World Business Watch
GLOBAL BUSINESS INTELLIGENCE FOR DECISION MAKERS
Monday, 2 November 2026
worldbusinesswatch.com

INDUSTRY RADAR | ARTIFICIAL INTELLIGENCE

Weekend Wrap part 2: Record profits, Falling Stocks - and Nervous AI Investors

The AI trade is now priced on whether the buyers' cash flows can keep paying, not on the sellers' profits.

By **Manasee Kurlekar** | November 1, 2026



Here's the paradox.

SK Hynix just posted the most profitable quarter in memory-chip history, with a record Q3 operating profit of ₩83.3T on *an 80% margin* and expects memory demand to exceed supply

through 2030. Korea’s market still fell 16% in a month.

Samsung’s record ₩107.44T operating profit still sent its shares down 4.13%.

The KOSPI fell through October, closing Friday at 5,730.74, about 37% below its June record close of 9,114.55.

In the US, Microsoft’s capex rose 30% to $45.2B but its free cash flow stayed positive at $18.63B, and the stock traded largely flat while cash-burning Alphabet had its worst day ever.

The reason is discounted-cash-flow maths applied one step upstream. Hynix’s future earnings are someone else’s capex.

If Alphabet or Alibaba burns cash today, investors discount the supplier’s tomorrow.

That’s why Microsoft, which pays for AI from its own cash, barely moved, while Hong Kong tech sits near two-year lows on a higher cost of equity.

Sentiment moved prices day to day, but the direction came from the cash flows.

AI profits are real. The market wants to know who is paying for them, and for how long.

Read online: https://worldbusinesswatch.com/industry-radar/31/352/weekend-wrap-part-2-record-profits-falling-stocks-and-nervous-ai-investors.html

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