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You Don't Hear Much About the AI Overbuild Anymore

A radical change in investor thinking.



By [Joe Weisenthal](#) and [Tracy Alloway](#)



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Here's what Joe's thinking about...

If you just do a search for [“AI overbuild” on Google](#), you gets tons and tons of results of people talking about the risk of building all of these data centers, and then not having the profitable end use for all of it, leaving some kind of big capacity glut and write-offs in our future.

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The [WSJ](#) had a big piece out yesterday that made waves about the general compute shortage that's hitting the industry, and while it's affecting all the players, it looks like Anthropic specifically is getting squeezed:

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After DeepSeek last year, you heard a lot about “Jevons Paradox” and how AI consumption would grow as tokens got cheaper. And I'm sure this is generally true and correct. But also AI can just do more as the models get better (not just cheaper), and obtain new capabilities, and this improvement should also be seen as a source of new demand. If, for example, Mythos is as amazing at cybersecurity as all the hype says, then I'd expect we'll see a big surge in AI consumption from people who work on securing computer networks.
