

Who's Financing the AI Boom? (With Bryan Whalen)

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Liz Ann Sonders and Collin Martin open with the latest inflation data, where a hotter-than-expected core CPI reading raises questions about the Federal Reserve's next moves. They discuss the broadening of inflation pressures, the jump in Treasury yields, and why investors may need to remain focused on quality as higher rates pressure more interest-rate-sensitive companies. Liz Ann also looks ahead to earnings season, with particular attention on whether companies can justify massive AI-related capital spending through productivity and returns.

Collin then speaks with TCW Chief Investment Officer Bryan Whalen about the unprecedented wave of spending on AI infrastructure and data centers. Whalen explains how hyperscalers are increasingly tapping the corporate bond market to finance that buildout, creating potentially attractive opportunities in their unsecured debt but also new risks in complex data-center financing structures. His central concern isn't whether AI will be transformative, but whether investors are being adequately compensated for the possibility that adoption, economics, or the path of the build-out unfolds differently than markets expect.

Finally, Collin and Liz Ann look ahead to next week's upcoming macroeconomic indicators and key data releases.

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