

Three Tech Titans, One IPO Window — and a Whiff of Dot-Com Déjà Vu

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Note: the original article is provided as a separate file (attached to the email or downloadable from the website).

1. Reading Passage

When stock markets get loud, they tend to get reckless. The Financial Times's Lex column points to two recent moments when the enthusiasm boiled over — the first quarter of 2000, and the opening months of 2021 — and notes that in both cases, the rush of companies racing to list shares ended in painful corrections. Now, with SpaceX, OpenAI and Anthropic all preparing initial public offerings, or IPOs, Lex argues the pattern may be about to repeat.

The scale is hard to overstate. According to the column, if each of the three firms sells just 5% of its rumoured valuation in shares, the combined raise would exceed \$180 billion. For perspective, every US IPO in the entire year 2000 — the peak of the dot-com bubble — raised about \$106 billion, or roughly \$200 billion in today's money. Three deals, in other words, could rival an entire bubble year. SpaceX alone is reportedly seeking around \$75 billion, which would make it the largest US tech IPO on record by money raised, ahead of Facebook, Alibaba and Uber.

Here's the catch: all three companies are chasing the same prize. Lex identifies it as the \$22.7 trillion global market for 'enterprise applications' — the software businesses use to run themselves. SpaceX founder Elon Musk is pitching a new product called Macrohard that he claims will 'fundamentally transform how companies are structured and operate.' Anthropic, the maker of Claude, is already heading there with automation and coding tools. OpenAI, the maker of ChatGPT, wants its share too. An investor could, of course, buy all three — but doing so may force them to sell other holdings to make room, dragging the rest of the tech sector down with the new entrants.

So how should investors choose? Lex offers three lenses. The first is computing power, which is becoming a scarce asset. OpenAI has locked in around 10 gigawatts of compute, dwarfing SpaceX's roughly 1 GW. Anthropic, less blessed with chips and servers, is renting from Musk at a reported \$15 billion a year. The second lens is profitability and product fit: by that measure, Lex suggests Anthropic looks like the better bet. The third is Plan B. If AI proves less lucrative than the hype suggests, SpaceX still has Starlink, its satellite-communications business — a fallback Anthropic and OpenAI lack.

None of the three has clearly won the race for product supremacy. And because each of the founders carries a distinctive blend of eccentricity, stubbornness and charisma, Lex predicts that some investors will simply 'go with vibes' rather than spreadsheets. That, the column suggests, is precisely how previous bubbles have looked from the inside. The deals may be record-breaking and the technology genuinely transformative — but the dynamic of too many giant listings squeezed into too short a window is a familiar one, and history's verdict on such moments has rarely been kind.

2. Explanation

SpaceX, OpenAI and Anthropic are sprinting toward the public markets at the same time — chasing the same prize, the same investors, and possibly the same kind of crash that followed the last two IPO frenzies.

What's Going On?

Three of the most valuable private companies on Earth — Elon Musk's SpaceX, OpenAI (the maker of ChatGPT) and Anthropic (the maker of Claude) — are all preparing to go public roughly at once. The Financial Times's Lex column warns this echoes the IPO booms of early 2000 and early 2021, both of which ended badly for investors who bought near the top.

Lex notes that if each of the three companies sells just 5% of its rumoured valuation in shares, that alone would dump more than \$180 billion of new equity onto the market. For comparison, the entire haul of IPOs in the year 2000 was about \$106 billion — roughly \$200 billion in today's money. In other words: three deals could rival an entire bubble year.

How To Think About It

The trick is that all three companies are aiming at the same target — the \$22.7 trillion global market for 'enterprise applications,' meaning the software businesses use to run themselves. Think of it less like three startups and more like three heavyweight boxers stepping into the same ring at the same time.

- It's like three rival restaurants opening on the same block in the same week — even if the neighbourhood loves the cuisine, diners and staff get spread thin, and at least one storefront probably struggles.
- Or like three blockbuster films released the same weekend: the box office is huge, but they cannibalise each other's audience and the studio that goes second-best can flop despite being objectively good.

Key Things To Know

- SpaceX is reportedly aiming to raise around \$75 billion, which would make it the largest US tech IPO by money raised — bigger than Facebook, Alibaba or Uber on the Lex chart.
- Musk is pitching a new SpaceX product called 'Macrohard' that he claims will 'fundamentally transform how companies are structured and operate' — squarely on Anthropic's and OpenAI's turf.
- Compute is the new oil: OpenAI has locked in 10 gigawatts of computing capacity, SpaceX has about 1 GW of its own, and Anthropic is renting from Musk for a reported \$15 billion a year.
- If AI underdelivers, SpaceX has a 'Plan B' — its Starlink satellite-communications business — that the pure AI labs don't.
- Most people assume buying all three is a safe diversification play. Lex's point is the opposite: the flood of new shares could force investors to sell other tech stocks to make room, dragging the whole sector down.

Why It Matters

If you've been hearing 'AI is going to change everything' for two years, this is the moment the claim meets a price tag. Whatever the market decides these three companies are worth will shape the next decade of tech jobs, college majors, venture funding and even the index funds inside your parents' retirement accounts. A boom would pour money into AI hiring and research; a bust would freeze startups, layoffs would follow, and the 'AI engineer' job market high-schoolers are eyeing today could look very different by graduation.

The Bigger Picture

Lex's most uncomfortable observation is the historical pattern: 2000 and 2021 both featured stampedes of listings, and both ended in painful corrections. The wildcard this time is that the three founders — Musk, Sam Altman and Dario Amodei — each bring a distinct personality and pitch, and Lex suggests some investors will simply pick on 'vibes.' Watch for which one prints first, how much they actually raise versus the \$180bn-plus floor, and whether other tech stocks start sliding to fund the shopping spree. That last effect — the quiet sell-off in everything else — is usually where bubbles really start to crack.

3. Key Terms Glossary

IPO (Initial Public Offering)

The first time a private company sells shares to the general public on a stock exchange, turning private ownership into tradable stock.

Valuation

What investors collectively think a company is worth. For private firms it's set in funding rounds; for public ones it's share price times number of shares.

Enterprise applications

Software that businesses (not individual consumers) use to run operations — things like accounting, customer databases, HR systems. A roughly \$22.7 trillion global market.

Gigawatt (GW) of compute

A measure of how much electrical power a company's data centres can draw. More gigawatts means more AI chips running, which means more AI models can be trained and served.

Lex column

A daily financial-analysis column in the Financial Times that takes a sceptical, contrarian look at business news rather than just reporting it.

Plan B (in the article)

A backup business line. Lex argues SpaceX's Starlink satellite-internet service is a Plan B if its new AI bets don't pay off — something Anthropic and OpenAI lack.

Dust-up

Informal term for a noisy fight or commotion — here, used to describe markets overheating when too many companies rush to list at once.

4. Reading Comprehension Quiz

Circle the best answer for each question.

Q1. The passage most directly argues that:

- A) SpaceX is certain to be the most successful of the three IPOs because of its diversified revenue.
- B) The simultaneous IPOs of three giant tech firms echo past bubbles and may overwhelm the market.
- C) Enterprise software has become a poor investment compared with consumer-facing AI products.
- D) Elon Musk's new Macrohard product will likely fail against Anthropic's coding tools.

Q2. According to the passage, why is buying shares in all three companies not necessarily a safe strategy?

- A) The three firms are legally barred from being held in the same portfolio.
- B) Their valuations have already collapsed in private markets before listing.
- C) The huge volume of new shares may force investors to sell other holdings.
- D) Anthropic has refused to allow retail investors to participate in its offering.

Q3. As used in the passage, the word 'boisterous' most nearly means:

- A) violent
- B) exuberant
- C) cautious
- D) organised

Q4. As used in the passage, the phrase 'scarce asset' most nearly refers to:

- A) a resource that is rare and therefore increasingly valuable
- B) a financial product that is hard to sell quickly
- C) a company that few investors have heard of
- D) a piece of land or real estate

Q5. Which statement about Anthropic can most reasonably be inferred from the passage?

- A) Anthropic owns more computing infrastructure than either SpaceX or OpenAI.
- B) Anthropic depends more on outside suppliers for computing power than its rivals do.
- C) Anthropic plans to abandon enterprise software in favour of consumer chatbots.
- D) Anthropic has already abandoned its IPO plans for 2026.

Q6. The passage suggests that having a strong 'Plan B' could matter because:

- A) regulators will require all three companies to demonstrate backup business lines.
- B) AI revenues may turn out to be smaller than current expectations imply.
- C) SpaceX is preparing to exit the rocket business entirely.
- D) satellite communications always outperform AI in down markets.

Q7. The author's tone in discussing the upcoming IPOs is best described as:

- A) alarmed and condemnatory
- B) wary and historically minded
- C) enthusiastic and promotional
- D) confused and undecided

Q8. The author's primary purpose in writing the passage is to:

- A)** celebrate the technical achievements of SpaceX, OpenAI and Anthropic.
- B)** advise readers exactly which of the three IPOs to buy.
- C)** warn that simultaneous mega-listings may strain the market and resemble past bubbles.
- D)** argue that artificial intelligence is overhyped and will never be profitable.

Q9. Based on the passage, what can be inferred about how some investors will choose among the three companies?

- A)** They will rely solely on audited financial statements.
- B)** They will be influenced partly by the founders' personalities.
- C)** They will buy only the company with the lowest valuation.
- D)** They will avoid all three because of bubble fears.

Q10. Which choice provides the best evidence for the answer to the previous question?

- A)** 'The big prize is the \$22.7tn spent globally on enterprise applications.'
- B)** 'Three tech billionaires, each with their own blend of eccentricity, stubbornness and charisma.'
- C)** 'OpenAI has locked up a vast supply of computing power.'
- D)** 'Moments of overheating have not ended well.'

My Score: _____ / 10

5. Answer Key with Explanations

Q1. The passage most directly argues that:

Answer: B

The passage's central thread is that three giant listings hitting at once recall the 2000 and 2021 booms — both of which ended badly — and could flood the market with new equity. A is wrong because the author treats SpaceX as a plausible but uncertain winner (Trap C: true-sounding but unsupported). SAT Tip: For 'primarily argues' questions, identify the sentence the entire passage keeps circling back to — usually stated near the opening and reinforced at the end.

Q2. According to the passage, why is buying shares in all three companies not necessarily a safe strategy?

Answer: C

The passage explicitly states that buying all three 'may mean selling elsewhere' because the flood of new equity will be enormous. B is the main trap — it sounds plausible but the passage never claims valuations have collapsed (Trap C: real-world-sounding but unsupported). SAT Tip: When a question asks 'according to the passage,' your answer must be traceable to a specific line — if you can't point to it, it's not the answer.

Q3. As used in the passage, the word 'boisterous' most nearly means:

Answer: B

In context, 'boisterous spirits' describes the lively, over-enthusiastic mood of investors during market booms — closest to 'exuberant.' 'Violent' (A) shares a rowdy connotation but is too aggressive for a description of investor sentiment (Trap B: right vocabulary register, wrong combination). SAT Tip: On vocab-in-context, substitute each option back into the sentence — the right answer keeps the sentence's original meaning intact.

Q4. As used in the passage, the phrase 'scarce asset' most nearly refers to:

Answer: A

The passage uses 'scarce asset' to describe computing power that OpenAI has locked up — i.e., a resource in short supply and therefore prized. B confuses 'scarce' with 'illiquid,' a different finance concept (Trap B: passage's financial vocabulary, wrong meaning). SAT Tip: Economic terms in context usually map to their everyday meaning before their technical one — don't over-read.

Q5. Which statement about Anthropic can most reasonably be inferred from the passage?

Answer: B

The passage notes Anthropic is 'less blessed with chips and servers' and is renting compute from Musk for \$15bn a year — clearly more dependent on outside suppliers. A is the direct opposite (Trap A: right scope, wrong direction). SAT Tip: For inference questions, the answer is usually a small logical step from a specific line — not a giant leap or a contradiction.

Q6. The passage suggests that having a strong 'Plan B' could matter because:

Answer: B

The passage frames Plan B as protection 'if AI proves less remunerative than hoped,' which is exactly choice B. D is too absolute, using 'always' (Trap C: extreme phrasing not supported by the passage). SAT Tip: Beware options containing 'always,' 'never,' 'all' — the SAT loves to make these the wrong answer, especially when the passage itself hedges.

Q7. The author's tone in discussing the upcoming IPOs is best described as:

Answer: B

The author keeps comparing the present moment to 2000 and 2021 — past episodes that 'have not ended well' — signalling caution grounded in history without outright condemnation. A overshoots ('condemnatory' is too strong); C is the opposite of the actual tone (Trap A: right topic, wrong direction). SAT Tip: For tone, look at the author's adjectives and historical references, not just the subject matter — a measured author can write about a dramatic topic.

Q8. The author's primary purpose in writing the passage is to:

Answer: C

The whole structure of the passage is a comparison between today's IPO rush and previous overheated markets, ending on the line that 'this IPO bonanza and previous ones look very much alike.' D overstates the author's claim — the passage hedges with 'if' rather than asserting AI is doomed (Trap C: stronger claim than the passage actually makes). SAT Tip: 'Primary purpose' answers describe the whole passage, not just one paragraph — eliminate options that fit only a single section.

Q9. Based on the passage, what can be inferred about how some investors will choose among the three companies?

Answer: B

The passage explicitly says some investors 'will go with vibes' when choosing among three founders with distinct blends of eccentricity and charisma. D contradicts the passage's premise that investors are eagerly heading into these listings (Trap A: opposite direction). SAT Tip: When a passage uses informal language ('vibes'), the question often tests whether you can translate that into a formal version of the same idea.

Q10. Which choice provides the best evidence for the answer to the previous question?

Answer: B

Choice B directly describes the founder personalities the passage says investors will react to — the exact basis for the 'vibes' inference. A and C describe business mechanics rather than investor psychology (Trap B: passage's own vocabulary, wrong combination for this question). SAT Tip: On evidence-pairing questions, first re-locate the line that justified your previous answer, then pick the option that quotes that same line — don't reason from scratch.