Claude Sonnet 5, OpenAI's Cost Cut, and Etched's Inference Push

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Anthropic launched Claude Sonnet 5 and regained Fable access under tighter safeguards, OpenAI reportedly cut inference costs by more than half, and Etched emerged with a heavily funded inference hardware push. The brief also covers Google's new media models, domestic Chinese compute research, and key commercial signals from Moonshot AI and Cambricon.

Top Stories

Why it matters: frontier competition is moving at three layers at once—model quality, inference economics, and specialized hardware.

- **Anthropic launched Claude Sonnet 5.** Anthropic says it is its most agentic Sonnet yet, with browser and terminal tool use, a 1M context window, and major gains over Sonnet 4.6 across reasoning, coding, and knowledge work; it is also the new default in Claude Code for Pro users [1, 2, 3]. The rollout was immediate across developer tools including GitHub Copilot, Cursor, and Devin [4, 5, 6]. Artificial Analysis rated it #5 overall at 53 on its index, but said higher token usage can make benchmark task costs exceed Opus 4.8 [7].
- **OpenAI reportedly found an optimization that more than halved inference costs.** Reporting cited by multiple accounts says the technique reduced the GPU footprint for logged-out ChatGPT traffic to a couple hundred Nvidia GPUs at one point [8, 9]. One cited analysis noted that lower serving costs could improve margins, raise usage limits, or ease API pricing pressure [9].
- **Etched emerged from stealth with an inference-first hardware**

push. The company says it completed A0 tapeout, built its first racks, signed $1B+ in customer contracts, raised $800 million, and saw early customer tests show SOTA throughput, latency, and power efficiency, with first racks shipping this summer [10]. Etched also disclosed a low-voltage inference design it says can sustain 80%+ of peak FLOPs on trillion-parameter sparse MoEs without thermal throttling [11].

Research & Innovation

Why it matters: the most interesting technical work today focused on agent reliability, robotics transfer, and domestic compute adaptation.

- **LongCat-2.0 looked more like an infrastructure milestone than a normal model release.** A technical review of Meituan's trillion-parameter MoE says training on Ascend 910 required coordinated changes across precision, kernels, memory, parallelism, reliability, and optimizer design, making the project a checkpoint for China's domestic compute stack [12].
- **ASPIRE proposes continual skill discovery for robots.** The NVIDIA-led system continuously accumulates reusable sensorimotor skills instead of retraining monolithic policies, and reports up to ~10x lower transfer-learning token needs across multi-task, sim-to-real, and cross-embodiment transfer [13, 14].
- **A new modularity paper argues LLMs organize themselves like brains do.** Across 46 tasks, the authors say same-domain tasks recruit overlapping units while different domains recruit distinct ones; ablating domain-critical units cut accuracy by 26% in-domain versus 2.5% outside it [15].

Products & Launches

Why it matters: product releases are increasingly packaging frontier models into workflows people can use immediately.

- **Google shipped two new generative media models.** Nano Banana 2 Lite is generally available for image generation in about 4 seconds at $0.034 per 1K images, while Gemini Omni Flash entered preview for conversational video generation and editing at $0.10 per second via AI Studio and the Gemini API [16, 17].
- **Claude Science entered beta.** Anthropic says the research app supports every stage of research with code-traced artifacts, on-demand environments, and optional connections to 60+ scientific databases [18].
- **Spellbook expanded from AI review into full contract operations.** Its new Autonomous Contract Management product is positioned as end-

to-end AI infrastructure for contracts, with the company saying it already serves about 5,000 customers across 80 countries [19].

Industry Moves

Why it matters: the commercial center of gravity keeps broadening beyond the biggest labs.

- **Moonshot AI's Kimi reportedly reached $300 million ARR.** The same report said API revenue now accounts for more than 70% of total revenue, and that a new round is underway at a $31.5 billion pre-money valuation [20].
- **Cambricon became China's first trillion-RMB AI chip company.** Its market cap reached RMB 1.013 trillion, while Q1 2026 revenue rose 159.6% year over year and net profit rose 185.0% [21]. The valuation is notable because IDC data cited in the same analysis put Cambricon's 2025 China AI accelerator share at 2.9% [21].
- **Apify and Coinbase expanded x402 for autonomous agents.** The partnership raises the number of purchasable web automation tools from about 2,000 to 20,000+, with no account, API key, or human in the loop required [22, 23].

Policy & Regulation

Why it matters: frontier model access is increasingly being negotiated through security controls, not just product roadmaps.

- **The Department of Commerce lifted export controls on Claude Fable 5 and Mythos 5.** Anthropic said it would begin restoring access the next day [24].
- **Anthropic is redeploying Fable 5 with tighter cyber safeguards.** After talks with the US government, the company said new classifiers will block more cybersecurity tasks, some routine coding and debugging will temporarily fall back to Opus 4.8, and it is expanding both government testing collaboration and an industry framework for assessing jailbreak severity [25].

Quick Takes

Why it matters: these smaller items still point to where tooling, deployment, and evaluation are moving.

- OpenAI introduced **GeneBench-Pro**, a benchmark for messy computational biology tasks that can take human experts 20–40 hours [26, 27].

- **vLLM v0.24.0** shipped with 571 commits, new model support including MiniMax-M3, and broad NVIDIA, AMD, Intel, CPU, and RISC-V optimizations [28, 29, 30].
- **Figure 03** started performing a logistics workflow at BMW Group Plant Spartanburg [31].
- **Gemma 4** is now nearly 90% faster on Apple Silicon in Ollama via improved multi-token prediction with MLX [32].

Sources

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