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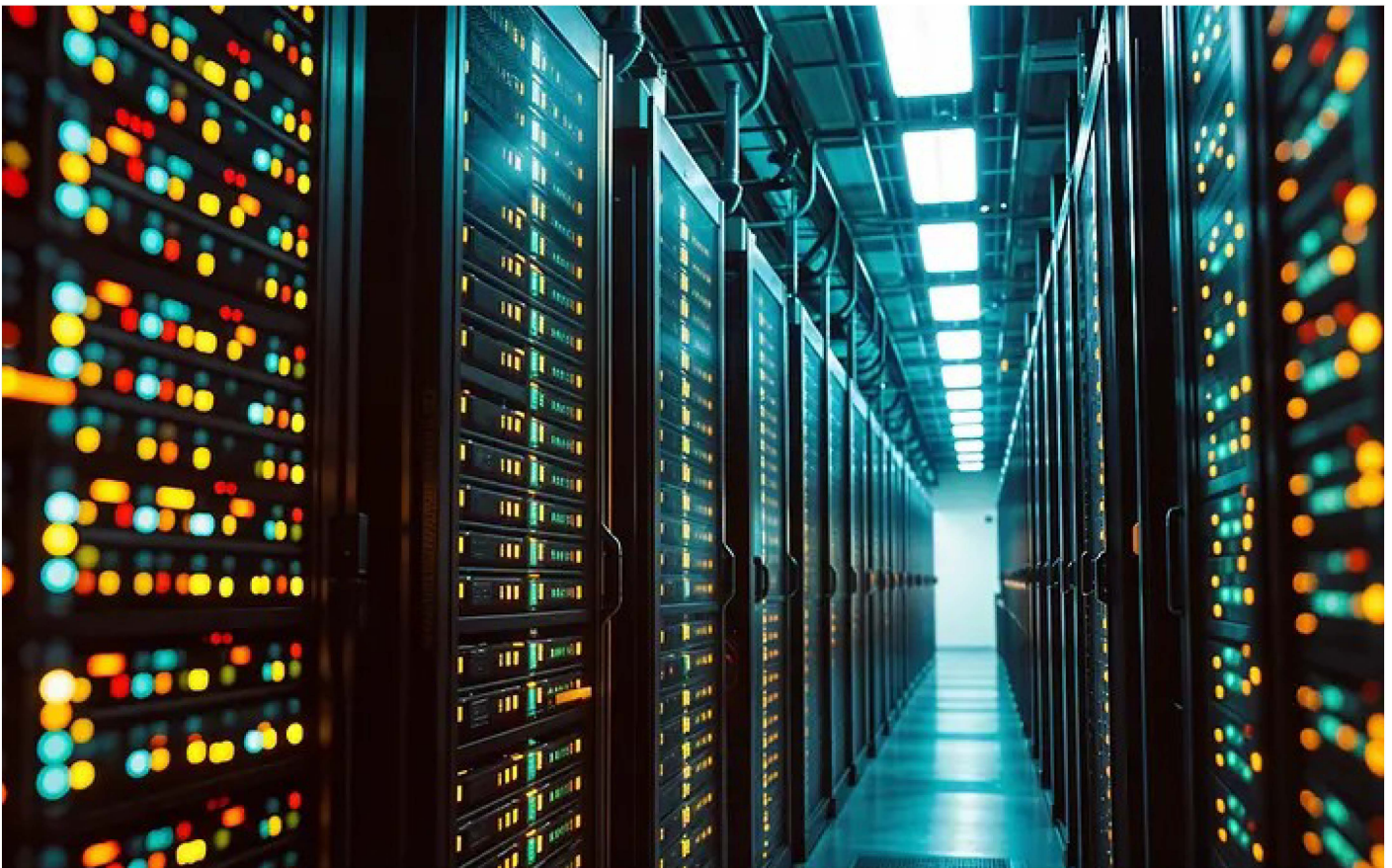
Market View

Funding the AI revolution

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At a glance

AI and technology companies are raising record amounts of equity and debt to fund one of the largest corporate investment cycles in modern history.

Investors have so far absorbed this wave of fundraising, but are now demanding greater compensation.

As AI investment accelerates, companies will need to raise even more money, which could have wider implications for financial markets.

While the world's largest technology companies compete to build the next generation of AI, an equally important contest is unfolding behind the scenes: securing the vast amounts of capital needed to fund this expansion. Increasingly, they are turning to equity and bond markets to finance what is becoming one of the largest corporate investment cycles in modern history.

For investors, the implications extend well beyond the technology sector, as the sheer scale of fundraising has the potential to influence liquidity, valuations and broader market performance.

Which companies are raising capital?

Over the last month, markets have witnessed some of the largest AI and technology companies seek to raise fresh capital from equity markets. SpaceX raised \$75 billion in its IPO, the largest in history. Claude's creator Anthropic¹ and ChatGPT founder OpenAI² have each filed confidential documents with the Securities and Exchange Commission (SEC) as a step towards potentially taking their companies public. The fundraising momentum has continued, with more technology companies seeking to raise capital from equity markets over the last week – South Korean memory chipmaker SK Hynix raised nearly \$27 billion from offering additional shares on the Nasdaq,³ while Samsung is also reportedly exploring its own ADR⁴ offering in the US.⁵

Equity markets are only part of the picture. Companies are also going to bond markets as they seek to spread the cost of AI investment across multiple sources of capital.

Proceeds for AI expansion

These companies are turning to capital markets for a simple reason. They need substantial amounts of capital to build the physical infrastructure required to support AI, such as building data centres, purchasing thousands of high-performance AI chips, expanding electricity and cooling capacity, and upgrading fibre and networking infrastructure. Microsoft, Amazon, Alphabet and Meta have all indicated they will collectively spend hundreds of billions of dollars in capex this year, most of it towards AI infrastructure.⁶

Although these companies continue to generate substantial free cash flow, the pace of AI investment now means that this cash generation is insufficient to fully cover this expenditure. Management teams are therefore increasingly deciding whether this funding gap is best financed through debt, equity or a combination of both.

The numbers illustrate just how quickly the financing cycle has accelerated. In 2026 alone, SpaceX, Alphabet and SK Hynix raised nearly \$200 billion in total from equity markets.⁷ The surge has not been confined to equity markets. Last year, there were more than \$120 billion of bonds issued by AI-focused giants, over four times the average of the previous five years.⁸ Global AI-related debt issuance ramped up significantly, reaching well over \$200 billion so far this year.⁹ Bond investors absorbed this supply with little difficulty until recently, but signs have emerged that investors are becoming more selective.

How are markets responding?

Amazon illustrates how investor appetite may be evolving. The company experienced significant investor interest when it sought to raise \$37 billion in bonds in March, with peak investor demand reaching roughly \$126 billion.¹⁰ However, when Amazon surprised markets in July by seeking an additional \$25 billion in bonds, investor interest was far more muted.¹¹

Amazon is not an isolated example. SpaceX's bonds weakened almost immediately after issuance, with its 30-year debt falling around 9% from its new issue levels as the company's equity price gave up its post-IPO gains.¹² The move suggests that credit investors are beginning to demand higher compensation for financing increasingly capital-intensive AI businesses.

To date, markets have largely absorbed this wave of issuance. However, as AI capital expenditure continues to rise, markets will increasingly scrutinise whether the returns offered to bond investors are sufficient to justify these ever-increasing investment programmes. This may prompt equity investors to assess whether they will ultimately be required to shoulder more of the financing burden.

How does this affect broader markets?

With equity issuance and corporate bond supply expected to remain elevated over the coming quarters, investors will increasingly be asked to allocate fresh capital towards financing these programmes. This creates the possibility of liquidity becoming stretched – meaning more companies are competing for investor capital – particularly if several large issuers come to market simultaneously or broader market sentiment deteriorates.

If that happens, the impact is unlikely to be confined to the technology sector. As equity and bond issuance gathers pace, markets will need to digest a growing pipeline of equity and debt offerings, with potential implications not only for companies raising capital but also for broader market performance and liquidity conditions.

What does this mean for investors?

The key question is whether these capital raisings represent an attractive opportunity to invest in the next phase of AI-led growth at favourable valuations, or whether they mark the beginning of a prolonged cycle of capital raising that could weigh on prices as markets absorb an unprecedented wave of new supply.

For investors, this reinforces the importance of remaining selective and disciplined in portfolio construction. While the long-term case for AI remains compelling, the scale and pace of capital raising may create periods of market dislocation and valuation pressure that present both risks and opportunities. Maintaining diversified portfolios while preserving the flexibility to deploy capital as opportunities emerge will be increasingly important as markets adjust to this phase of the AI investment cycle.

- [1] [Anthropic confidentially submits draft S-1 to the SEC \ Anthropic](#)
- [2] [Confidential submission of draft S-1 to the SEC | OpenAI](#)
- [3] [Chip giant SK Hynix raises \\$26.5bn as shares surge in bumper US listing - BBC News](#)
- [4] American Depositary Receipts represent shares in foreign companies that trade on US stock exchanges in US dollars.
- [5] [Samsung explores potential US listing via ADRs as investor pressure mounts](#)
- [6] [Big Tech's AI Spending Spree Could Reach \\$750 Billion This Year](#)
- [7] [Forget SpaceX—SK Hynix's Record US IPO Tests the AI Trade's Hottest Corner | Morningstar Nordics](#)
- [8] [The Bond Market Just Sent Amazon a Message Investors Shouldn't Ignore | Investing.com](#)
- [9] CreditSights
- [10] [Amazon targeting \\$37 billion in bond sale amid AI push | Reuters](#)
- [11] [The Bond Market Just Sent Amazon a Message Investors Shouldn't Ignore | Investing.com](#)
- [12] Bloomberg

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