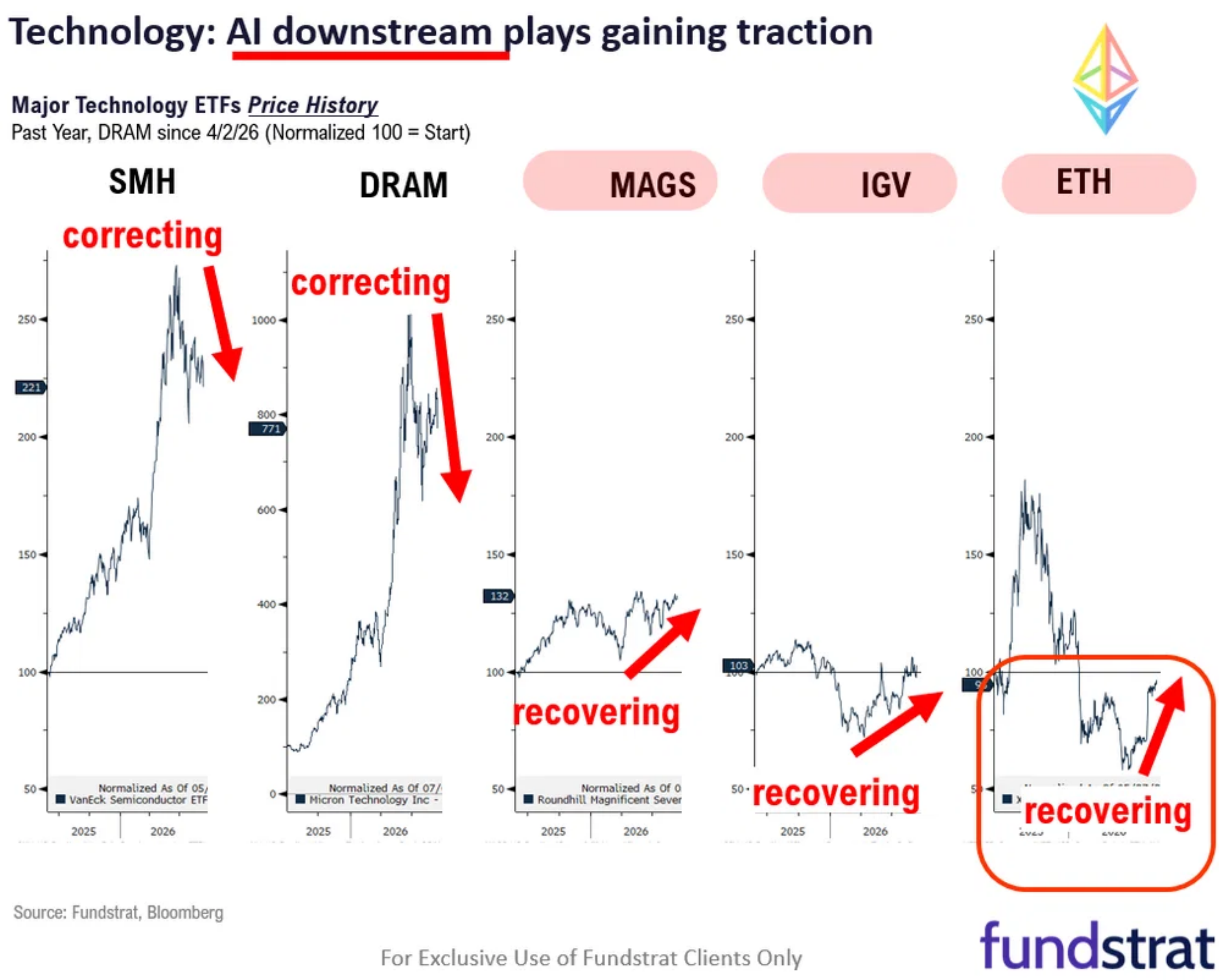
First to Market — September 16, 2026

AI MAKES FOR STRANGE BEDFELLOWS

Kent Fung
VICE PRESIDENT, MARKET INTELLIGENCE

Chart of the Day



Good morning!

They say politics makes for strange bedfellows. Apparently, so does the world of AI. This week we have seen fierce rivals come together urging for a slowdown in AI development to properly regulate, mitigate, or otherwise formulate a response to what they are describing as the existential threats to humanity posed by this new technology. Backing up the call of Anthropic's Dario Amodei are OpenAI's Sam Altman and SpaceX's Elon Musk. Though not explicitly in agreement with Amodei's essay, an unlikely group of individuals has expressed a similar view on the need for caution. They include: prominent Republicans like Sens. Ted Cruz (Texas) and Josh Hawley (Mo.), independent Sen. Bernie Sanders (Vt.), and conservative activist Steve Bannon – as well as the EU's Henna Virkkunnen and, of all things, China's Ministry of State Security.

A similarly unusual grouping has aligned on the other side as well. Dismissing those concerns are Nvidia's Jensen Huang, President Trump, and Meta's Yann LeCun, along with (again, of all things) China's Ministry of Foreign Affairs. They are among the many who either dispute the magnitude of the risks described or argue that there is nothing to be done about it because with the proverbial genie already out of the bottle, the need to outpace rival countries such as China takes precedence. (Some prominent Democrats have criticized Amodei's essay from a different direction, arguing that it does not go far enough.)

For the record, I was at a somewhat impressionable age when I saw James Cameron's first *Terminator* movie in the theater, so his far-from-subtle warnings about AI are embedded in my psyche. Still, as those above my pay grade debate the issue, the question at hand is: how should AI investors respond? In the short term, the calls for caution have arguably weighed on many AI-related names this week – stocks like $$NVDA, $$AVGO, and $$ORCL are down 2.8%, 6.3%, and 6.6% for the week thus far (respectively), though Amodei's essay likely cannot take the full blame for that.

Yet this is just the latest facet of emerging opposition to AI in one form or another. We're seeing NIMBY opposition to the construction of data centers needed to continue advancing the field of AI, as well as anxiety over AI-driven job displacement, intellectual-property issues, and mental-health concerns. Meanwhile, the voices on

Wall Street questioning the advisability of growing AI capex spending are growing louder.

But what, exactly, did Amodei propose?

Certainly not a halt to AI development. Not even a literal slowdown relative to the current pace of development – merely not continuing to advance as quickly as possible, which is not the same as a slowdown. Here's why: Amodei noted the emergence of "recursive self improvement," in which AI itself is used to build and advance the next generation of the technology, a trend that he said is likely to repeatedly enable "drastically faster" advances. The anticipated potential for acceleration is why those on Amodei's side of the table are so worried about losing control. The more AI is used to develop successive generations of frontier models, the faster the unchecked pace of development will get, and the more difficult it will become for humans to understand what's going on "under the hood" – and what could go wrong.

What Amodei called for is not a halt or slowdown in the purchase of cutting-edge GPUs from the likes of Nvidia and AMD, or a halt/slowdown to the construction of hyperscalers, or a halt to the construction of data centers and power plants. Demand for such products and services is already well beyond the ability of companies to provide them, with both AI "armies" and "bulletmakers" reporting hefty backlogs. This does not need to change – implementation of these precautionary proposals can take place at the same time as these long-term proposals.

That last word is important as well. These are just proposals. Even those who largely agree with Amodei are in disagreement over the details – Google DeepMind's Demis Hassabis, for instance, agreed that Amodei's essay "points towards the right path forward," but he immediately (but diplomatically) appended his view that "the details need working through."

For investors, my view is that not much has changed in the case for AI investment. And for those worried about the risks, it might be worth quoting not from Cameron's original *Terminator*, but later installments of the franchise: "There is no fate but what we make." For long-term investors, this might be a good buying opportunity.

Share your thoughts

Do you agree with Anthropic's Dario Amodei and the others urging caution? Click here to send us your response.

✍Here's what a reader commented ✍

Q: Which do you think will give out first – refinery infrastructure, or demand for gasoline?

A: I think that no one has mentioned that refineries will need to shut down for the switchover to winter fuel production. This always causes a temporary shortage. Something to think about.

Catch up with Fundstrat

There are times when market caution and trepidation lead to pricing in the bad news ahead of an event. To us, the selloff of stocks in Sept into CPI and now FOMC rate decision are creating a situation where any decision likely drives a rally.

Technical

I find Monday’s minor “backing and filling” on AI fears to be overblown and not something which should prove long-lasting. Monday’s pullback likely proves an excellent buying opportunity.

Crypto

I remain skeptical that Clarity ultimately gets signed into law on the current timetable even if today's procedural vote succeeds, but I think (1) 60 votes to proceed would result in a meaningful rally and a break of current range highs for the majors, and (2) the market setup is interesting because expectations remain quite low.

News We're Following

Breaking News

- Fed meeting today: Markets steady as investors await rate decision WSJ

Markets and economy

- Bizarre volatility bet in the options pits is a head scratcher ahead of Fed rate decision CNBC
- American businesses have no idea how to set prices right now WSJ

Business

- SK Hynix says exploring options after report of Intel tie-up BBG
- OpenAI considers pre-IPO funding round at more than $1.2 trillion valuation WSJ
- Trump administration orders Kalshi to scrap AI price tracker over national security concerns SEM
- Boeing set to salvage delayed Turkish Airlines order, sources say REU

Politics/U.S.

- Deep in Trump country, a revolt against corporate money could reshape political spending REU
- Kash Patel defends FBI’s new policy on bestiality at Senate hearing NBC
- US charges five people linked to Russian ‘assassination network' FT
- Journalist and pilot among three killed after news helicopter crashes in LA BBC

Overseas

- The Gulf's AI nightmare came courtesy of an Iranian drone WSJ
- EU chief backs plan for Canada to become 'associate member' BBC
- Kosovo ex-president Thaci gets 25 years for war crimes BBG

Of Interest

- More than 100,000 people in Japan are now 100 years of age or older BBC

Overnight

Overnight

S&P Futures	+17 ▲ point(s) (+0.23% ▲)
overnight range:	+3 ▲ to +22 ▲ point(s)

APAC

Nikkei	+0.69% ▲
Topix	+0.61% ▲
China SHCOMP	+0.71% ▲
Hang Seng	+0.19% ▲
Korea	+1.37% ▲
Singapore	-0.06% ▼
Australia	+0.28% ▲
India	+0.46% ▲
Taiwan	+0.74% ▲

Europe

Stoxx	50 +0.26% ▲
Stoxx	600 +0.28% ▲
FTSE	100 +0.25% ▲
DAX	+0.05% ▲
CAC	40 +0.18% ▲
Italy	+0.47% ▲
IBEX	+0.15% ▲
Canada	-0.34% ▼
Mexico	-1.11% ▼
Brazil	+0.54% ▲

FX

Dollar Index (DXY)	+0.03% ▲ to 99.645
EUR/USD	-0.03% ▼ to 1.1540
GBP/USD	-0.06% ▼ to 1.3470
USD/JPY	-0.01% ▼ to 155.11
USD/CNY	+0.06% ▲ to 6.7075
USD/CNH	+0.07% ▲ to 6.7078
USD/CHF	-0.05% ▼ to 0.8191
USD/CAD	-0.06% ▼ to 1.3928
AUD/USD	-0.04% ▼ to 0.7129

UST Term Structure

2Y-3M Spread narrowed	-2.3bps ▼ to 58.1bps
10Y-2Y Spread widened	0.4bps to 34.1bps
30Y-10Y Spread widened	0.8bps to 37.0bps

USD HY OaS

All Sectors	+5.8bps ▲ to 308bps
All Sectors ex-Energy	+2.5bps ▲ 289bps
Cons Disc	+1.4bps ▲ to 487bps
Indu	+7.2bps ▲ to 246bps
Tech	+5.4bps ▲ to 193bps
Comm Srvcs	+4.3bps ▲ to 294bps
Materials	+4.6bps ▲ to 253bps

Energy	+4.9bps ▲ to 259bps
Fin Snr	+6.5bps ▲ to 194bps
Fin Sub	+5.4bps ▲ to 263bps
Cons Staples	-23.0bps ▼ to 415bps
Healthcare	+3.0bps ▲ to 307bps
Utes	+6.7bps ▲ to 219bps *

DATE	TIME	DESCRIPTION	ESTIMATE	LAST
9/16	8:30 AM	Aug Import Price m/m	0.5	-0.4
9/16	10:00 AM	Sep Homebuilder Sentiment	34	35
9/16	2:00 PM	Sep 16 FOMC Decision	4	3.75
9/16	4:00 PM	Jul Net TIC Flows	n/a	133.452

Disclosures

This research is for the clients of Fundstrat Global Advisors only. For additional information, please contact your sales representative or Fundstrat Global Advisors at 150 East 52nd Street, New York, NY, 10022 USA.

Conflicts of Interest

This research contains the views, opinions and recommendations of Fundstrat. At the time of publication of this report, Fundstrat does not know of, or have reason to know of any material conflicts of interest.

General Disclosures

Fundstrat Global Advisors is an independent research company and is not a registered investment advisor and is not acting as a broker-dealer under any federal or state securities laws.

Fundstrat Global Advisors is a member of IRC Securities’ Research Prime Services Platform. IRC Securities is a FINRA registered broker-dealer that is focused on supporting the independent research industry. Certain personnel of Fundstrat (i.e., Research Analysts) are registered representatives of IRC Securities, a FINRA member firm registered as a broker-dealer with the Securities and Exchange Commission and certain state securities regulators. As registered representatives and independent contractors of IRC Securities, such personnel may receive commissions paid to or shared with IRC Securities for transactions placed by Fundstrat clients directly with IRC Securities or with securities firms that may share commissions with IRC Securities in accordance with applicable SEC and FINRA requirements. IRC Securities does not distribute the research of Fundstrat, which is available to select institutional clients that have engaged Fundstrat.

As registered representatives of IRC Securities, our analysts must follow IRC Securities' Written Supervisory Procedures. Notable compliance policies include (1) prohibition of insider trading or the facilitation thereof, (2) maintaining client confidentiality, (3) archival of electronic communications, and (4) appropriate use of electronic communications, amongst other compliance related policies.

Fundstrat does not have the same conflicts that traditional sell-side research organizations have because Fundstrat (1) does not conduct any investment banking activities, (2) does not manage any investment funds, and (3) our clients are only institutional investors.

This research is for the clients of Fundstrat Global Advisors only. Additional information is available upon request. Information has been obtained from sources believed to be reliable, but Fundstrat Global Advisors does not warrant its completeness or accuracy except with respect to any disclosures relative to Fundstrat and the analyst's involvement (if any) with any of the subject companies of the research. All pricing is as of the market close for the securities discussed, unless otherwise stated. Opinions and estimates constitute our judgment as of the date of this material and are subject to change without notice. Past performance is not indicative of future results. This material is not intended as an offer or solicitation for the purchase or sale of any financial instrument. The opinions and recommendations herein do not take into account individual client circumstances, risk tolerance, objectives, or needs and are not intended as recommendations of particular securities, financial instruments or strategies.

The recipient of this report must make its own independent decision regarding any securities or financial instruments mentioned herein.

Except in circumstances where Fundstrat expressly agrees otherwise in writing, Fundstrat is not acting as a municipal advisor and the opinions or views contained herein are not intended to be, and do not constitute, advice, including within the meaning of Section 15B of the Securities Exchange Act of 1934. All research reports are disseminated and available to all clients simultaneously through electronic publication to our internal client website, fundstrat.com. Not all research content is redistributed to our clients or made available to third-party aggregators or the media. Please contact your sales representative if you would like to receive any of our research publications.