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Microsoft reportedly winds down Oracle AI-computing deal; Oracle falls 4%

Microsoft is winding down an arrangement to rent AI computing from Oracle as part of a larger reassessment of billions of dollars in cloud partnerships, Bloomberg News reported on Friday, citing people familiar with the matter. The report raises the question of how quickly older AI chips lose their value.

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



Microsoft is reportedly winding down a 2023 deal to rent AI computing capacity from Oracle after choosing not to renew it, according to Bloomberg, which cited people familiar with the matter.

The agreement, announced in 2023, involved Oracle providing Microsoft access to servers that would power a new AI-assisted version of its Bing search engine.

The full value of the deal is not public. Microsoft has reportedly been switching off the capacity in recent months because the Oracle servers that originally powered Microsoft's AI-assisted Bing and run older-generation Nvidia chips that reportedly no longer meet Microsoft's requirements. The deal's value was never disclosed.

Oracle says demand is still strong: GPU capacity up for renewal in its first quarter was renewed or resold at a 20% premium for long-term contracts, and on its September earnings call it said most of those GPUs were four or more years old.

Oracle shares fell 4% Friday.

Separately, Microsoft also decided against expanding its computing agreement with British AI cloud provider Nscale at a Texas data center.

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