US AI | AN INVESTMENT QUESTION

When technology outpaces the capital cycle.

Who captures the savings from useful computing?

Cheaper computing can expand the market without improving returns at every layer.

My investment question: who keeps the efficiency gain, and who remains liable for capacity already ordered?

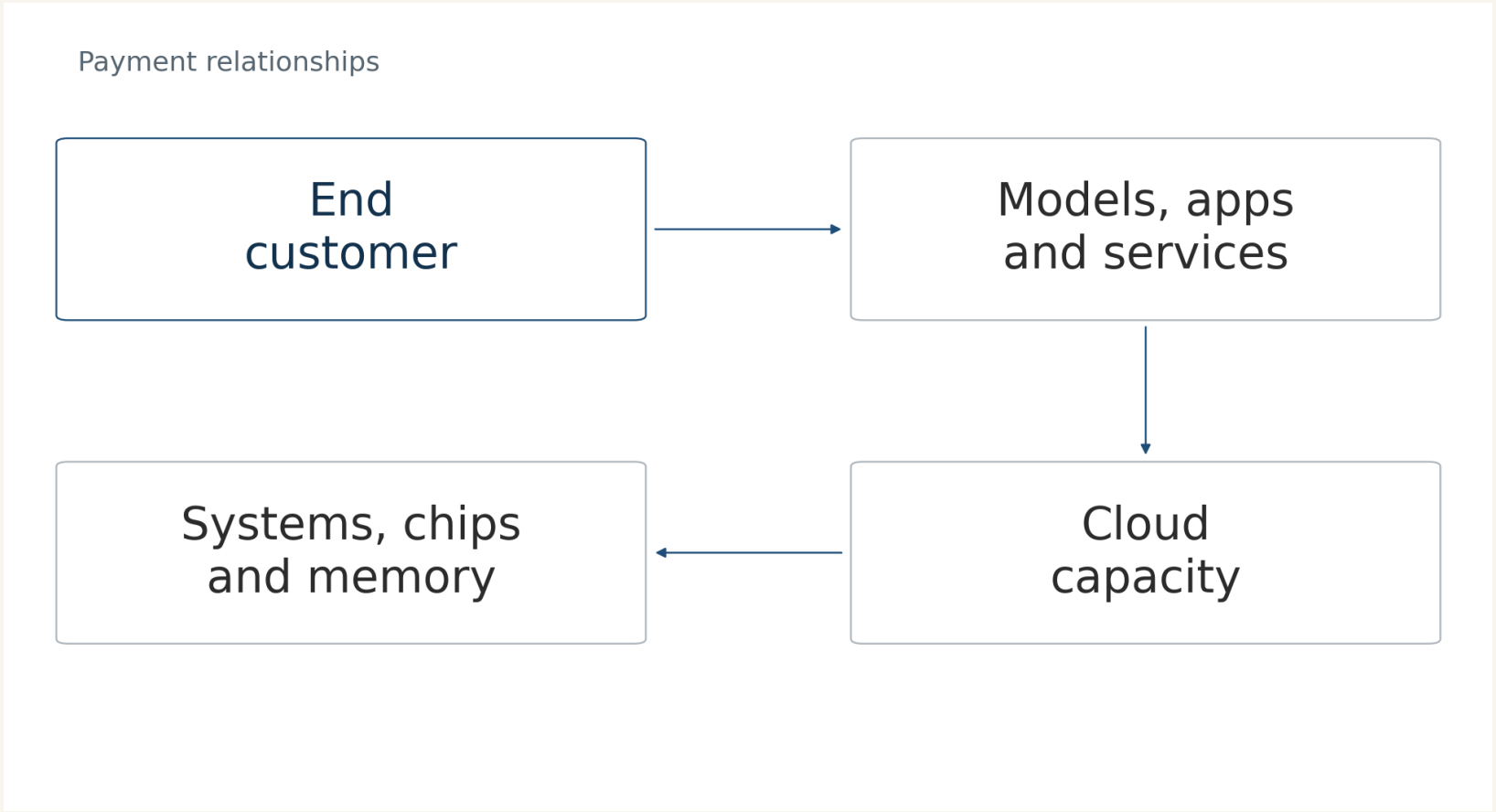
The risk is a mismatch between service economics that change quickly and capital commitments that unwind slowly.

Adapted from US AI Sector Strategy, 7 Nov 2026, pp. 1, 7 and 9. Analytical interpretation; no new investment recommendation.

FOLLOW THE CUSTOMER'S MONEY

The same revenue dollar passes through several businesses.

An end customer pays for useful work. The service provider buys compute; the cloud provider buys systems, power and facilities.



Revenue at several stages does not create several independent sources of final demand.

One efficiency gain can become a lower customer bill, a higher service margin, more usage or fewer future equipment purchases. It cannot be counted in full at every stage.

Sector Strategy, pp. 4-7 and 17. Diagram is an analytical simplification.

THE CAPITAL-TIMING PROBLEM

A supplier can be paid before its customer earns a return.

A system sale can precede commissioning, paid utilisation and recovery of the buyer's investment. A delay leaves less time to earn back capital before the next upgrade.

Existing contracts can sustain deliveries even while future investment becomes less attractive.

The question is whether the next phase is flexible enough to wait, change architecture or avoid spending before demand is proved.

Announced capacity is not operating capacity.

Sector Strategy, pp. 9-10. Primary context [P1]: linked cloud and hardware commitments. The cash-return interpretation is the author's.

ONE ILLUSTRATIVE CALCULATION

A shorter earning life raises the replacement burden.

Hold fleet size and replacement prices constant. Assume zero residual value and steady renewal.

Six-year life

16.7

100 / 6 per year

Four-year life

25.0

100 / 4 per year

+50% annual replacement

Per 100 of fleet cost. Illustration, not a company forecast.

More frequent renewal consumes more cash before distributions to owners. This is a recurring maintenance illustration, not a one-off construction budget.

The concern weakens if older equipment keeps earning positive cash margins, or cheaper replacement offsets faster renewal.

Sector Strategy, p. 9 and Figure 6, p. 10; sector-workbook illustration dated 5 Nov 2026. Assumptions are not measured industry forecasts.

DIFFERENT BUSINESSES, DIFFERENT TESTS

The efficiency winner depends on who retains the saving.

NVIDIA / Broadcom

Customer adoption and design wins must translate into durable equipment demand and margins.

Microsoft / Amazon / Alphabet

Lower computing costs must survive customer discounts and cover commissioning, financing and renewal.

Anthropic

More usage must produce enough cash margin to meet capacity commitments.

AWS and NVIDIA publish efficiency claims for different systems and workloads. Those claims are not a common industry price benchmark.

Reported cloud growth is a starting point; the cash return on the installed fleet remains a separate test.

Sector Strategy, pp. 7, 13 and 15-17. Primary context [P2-P4]; efficiency statements remain supplier claims. These are research questions, not stock calls.

A QUESTION YOUR TEAM CAN COMMISSION

Which capacity commitments can earn back their cost before renewal?

A focused mandate can test one company, one investment programme or a defined group of suppliers.

Trace the evidence. Separate customer receipts, supplier payments and financing.

Test the economics. Reconcile commissioning, utilisation, pricing, replacement and claims on cash.

Define the decision. Identify the driver, the observation that could overturn the thesis, and its model sensitivity.

Discuss a research brief

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SELECTED PRIMARY CONTEXT

[P1] Anthropic | Microsoft-NVIDIA partnerships | 18 Nov 2025

[P2] AWS | Trn2 product specifications

[P3] NVIDIA | Rubin platform | 5 Jan 2026

[P4] Microsoft | FY27 Q1 results | 28 Oct 2026

Based on Sector Strategy, pp. 22-25. Scope, timing, deliverables and commercial terms are agreed for each mandate. New research and updates are scoped separately.