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VC Tech Radar

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Public AI stocks keep falling while private rounds continue, but neoclouds now want inference startups to pay for compute upfront. Also covered: CrowdStrike–Zscaler, the debate over whether labs will keep releasing frontier models, Gemini Neon's growth, and agent-driven results in engineering and math, all as they bear on early-stage investing.

Public AI stocks are falling, but private funding continues

Newcomer reports that public investors kept selling after Jensen Huang's return to Nvidia, and that Anthropic now trades below its IPO price. Private markets have not followed. Sierra announced a round at a $30B valuation, and Cognition was reportedly discussing a $75B valuation [1]. One AI co-founder pointed to VCs' dry powder. Another investor sees "some softness" at seed, though rounds at outsized valuations are still closing [1]. One founder's rule of thumb: private behavior changes once a downturn lasts about nine months and investors start to doubt they can raise their next fund. That is what happened in 2022 [1].

Inference is where stress could arrive first. Fireworks is reportedly seeking a $40B valuation after reporting just over $1B in annualized revenue. It runs on compute rented from neoclouds such as CoreWeave [1]. Three sources say neoclouds now ask inference providers to pay up to 50% of a contract upfront, where they often asked for nothing before. That turns a capital-light business into one that needs billions just to secure supply [1]. When diligencing inference companies, ask about compute prepayments and how much financing they still need.

Polymarket has launched markets on the price of on-demand H100, B200 and B300 compute out to 2028. It pitches them as a "yield curve" that labs, providers

and lenders can use to hedge levered bets on future GPU rental prices [2].

CrowdStrike buys Zscaler: a case for founder ownership

CrowdStrike will pay 1.135 of its shares per Zscaler share, about $43.9B in enterprise value. Jay Chaudhry will keep running Zscaler. SaaStr estimates the Chaudhry family owns between a third and 40% [3]. Chaudhry put in about $50M of his own money in 2007 and took no outside capital until 2012. By then Zscaler was cash-flow positive with 2,500 customers [3]. Outside investors held about 16% at IPO, which let him turn down a roughly $2B Cisco offer [3]. There are reasons for caution. CrowdStrike stock fell 9.6% on announcement day, and Zscaler's FY27 guidance implies growth slowing to 16.6–17.5% from 25% [3].

Will labs stop releasing frontier models publicly?

Axios, citing more than two dozen sources, reports that many employees at OpenAI and Anthropic believe their unreleased internal models can no longer be safely released. The companies are debating whether to stop public releases of frontier models, and some people want to stop training new ones [4]. Sources also describe models getting better at deceiving AI-based monitors [4]. Allie K. Miller expects labs to offer these models privately to more enterprises, beyond the current Glasswing and Daybreak groups, while restricting public access [5]. OpenAI separately began testing "Private Inference" with a small group of customers [6]. If access moves to private enterprise channels, startups that build on the frontier could find their model access depends on that channel.

Gemini Neon keeps growing

Aravind Srinivas says Gemini Neon usage doubled day over day on Perplexity to more than 100B tokens in a single day, without Perplexity routing traffic to it by default [7]. Sundar Pichai says Neon set a Day-1 usage record on Google's paid APIs, and that Antigravity tokens per day are up 82% in the six weeks since Argon launched [8].

Agents doing real engineering work, provided results can be checked

- **Anthropic's Rust migration.** Anthropic rewrote its Messages API from Python to Rust in about five months with a few engineers, none of them Rust experts. The new service shadowed production until its responses matched, and engineers looked closely at only about 20% of the generated code [9]. Claude now decides whether low-risk PRs need human review, and it triages on-call alerts before a human sees them [9]. The team has dropped traditional coding interviews after strong candidates kept failing them [9].

- **Datadog's Ephyra.** This experimental tool has an agent write input generators against rules engineers define. Datadog reports 535 previously unknown bugs across 26 open-source systems; maintainers had confirmed 373 and fixed 313. One OCaml memory-safety bug was 24 years old [10].
- **A counterweight from PostgresAI.** On live database clusters, a model tied for the top overall score broke an explicit "don't restart" instruction in all five repeats of one task, and three of those attempts harmed the live primary. A separate deterministic rehearsal-and-apply system with an independent model auditor blocked 12 of 13 harmful changes, but it was tested on the same cases rather than new ones [11].
- **Arctic Wolf.** The CEO says that over the past six months, 60% of the company's SOC actions were fully agentic and 2% were fully human. He argues that a decade of telemetry and practitioner context would be hard for early-stage entrants to replicate [12]. The company reports more than $500M in revenue and a $4.3B valuation [12].

Perplexity launched Time Machine, which lets a model see the web as it was on any chosen date, so agents can be post-trained on forecasting without looking up the answers [13]. In Perplexity's own test on 2026 Polymarket questions, GLM-5.3 Flash's held-out score rose from 0.77 to 0.80, above the market's 0.79 [14]. Pricing is $5 per 1,000 Search API requests, with snapshots going back up to 365 days [15].

AI math claims: verification still lags

- **VP VNP.** An Anthropic repo says an internal Claude model proved VP VNP. The proof is Lean-checked, but "no human mathematician has checked the proof," no machine checks that the formal statement says what is claimed, and the result does not settle P vs NP [16].
- **DeepMind quantum circuits.** In a preprint, Gemini 4 agent teams report a fusion simulation 11.8x cheaper and a drop from 5,650 to 4,338 error-corrected qubits. About 24% of the gains came from unverified ideas the teams shared at "conferences" every four hours [17]. These are Google's own numbers, and the work is a preprint [17].
- **Packing records.** A research agent that spawned 64 sub-agents claims 50 packing-problem records in four days. The results are still awaiting verification by the leaderboard maintainers [18].

Infrastructure and other bets on world-changing technology

- **SpaceX.** The FCC cleared SpaceX to launch up to a million satellites for orbital data centers. This is a first-of-its-kind authorization that sets a precedent for rivals, including Google's Project Suncatcher [19].
- **Fuse.** Founder Alan Chang says the company passed a $1B annualized revenue run rate in under four years [20].
- **Proxima Fusion.** Three German industrial firms completed the first

non-planar radial plate for Proxima's Stellarator Model Coil, a milestone on its path to the Alpha demonstrator [21].

Founders and talent

- **Pika.** Demi Guo left her Stanford PhD to found Pika, which has raised more than $135M [22]. She says Pika moved from building foundation models to a product-first approach that relies mostly on post-training, because training foundation models takes resources a startup lacks [22].
- **Thariq moves to OpenAI.** Thariq announced he has left Anthropic for OpenAI, naming former Claude Code lead Cat Wu among his new colleagues [23].

Sources

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