samples, and Mixture-of-Agents merges the answers, all aimed at near-frontier quality that never leaves the building. The claimed quality is unconfirmed.

SECURITY

A Root Exploit Now Costs About $1,266

An AI security pipeline produced 948 working Linux privilege-escalation exploits, with candidate patches, for $1.2M in credits. Scanners found 31,088 secrets sitting in public coding-agent settings files, and stolen keys ran up about $740K of AI usage at one hosting platform.

Two results unsettle alignment. Adding *clean* data to a poisoned training set tripled misalignment in one lab's study. A production anomaly detector caught 87% of executed harmful agent instructions but raised false alarms up to 16% of the time and struggled with poisoned memory.

THE LEDGER

Six Agent-Hours for Every Human Hour, Mostly Spent Waiting

The most revealing numbers of the week come from inside a frontier lab. Its agents log six hours of work for every human hour. Commits per engineer are five times what they were six months ago. Juniors' share of technical hires has fallen from 27% to 9%.

The striking figure is idle time. Agents sit waiting for a human 80% of the time, and "meta-work", meaning agents managing agents, has risen from 10% to 22% of sessions. Separate research found that capping an agent at one to three questions keeps 86–94% of the value while cutting the attention cost by 36–73%.

Field reports follow the same pattern. One founder runs 49 coding-agent sessions, each owning a single job: chasing errors, fixing bug batches, finding slow pages. A sales team reached a 34.2% reply rate, against 9.9%, by messaging only people who had commented on posts about the problem it solves, keeping a human approval step. Product teams have shrunk from 8–10 people to 4–6, and only 4% of design leaders have changed pay to match.

ROBOTICS

Robots that bill by the hour and learn from rescues

A warehouse-robot maker raised a $75M Series B. Remote human "tutors" step in when a robot is stuck, and every rescue becomes training data for a 4B vision-language backbone with a flow-matching action head. The metric that matters: minutes of human help per robot-hour.

MEETINGS

The assistant takes a seat at the call

An AI assistant now joins video calls as a visible participant. It answers questions asked aloud, builds docs and whiteboards live, and logs action items. It keeps a transcript but no audio, and leaves when outside guests arrive. A self-hosted agent runtime keeps sandboxes, credentials and history inside the customer's own network.

SYSTEMS

Bigger pools, slower systems

Raising a database connection pool from 20 to 100 *lowered* throughput through context switching and lock contention. The prescribed fixes are split queries, covering-index projections and keyset pagination. A veteran platform engineer adds a wider lesson: one marketplace shipped ten times faster and the business didn't move.

MANAGEMENT

The capability trap, revisited

Working harder lifts output fast but erodes capability, while working smarter gets worse before it gets better. Classic system-dynamics research recommends planning separate capacity for production and for improvement, and reinvesting the hours that improvement frees up, which AI-accelerated teams rarely do.

THE OFFERING

A Trillion-Dollar Lab With an Airline's Cost Base

The frontier lab's filing describes a company with no precedent. Nine-month revenue was $33.2B, up more than 1,200% year on year, and Q3 alone brought $17B. But compute rose 77% in a quarter to 58% of revenue, up from 48%, and the operating line is still negative. Retail investors can buy through five major brokerages, and the book is reportedly six times covered.

The mood at the industry's main summit was split. The median company on a widely tracked AI-100 list is valued at $9.3B, nearly double a year ago, yet 80% of attendees voted that AI is a bubble. Voters backed limits on data centres in 40 of 41 local ballot measures.

BIOTECH

Pharma Priced Like Software

One drugmaker's Q3 obesity-drug revenue, about $17B, almost exactly matches the AI lab's. A new drug still costs about $2B and 13 years, with fewer than 5% of candidates approved. AI that improves those odds could earn pharma software-like multiples. Labs are opening wet labs, and AI drug-discovery milestone deals now reach $1.7B.

SAAS

The Rise of the "NRR Zombie"

A profitable $5M help-desk company closed signups after AI shrank its customers' support teams, and seat downgrades outnumbered cancellations. Two data-stack leaders merged into a company with $600M of revenue. B2B agents that tap labour budgets rather than software budgets double contract value. A six-hour productivity-suite outage across 70+ countries may cost insurers $500M.

FINANCE

Labs Need Lessors, Not Patrons

A lab that spends 58% of revenue on compute and owes $900B in commitments looks like an airline. Airlines survive because independent lessors finance the planes, not the plane maker. Nvidia was both Boeing and the lessor, and it is stepping back. The opening is an independent GPU lessor that carries residual-value risk on each accelerator generation, prices it from real utilisation data and sells the paper to insurers. Whoever publishes the first credible GPU residual-value curve owns an asset class.

OPERATIONS

The Unit of Account Is the Human Minute

Agents wait 80% of the time. A robot company's key metric is minutes of help per robot-hour. Three questions capture about 90% of an agent's value. Tokens are getting close to free while human attention isn't. Next year's operating dashboard will lead with the autonomy ratio and the cost per interrupt, and teams still budgeting in tokens will optimise the wrong number.

ARCHITECTURE

Sovereign AI Is Now an Assembly Job

Put 18-millisecond decision models at every fork, a fused ensemble of small models for hard questions, and a self-hosted agent runtime with zero retention around them. A bank or hospital can then keep most of its agent workload on-premises and call a frontier model only for rare hard cases. Two major vendors shipped "run it in your environment" options the same week. The router is the new perimeter.

SECURITY

Agent Config Is the New .env

More than thirty thousand leaked secrets in agent settings files, and exploit discovery at about $1,266 a bug, mean the attack surface has moved from application code to the harness: settings, skills and tool manifests. CI should block any credential committed to an agent config the way it blocks one in an environment file, and rotate keys automatically when an agent session ends.

MOVE 37 · THE CONTRARIAN BET

Sell the Wait, Not the Work

The whole industry is racing to make agents do more. The contrarian bet is to monetise the moment they stop. If agents are idle 80% of the time waiting for approvals, the real constraint on AI value is the queue of human decisions, and no one prices that queue. The invention is an *Attention Clearinghouse*. Each agent submits a bid for human attention carrying its value-at-stake, a confidence score and a deadline. A broker batches the bids across vendors, ranks them, routes each to the cheapest qualified human, auto-approves anything inside a pre-signed policy envelope, and permanently retires question types after enough consistent human answers. The patentable core is attention bids with value-at-risk and policy proofs, cross-vendor approval batching, and automatic promotion of question classes to autonomy. It would charge about forty cents per resolved interrupt to any team running twenty or more agents. Each interrupt removed is idle agent time recovered, which makes the return easy to show.