AI

Moonshot AI's Latest Model Dings Tech Stocks. We've Seen This Story Before.

By Nate Wolf Follow

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In early 2025, the release of DeepSeek's R1 artificial-intelligence model sent tech stocks sliding. This week investors met Kimi, the latest AI challenger from China, though the reaction was less drastic.

Moonshot AI, the Chinese lab backed by Alibaba Group ↓ 9988 -3.68%, on Thursday released its newest model, dubbed Kimi-K3. The model outperformed its most advanced peers from Anthropic and OpenAI across an array of coding tasks, according to model evaluator Arena AI.

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Unlike Anthropic's Claude or OpenAI's GPT model families, Kimi-K3 is open-weight, meaning enterprises can host it on their own servers or private cloud without paying Moonshot directly. Moonshot will release the full model weights on July 27.

Enterprises have increasingly used cheap open-weight models for simple tasks to save on token prices. But if Kimi-K3 can mimic advanced U.S. models at a fraction of the cost per token, it begs questions about the sustainability of the entire AI investment boom—from Anthropic and OpenAI to the cloud providers and chip makers who depend on them.