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SpaceX Seeks \$40 Billion in Debt to Buy Nvidia Chips, Despite a \$100 Billion Cash Pile

Rockets, Grok and Leverage: SpaceX Lines Up The Borrowing for Nvidia GPUs

By **Manasee Kurlekar** | October 7, 2026



SpaceX has more cash than most countries' central banks hold in reserve. It wants to borrow \$40 billion anyway.

SpaceX is seeking to raise \$40 billion in a deal led by Apollo Global to buy Nvidia chips, the Financial Times reported on Tuesday, citing people familiar with the matter. Elon Musk's rocket-and-AI company is looking for about \$10 billion in bank loans and \$30 billion in investment-grade debt, with Apollo expected to lead and help market the debt. Pimco is among a small group of lenders in talks to fund the deal.

Where the chips go

The target is Colossus, the AI supercomputing complex SpaceX inherited along with xAI. SpaceX is closely tied to Nvidia, with Musk having said it would exclusively use Nvidia chips in its

Colossus data centres. The company folded xAI into itself before its IPO earlier this year, and Colossus powers its flagship Grok AI.

Colossus isn't just an in-house asset anymore. SpaceX has signed deals to rent computing capacity from Colossus to other major AI developers, chiefly Anthropic and Google. More chips mean more capacity to train Grok and more to lease out.

So why borrow when you're sitting on cash?

SpaceX is not short of money. It disclosed \$100.8 billion in cash and cash equivalents as of June 19, up from \$15.9 billion at the end of March. Here's why it's still reaching for debt:

1. No dilution. Selling more stock would shrink every existing shareholder's slice. One analyst said SpaceX's debt choice over more equity clearly prioritises avoiding further shareholder dilution. That also protects control: Musk holds 82% of the company's voting power after the IPO.

2. The investment-grade discount. SpaceX's debut bond deal earned a Baa1 from Moody's and a BBB+ from Fitch, ratings that signal moderate credit risk with adequate capacity to repay. Staying out of junk territory means borrowing at significantly lower interest rates. With a rating like that, debt is cheap capital compared with issuing new shares.

3. The cash pile is spoken for. SpaceX is still unprofitable. It has been pouring money into AI infrastructure and its next-generation Starship rocket, and plans to buy more chips and fund future data centres in space. Last year it generated \$6.8 billion from operations but spent around \$20 billion on investing activities. Debt lets SpaceX keep its IPO money as a safety cushion rather than burning it all on GPUs.

4. Matching money to the asset. Splitting the deal between shorter-term bank loans and longer-dated bonds spreads repayment over time. That matters because data centres consume cash for years before they pay off.

Not SpaceX's first trip to the debt window

This isn't a one-off. In June, SpaceX sold at least \$20 billion in its first-ever bond to refinance a bridge loan of roughly the same size. That bridge was taken out in March when SpaceX

absorbed X and xAI in an all-stock deal, bringing along \$17.5 billion of their existing debt.

And the trajectory points up. Oppenheimer analyst Timothy Horan models SpaceX carrying more than \$400 billion in net debt by 2031, more than triple Oracle's load.

The bigger picture

SpaceX is part of a stampede. Nvidia sold \$25 billion of bonds this year, and Alphabet and Amazon have together raised more than \$300 billion since November. Even Anthropic secured a \$35 billion debt package from Blackstone and Apollo.

The WBW take

The AI boom has quietly turned into a credit story. The companies building it aren't funding GPUs from profits; they're leveraging future cash flows that don't exist yet. SpaceX is the boldest version of the bet: a rocket company, a social network and an AI lab rolled into one balance sheet, borrowing against the promise that Starlink's cash and Grok's growth will eventually pay the interest. If AI monetisation lands, this looks like smart capital structure. If it doesn't, bondholders will discover what "moderate credit risk" really means.

Read online: <https://worldbusinesswatch.com/news/13/222/spacex-seeks-40-billion-in-debt-to-buy-nvidia-chips-despite-a-100-billion-cash-pile.html>

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