

MARKET SIGNALS | TECHNOLOGY

CoreWeave sinks 16% as its bond yield nears 15%

The AI boom's bill arrives. 15% to borrow: bond markets turn on AI's biggest landlord

By **Manasee Kurlekar** | October 15, 2026



The AI boom has a borrowing problem, and on Wednesday the bond market started pricing it in.

CoreWeave shares fell about 16% after yields on its 2032 bonds rose to almost 15%. The company sold those bonds in June with a 9.625% coupon. They now trade near 79.5 cents on

the dollar. That tells you how far lenders' confidence has fallen in four months.

Why it matters

CoreWeave rents out Nvidia-powered computing to the biggest names in AI, including Microsoft, Meta and OpenAI. It pays for that buildout mostly with debt. Its interest bill was \$640 million in the second quarter, more than double the \$267 million of a year earlier and over a quarter of its revenue. It lost \$626 million in that quarter even though revenue more than doubled to \$2.58 billion. Scheduled debt repayments come to about \$4.4 billion for the rest of 2026 and \$6.2 billion in 2027.

Management points to about \$104 billion of contracted future revenue. Lenders worry about timing: the interest is due now, while the contracted revenue arrives over several years as new data centres come online. CoreWeave is still rated junk, and its plan depends on winning investment-grade ratings for loans backed by chips and customer contracts, so it can borrow from insurers.

The contagion

The selling spread. Oracle, Nebius, DigitalOcean, Dell and crypto-miners turned AI hosts such as TeraWulf and Hut 8 all fell sharply. Bonds for Zenith Arc, a \$2.25 billion Oklahoma data-centre project, dropped from about 99.5 to 91 cents in two months. When investor Chamath Palihapitiya warned that AI expansion may be inflating a private-credit bubble, Elon Musk replied with one word: "Yikes."

The timing made it worse. Hours earlier, US inflation came in at 3.7%, raising the risk of another Fed rate hike just as AI builders need cheap money most. By Thursday the shock had reached Asia. Korea's KOSPI fell 7.6% and Japan's Nikkei nearly 5%, led by the chipmakers whose orders depend on companies like CoreWeave continuing to build.

The WBW take

Nobody has defaulted. As one analysis put it, "falling prices reflect fear, not default." But markets are no longer only asking whether AI demand is real. They are asking who pays for it and at what interest rate. At 15%, the answer is getting expensive.

