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Markets Daily

## Investors Track Tokens for Clues on AI Trade's Next Move

Investors are tracking AI token prices as they try to figure out where the volatile trade goes next.

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The Silicon Data LLM Token Expenditure Index, which blends token price and usage, is one way to do that. It's down almost 20% from a high in May after nearly doubling since its inception in December.

One explanation for the recent decline is that AI companies are losing pricing power with increasingly cost-sensitive customers, and that expectations for an eventual AI bonanza could prove misplaced.

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Another read is that total spend has roughly doubled since last year and cheaper tokens have expanded the market. This means that an index pause is simply digestion, while demand is real and capex is money well spent. —Jan-Patrick Barnert and Michael Msika