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GLOBAL IDEA

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Global Credit Strategy & Securitized Products Research

AI Debt Financing Tracker: Warming Up for a Hot Summer

The majority of issuance QTD was to fund construction of data center shells. April was the busiest month YTD with a notable deceleration in May. Hyperscalers have been broadening their investor base through non-USD issuance. We're starting to see more chip financing structures across markets, and expect AI-related supply to accelerate going into 2H26.

Key Takeaways

- April Ran Hot: April saw the highest supply YTD with >$74bn of AI-related issuance. Project finance structures to fund construction of data center shells accounted for 85% of the AI-related HY supply and 40% of the IG.
- "May" Be Catching Its Breath: We saw limited new issuance in the US markets in May, but hyperscalers collectively issued ~$24bn of debt in other currencies (EUR, CAD, CHF, and JPY). These issuers' relatively smaller representation in EUR/GBP benchmarks (vs. USD) leaves room for more non-USD supply, as hyperscalers expand and diversify their investor base.
- Technicals Over Fundamentals: Fundamental backdrop remains strong, but for now we think price action is being mostly driven by supply expectations. The market has broadly tightened across asset classes since end of 1Q despite elevated supply.
- We Forecast ~$570bn of AI-Related Global Supply in 2026: We're at ~$236bn YTD (until 5/31), >4x more than global AI-related issuance during same period in 2025. We expect issuance to accelerate in 2H26 as our equity colleagues estimate hyperscaler cash capex to surpass $1tn in 2027.
- Chip Financing in Focus: We are starting to see more chip financing activity in public and private markets. Deals so far have come with shorter maturities vs. some data center construction transactions, and full amortization. We expect to see increasing investor demand for these structures.

This deck tracks the accelerating AI-related financing cycle, highlighting surging hyperscaler capex, expanding debt issuance across different asset classes (IG/HY/Securitized Credit) and currencies. If you'd like underlying data for this report, please reach out here.

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- Deep Thoughts on Securitized Markets: Data Center Financing and Value Across Securitized and Corporate Credit | Ep. 360 (29 May 2026)
- US Credit Strategy & Securitized Products Research: AI Debt Financing Tracker (10 Apr 2026)

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AI Debt Financing Tracker – Warming Up For a Hot Summer

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- **Chip Financing in Focus:** We are starting to see more chip financing activity in public and private markets. Deals so far have come with shorter maturities vs. some data center construction transactions, and full amortization. We expect to see increasing investor demand for these structures.

Data as of May 31, 2026, unless otherwise indicated. This deck covers public, tradeable debt in USD, EUR, GBP, CHF, CAD, JPY.

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AI Debt Financing Tracker | **Issuance Summary & Estimates**

Markets		Issuers $bn, unless otherwise noted	Year-to-Date Issuance Tracker								Full Year Tracker		
			Jan-26	Feb-26	Mar-26	Apr-26	May-26	2026 YTD	2025 YTD	Δ %	2026E	2025A	Δ %
Corporate Credit (U.S.)	U.S. Investment Grade	Hyperscalers	0.0	20.0	37.0	25.0	0.0	82.0	5.0	1540%	300.0	93.3	222%
		Oracle	0.0	25.0	0.0	0.0	0.0	25.0	7.8	223%			
		Semiconductors	4.5	0.0	0.0	7.5	0.0	12.0	16.6	-28%	100.0	64.1	56%
		Data Center REITS	0.0	1.5	0.0	0.0	0.0	1.5	0.0	-			
		Data Center Construction	0.0	0.0	0.0	7.9	0.0	7.9	0.0	-			
		Anchored/Structured DC Construction	0.0	0.0	0.0	14.0	0.0	14.0	0.0	-			
		Total IG	**4.5**	**46.5**	**37.0**	**54.4**	**0.0**	**142.4**	**29.4**	**385%**	**400.0**	**157.4**	**154%**
	U.S. Leverage Finance	Data Center Construction	0.0	5.8	2.2	15.9	0.0	23.8	0.0	-	50.0	15.3	226%
		Regular Corporate Issuance	0.0	0.0	0.0	2.8	0.0	2.8	2.0	38%			
		Loans	0.0	0.0	0.0	0.0	3.1	3.1	0.0	-	15.0	2.0	650%
		Total LevFin	**0.0**	**5.8**	**2.2**	**18.6**	**3.1**	**29.7**	**2.0**	**1384%**	**65.0**	**17.3**	**275%**
	Total Corporate Credit		**4.5**	**52.3**	**39.2**	**73.0**	**3.1**	**172.0**	**31.4**	**449%**	**465.0**	**174.7**	**166%**
Securitized Credit (U.S.)	Securitized Credit	ABS	1.9	2.9	2.7	1.4	0.0	8.9	6.9	28%	21.2	15.9	33%
		CMBS	0.0	2.1	0.0	0.0	1.1	3.1	5.7	-45%	9.0	11.5	-22%
		Total Securitized Credit	**1.9**	**4.9**	**2.7**	**1.4**	**1.1**	**12.0**	**12.6**	**-5%**	**30.2**	**27.4**	10%
Total U.S. Credit Markets			**6.4**	**57.2**	**41.8**	**74.4**	**4.2**	**184.0**	**44.0**	**319%**	**495.2**	**202.2**	145%
Corporate Credit (non-U.S.)	IG Hyperscalers	EUR	0.0	0.0	16.8	0.0	10.5	27.3	7.7	**255%**	**50.0**	**15.2**	230%
		GBP[1]	0.0	7.5	0.0	0.0	0.0	7.5	0.0	-	**7.5**	**0.0**	-
		CAD[1]	0.0	0.0	0.0	0.0	6.2	6.2	0.0	-	**6.2**	**0.0**	-
		CHF[1]	0.0	4.0	0.0	0.0	3.6	7.6	0.0	-	**7.6**	**0.0**	-
		JPY[1]	0.0	0.0	0.0	0.0	3.6	3.6	0.0	-	**3.6**	**0.0**	-
	Total IG Other Currencies		**0.0**	**11.5**	**16.8**	**0.0**	**24.0**	**52.3**	**7.7**	**580%**	**75.0**	**15.2**	394%
Total Global Credit Markets			**6.4**	**68.7**	**58.6**	**74.4**	**28.2**	**236.3**	**51.6**	**357%**	**570.2**	**217.3**	**162%**

Notes: Presented figures exclude current and estimated EUR/non-USD issuance across securitized credit. 1. We don't have FY26 estimates for hyperscaler issuance in GBP, CAD, CHF, and JPY, and therefore in the 2026E column we reflect current YTD values for these currencies.

Source: Bloomberg, Pitchbook | LCD, CreditFlow, TREPP, Morgan Stanley Research Estimates.

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AI Debt Financing | **QTD 2Q26 Issuance Pricing At a Glance**

Corporate Credit

Ticker	Issue Date	Maturity Date	Size ($bn)	Composite Rating	Coupon	Issue Spread to Benchmark (bps)	Current Spread to Benchmark (bps)	Spread Δ Since Issuance (bps)
Investment Grade								
QTSQST	4/6/2026	4/15/2036	4.60	NR	5.700%	138	166	+29
RDMICH	4/24/2026	3/30/2045	14.00	BBB-	7.500%	329	340	+11
HUTRBA	4/27/2026	11/15/2042	3.25	NR	6.192%	185	160	-25
INTC	4/27/2026	6/1/2031	1.00	BBB	4.650%	75	66	-9
INTC	4/27/2026	5/15/2036	2.25	BBB	5.300%	100	94	-7
INTC	4/27/2026	5/15/2056	1.75	BBB	6.125%	120	115	-6
META	4/30/2026	5/15/2031	3.00	AA-	4.550%	53	43	-10
META	4/30/2026	5/15/2036	6.00	AA-	5.250%	90	82	-8
META	4/30/2026	5/15/2056	6.00	AA-	6.300%	132	125	-7
High Yield								
CRWV	4/9/2026	10/1/2031	2.75	B+	9.750%	586	496	-90
MERIDI	4/16/2026	4/30/2031	5.70	BB	6.250%	233	200	-33
EDGCOM	4/21/2026	4/30/2031	1.30	BB	7.500%	358	346	-12
TRACTD	4/28/2026	5/1/2031	4.59	BB	6.500%	288	229	-59
CORZ	4/22/2026	5/15/2031	3.30	BB-	7.750%	399	299	-100
SECMOS	4/30/2026	5/1/2031	1.00	NR	8.875%	499	368	-131
ELKGVP	6/2/2026	6/15/2031	0.90	BB-	7.500%	333	298	-34
Lev Loans								
CRWC	5/15/2026	11/17/2031	3.10	BB	S+450	472	399	-73

Securitized Credit

Bond	Issue Date	Anticipated Repayment Date	Size ($bn)	Composite Rating	Coupon	Issue Spread to Benchmark (bps)	Current Spread to Benchmark (bps)	Spread Δ Since Issuance (bps)
ABS								
CLDHQ 2026-1 A2I	4/20/2026	4/15/2031	0.725	AAA	5.05%	125	108	-17
CLDHQ 2026-1 A2II	4/20/2026	4/15/2031	0.225	AA-	5.34%	155	128	-27
CLDHQ 2026-1 A2III	4/20/2026	4/15/2031	0.250	A	5.54%	175	156	-19
CLDHQ 2026-1 B1	4/20/2026	4/15/2031	0.100	A-	5.88%			
CLDHQ 2026-1 B2	4/20/2026	4/15/2031	0.100	BBB	6.36%			
CONE 2026-DFW3 A	5/1/2026	5/1/2031	0.522	AAA	5.75%	165	148	-17
CONE 2026-DFW3 B	5/1/2026	5/1/2031	0.088	AA-	6.05%	195	176	-19
CONE 2026-DFW3 C	5/1/2026	5/1/2031	0.069	A-	6.50%	240	211	-29
CONE 2026-DFW3 D	5/1/2026	5/1/2031	0.129	A-	7.35%	325	293	-32
CONE 2026-DFW3 E	5/1/2026	5/1/2031	0.126	BBB	8.10%	400	356	-44

Source: Bloomberg, CreditFlow, Green Street, Morgan Stanley Research; Note: For bonds with NR composite ratings by Bloomberg, we note that QTSQST is rated Baa2 by Moody's, HUTRBA is rated BBB- by S&P and Fitch, and SECMOS is rated BB+ by S&P and BB- by Fitch. Current spreads as of 6/5/2026. CLDHQ 2026-1 B1 and CLDHQ 2026-1 B2 were privately placed.

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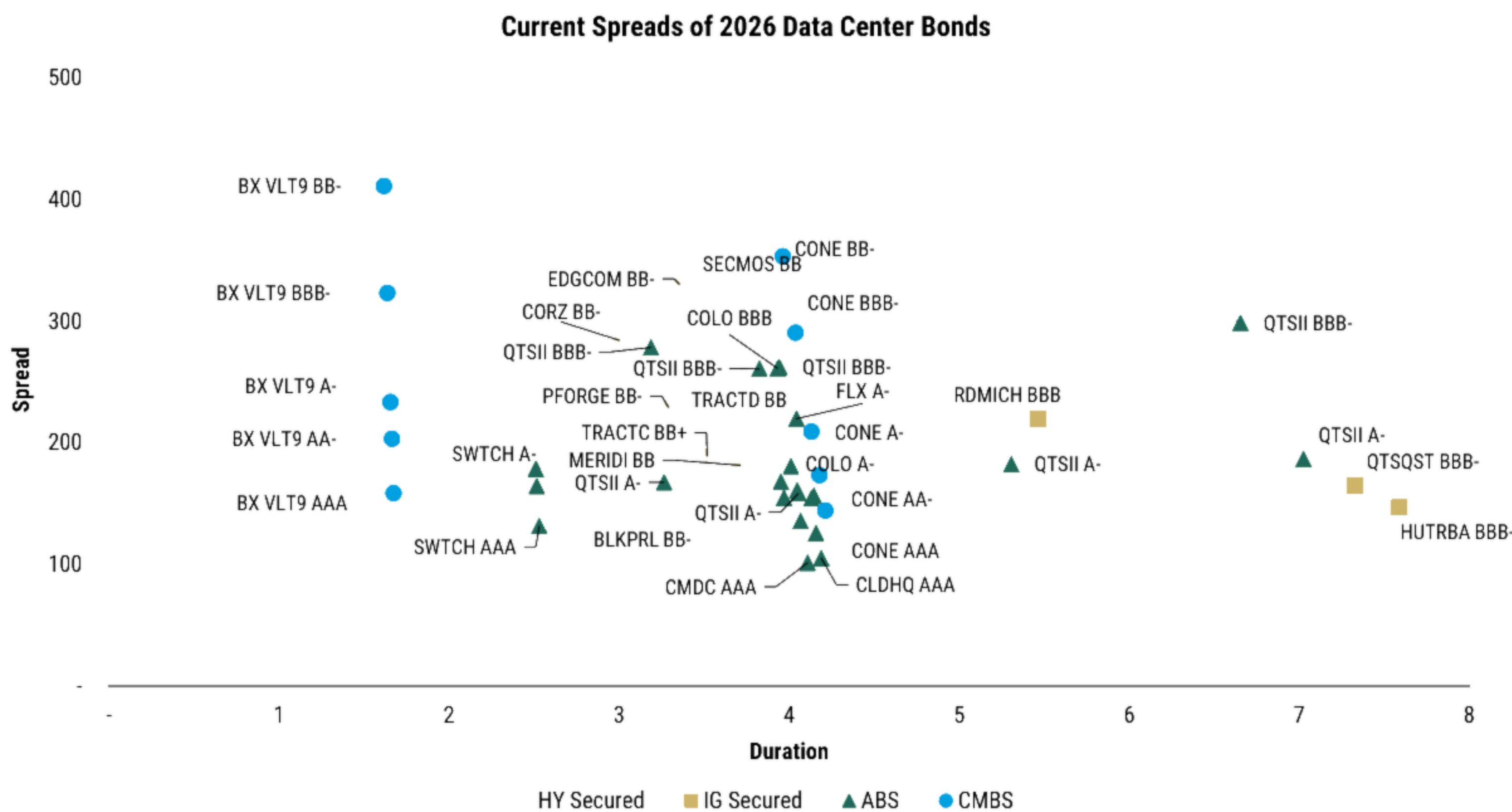
AI Debt Financing | Wide Relative Value Dispersion Across Structures And Credit Quality



Source: Bloomberg, Morgan Stanley Research; Note: Select 2026 deals.

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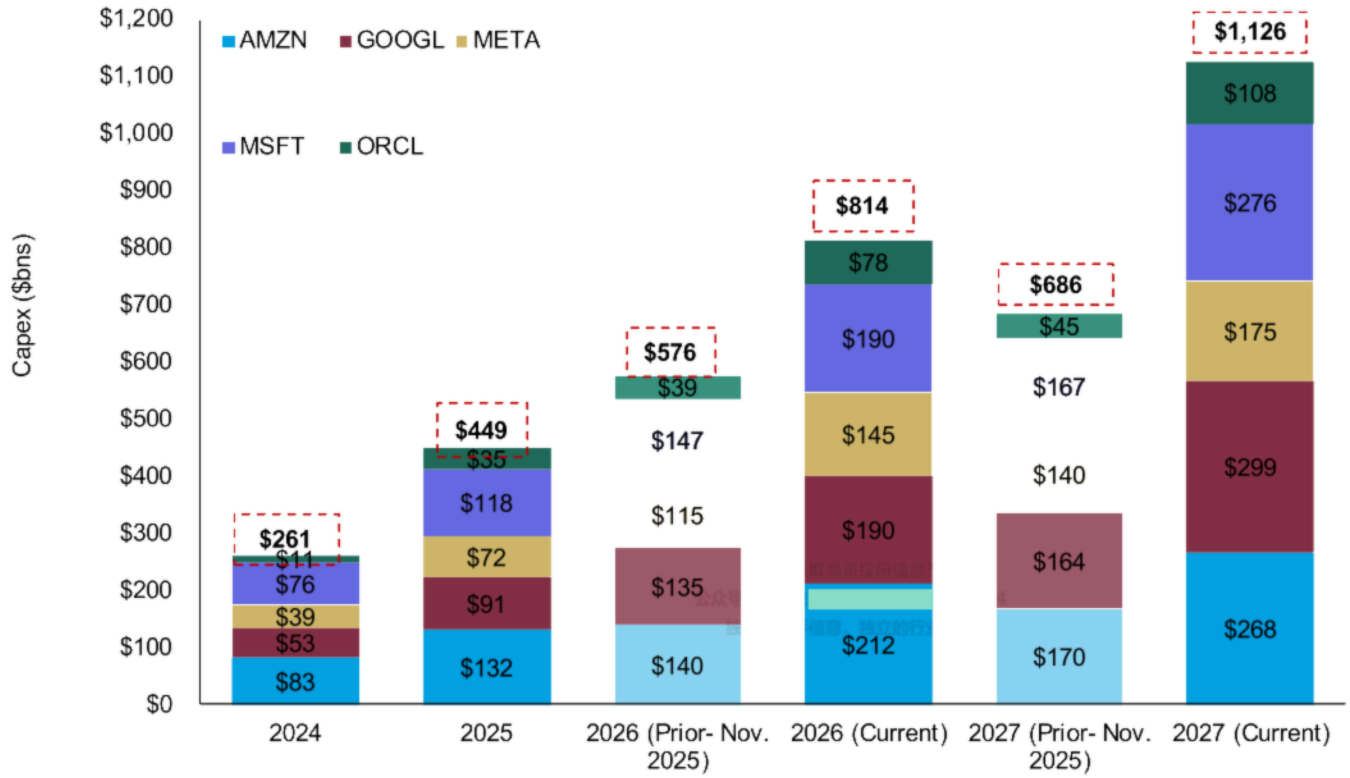
AI Debt Financing | Hyperscaler Capex Estimates Are Up Significantly Since Late 2025



Source: Company filings, Morgan Stanley Research Estimates from models dated as of: 4/30/26 for AMZN, 5/27/26 for GOOGL, and 5/18/26 for META (covered by Brian Nowak); 5/4/26 for MSFT, 4/23/26 for ORCL (covered by Josh Baer and Sanjit Singh, respectively). Prior estimates are from November 2025. Notes: Includes current capital lease payments for MSFT and META. GOOGL/ORCL/AMZN are only cash capex. Company-level capex figures are rounded to the nearest $bn; total capex is calculated using unrounded figures and may differ slightly from the sum of displayed labels.

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Corporate Credit

Investment Grade and Leveraged Finance

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Investment Grade | Hyperscaler Issuance Slowed in April and May

Hyperscalers now have $384bn of Index eligible debt outstanding

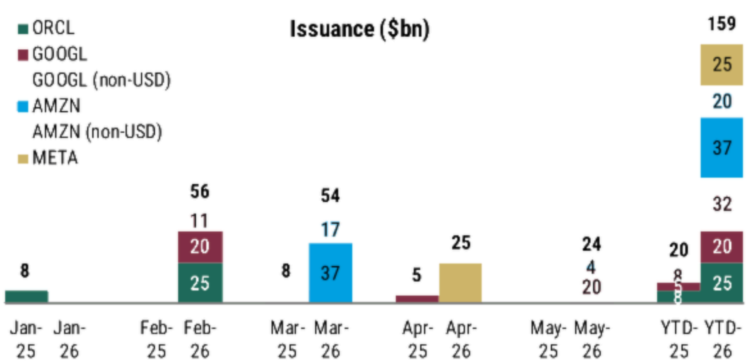
Issuer	Index Eligible Debt Out ($bn)	% of IG Index	IG Index Rank	Composite Rating
ORCL	117	1.2%	5	BBB2
AMZN	98	1.0%	9	AA3
META	84	0.8%	11	AA3
GOOGL	51	0.5%	26	AA2
MSFT	34	0.3%	52	AAA
Total	**384**	**3.9%**		

Source (Top Charts) : ICE, Bloomberg, Morgan Stanley Research. Note: Sorted by Index debt outstanding. Index eligible debt rebalanced monthly and may not include intramonth issuance

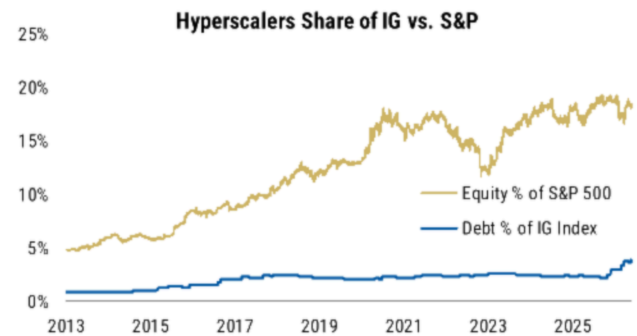
ORCL is the top non-fin name in the IG index

Rank	Ticker	Sector	Index Debt	% of Index
1	JPM	Banking	177	1.8%
2	BAC	Banking	171	1.7%
3	MS	Financial Services	167	1.7%
4	GS	Financial Services	125	1.3%
5	**ORCL**	**Technology & Electronics**	**117**	**1.2%**
6	WFC	Banking	115	1.2%
7	T	Telecommunications	104	1.0%
8	C	Banking	103	1.0%
9	**AMZN**	**Retail**	**98**	**1.0%**
10	HSBC	Banking	92	0.9%
11	**META**	**Media**	**84**	**0.8%**
12	VZ	Telecommunications	84	0.8%
13	CMCSA	Media	77	0.8%
14	UNH	Healthcare	70	0.7%
15	AAPL	Technology & Electronics	67	0.7%

YTD issuance for hyperscalers is at $159bn, with $52bn of non-USD debt



The 5 companies account for 4% of the IG public index vs ~20% of the S&P 500



Source (Bottom Charts): Bloomberg, Dealogic, ICE BAML, Morgan Stanley Research. Note: Issuance numbers for tickers listed only

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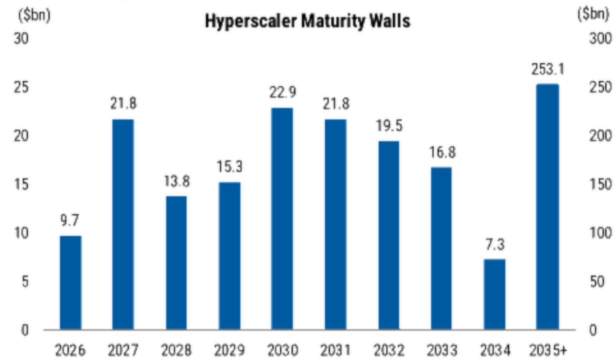
Investment Grade | Balance Sheet Metrics Remain Healthy, But Leverage is Increasing

Hyperscaler leverage is 0.9x higher vs. when we started tracking in 3Q25

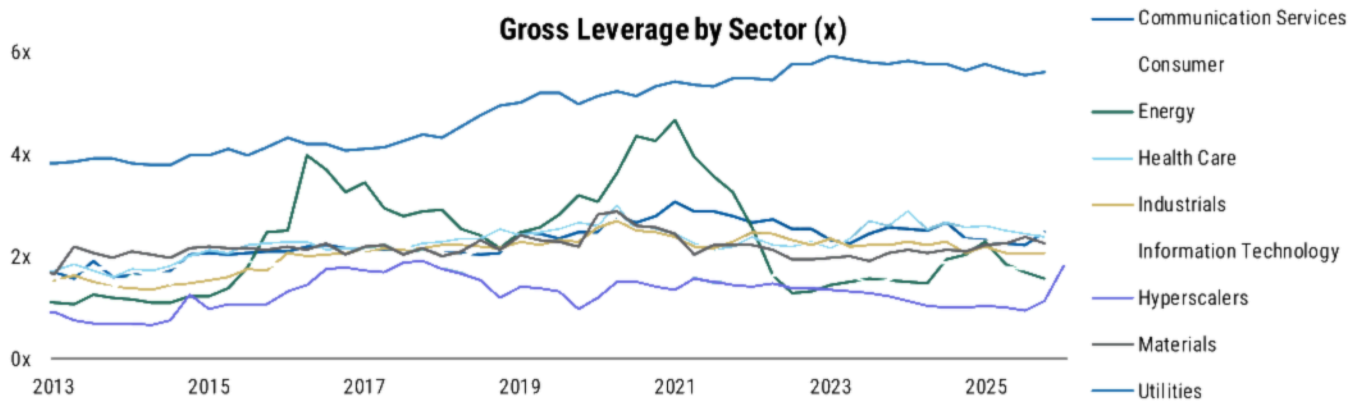
Select Credit Metrics by Sector

Sector	Gross Leverage	Net Leverage	Cash/ Debt	Median Rating
Communication Services	2.5x	0.8x	63%	BBB+
Consumer	2.5x	1.9x	19%	BBB
Energy	1.6x	1.3x	10%	BBB
Health Care	2.4x	1.7x	24%	BBB+
Information Technology	***1.7x***	***0.6x***	***58%***	***BBB***
Hyperscalers	***1.8x***	***1.0x***	***76%***	***AA-***
Materials	2.3x	1.8x	19%	BBB
Utilities	5.6x	5.5x	1%	BBB
Non-Fin IG	**2.3x**	**1.8x**	**20%**	**BBB**

GOOGL, MSFT, and ORCL have outstanding bonds maturing this year



Gross leverage metrics remain low by historical standards



Source: Bloomberg, FactSet, ICE BAML, Morgan Stanley Research; Note: Hyperscaler fundamental data as of 1Q26, Sector data as of 4Q25

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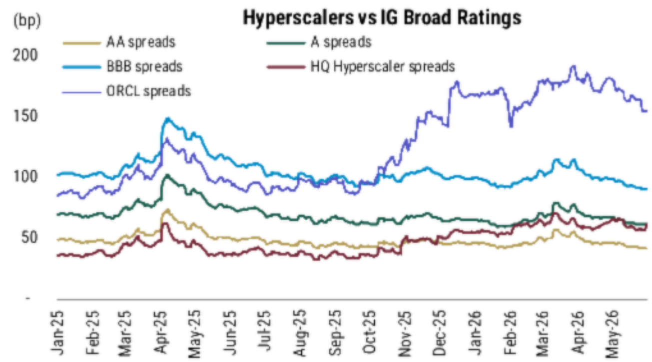
Investment Grade | Hyperscalers Spreads Are Wide to Ratings, But May Widen Further on Supply

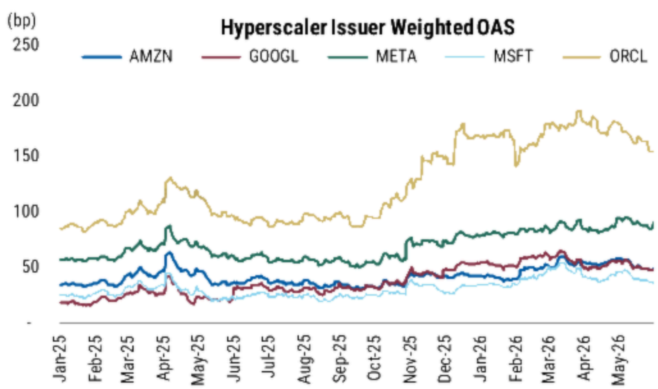
HQ Hyperscalers trading more in line with single A spreads



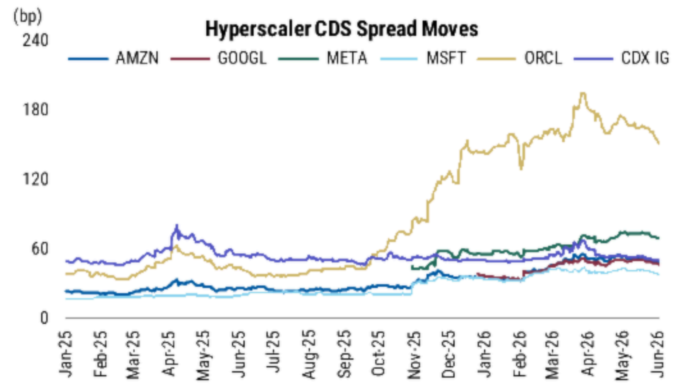
10Y and 30Y spread comparison

	Security Name	Cusip	Spreads as of (bp) 31-Dec-25	31-Mar-26	04-Jun-26	YTD Δ
10Y	MSFT 3.45 08/08/36	594918BS2	26	30	25	(1)
	GOOGL 4.7 11/15/35	02079KAY3	53	55	51	(2)
	AMZN 4.65 11/20/35	023135CV6	54	62	54	0
	META 4 7/8 11/15/35	30303MAD4	73	83	74	1
	ORCL 5.2 09/26/35	68389XDM4	161	180	150	(11)
30Y	MSFT 4 3/4 11/03/55	594918BM5	45	57	39	(6)
	GOOGL 5.45 11/15/55	02079KBA4	74	78	72	(2)
	AMZN 5.45 11/20/55	023135CW4	77	86	79	2
	META 5 5/8 11/15/55	30303MAE2	108	120	122	14
	ORCL 5.95 09/26/55	68389XDR3	205	242	206	1

ORCL spreads tightened in recent weeks



META 5Y CDS is now trading wider to CDX IG



Source: ICE, Bloomberg, IHS Markit, Morgan Stanley Research.

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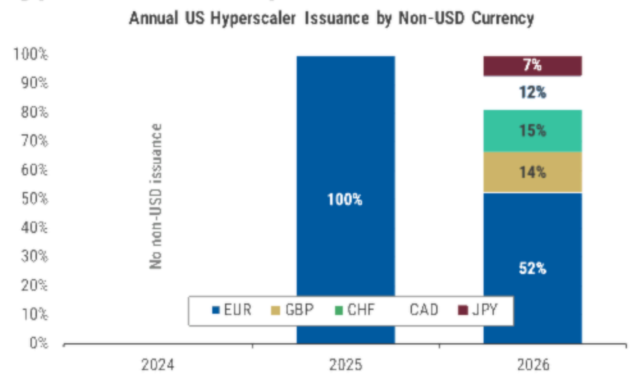
Investment Grade | Reverse Yankees – Hyperscalers Increasingly Funded by Non-USD Currencies

The pace of non-dollar issuance from hyperscalers has proven resilient



Hyperscalers have shown EUR credit's ability to absorb QE-era-sized jumbo deals

Alphabet's JPY deal was the biggest yen bond on record sold by a foreign issuer

Hyperscalers have room to increase non-USD funding before becoming the largest issuers

Hyperscalers' gap to largest issuers in benchmark (USD-equivalent bn)

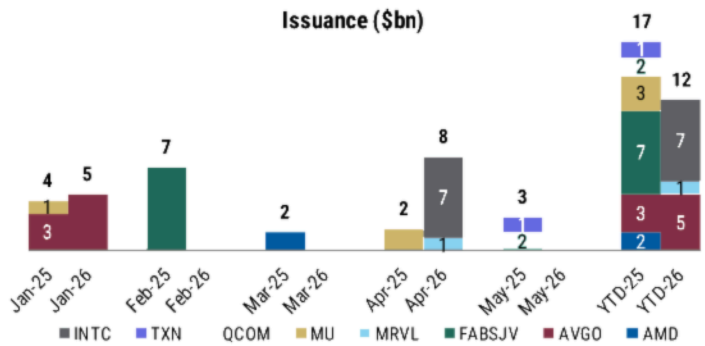
		ORCL	AMZN	META	MSFT	GOOGL	Overall	% of all ccy
USD IG	Size in Index	117	98	64	34	51	**384**	*87%*
	vs. Largest (JPM)	+63	+83	+96	+146	+129	**+517**	*62%*
	vs. Largest Non-Fin (ORCL)	0	+20	+33	+83	+66	**+202**	*43%*
EUR IG	Size in Index	0	15	0	3	26	**43**	*10%*
	vs. Largest (BFCM)	+54	+39	+54	+51	+28	**+227**	*27%*
	vs. Largest Non-Fin (VW)	+46	+31	+46	+44	+20	**+188**	*40%*
GBP IG	Size in Index	0	0	0	0	7	**7**	*2%*
	vs. Largest (HSBC)	+14	+14	+14	+14	+6	**+62**	*7%*
	vs. Largest Non-Fin (EDF)	+12	+12	+12	+12	+4	**+51**	*11%*
CHF IG	Size in Index	0	4	0	0	4	**7**	*2%*
	vs. Largest (NESNVX)	+7	+4	+7	+7	+3	**+28**	*3%*
	vs. Largest Non-Fin (NESNVX)	+7	+4	+7	+7	+3	**+28**	*6%*
€ / £ / Fr	Size in Index	0	18	0	3	37	**58**	*13%*
	vs. Largest issuer	+75	+57	+75	+72	+38	**+317**	*38%*
	vs. Largest Non-Fin issuer	+65	+47	+65	+62	+28	**+267**	*57%*

Source: Bloomberg, Bond Radar, ICE BofA, Morgan Stanley Research; Note: Notional amounts include hyperscaler deals in April and May that are index-eligible but have not yet entered the latest index.

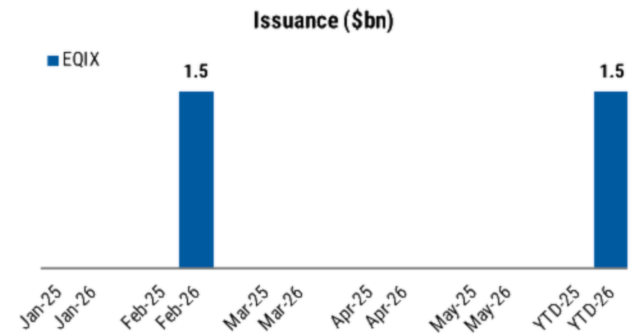
Morgan Stanley

Investment Grade | Other AI-Related Issuance

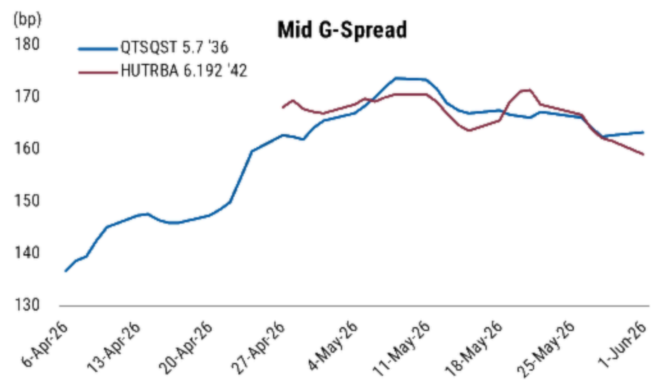
Semiconductor issuance is down 28% vs. 2025



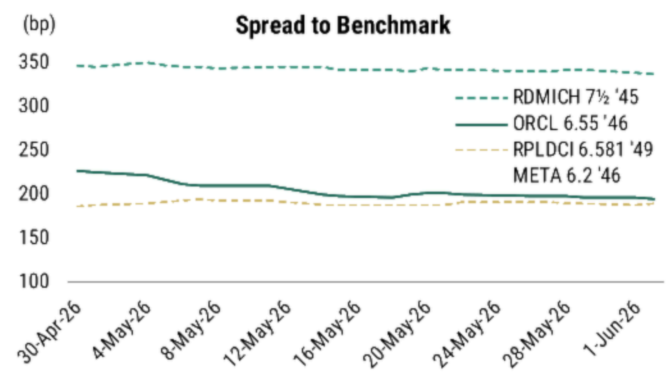
So far only DC REIT issuance YTD in the US market was out of EQIX



We saw ~$8bn of IG-rated, index eligible data center construction bonds YTD…



…And $14bn in an anchored issuance for a ~1 GW data center campus in Michigan



Source: Bloomberg, Morgan Stanley Research. Bottom graphs show three-day moving average and were last updated as of 6/3/26.

Morgan Stanley

Leveraged Finance | AI-related HY Issuance Spiked in April

There are now 12 data center construction deals in the public HY market (vs. 4 at YE25)

Issue	Amt Out ($mn)	Issuer % of Index	Issuer Index	Pricing Date	S&P	Moody's	Fitch	Location	Critical IT MW	Tenant	Add'l Credit Support	First "ready-for-service" date
SECMOS 8.875 '31	999	0.07%	394	4/30/2026	(P)BB+	NR	BB-	Austin, TX	50	-	Softbank	12/1/2026
TRACTD 6.500 '31	4585	0.34%	57	4/28/2026	(P)BB	Ba1	BB	Storey County, NV	200	NVIDIA	-	10/1/2027
CORZ 7.750 '31	3300	0.25%	94	4/22/2026	BB	NR	BB-	TX, GA, OK, NC	590	Coreweave	-	185 MW operational already
EDGCOM 7.500 '31	1300	0.10%	309	4/21/2026	BB+	NR	BB-	Chicago, Atlanta	114	Coreweave/Alibaba	-	7 DCs already online
MERIDI 6.250 '31	5700	0.42%	40	4/16/2026	(P)BB-	Ba2	BB	Sullivan County, IN	430	Fluidstack	Google lease guarantee	12/1/2027
PFORGE 6.750 '31	2150	0.16%	175	3/3/2026	NR	Ba3	BB-	Harwood, ND	200	Oracle	-	10/1/2026
BLKPRL 6.125 '31	2000	0.15%	191	2/4/2026	NR	Ba2	BB-	Wink, TX	216	Amazon	Amazon parent rent guarantee	10/1/2026
TRACTC 5.875 '31	3800	0.28%	75	2/13/2026	(P)BB+	Ba1	BB	Storey County, NV	200	NVIDIA	-	10/1/2027
FLASHC 7.250 '30	1300	0.10%	310	12/18/2025	NR	Ba3	NR	Abernathy, TX	168	Fluidstack	$1.3bn Google backstop	9/30/2026
CIFR 7.125 '30	1733	0.13%	231	11/5/2025	NR	Ba3	BB-	Colorado City, TX	207	Fluidstack	$1.733bn Google backstop	9/1/2026
APLD 9.250 '30	2350	0.17%	150	11/13/2025	BB-	NR	BB-	Ellendale, ND	250	Coreweave	-	100 MW operational already
WULF 7.750 '30	3200	0.24%	101	10/16/2025	BB	Ba2	BB	Lake Mariner, NY	438	Fluidstack	$3.2bn Google backstop	7/1/2026

Source: Bloomberg, ICE BAML, LCD Pitchbook, Morgan Stanley Research; All bonds as of 5/31/2026

Morgan Stanley

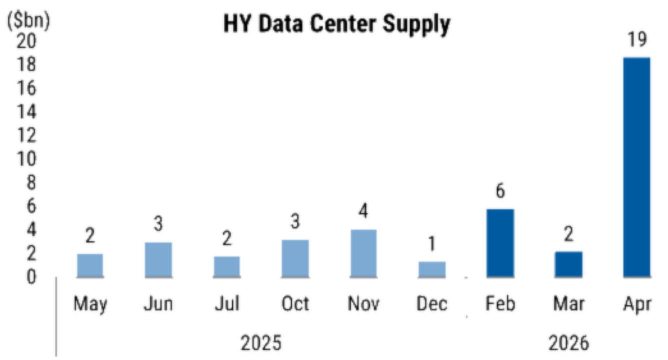
Leveraged Finance | We are OW HY Data Center Debt

- **HY data center issuance has accelerated (~$42bn since 2H25, ~$27bn YTD)**, providing exposure to the AI/data center buildout through financing of critical infrastructure assets with long-term demand from hyperscalers and neoclouds.

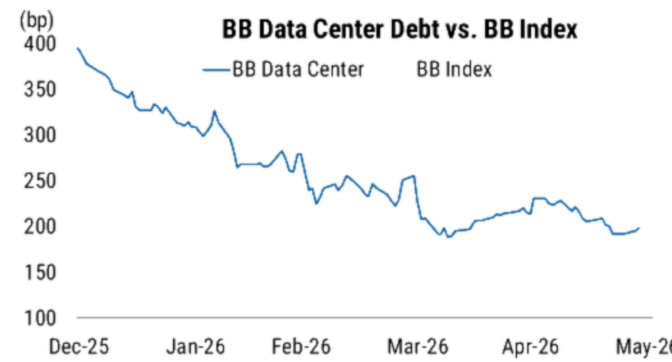
- **We are OW HY data center** debt due to the defensive credit profile with limited lease risk and project-finance style protections at attractive spreads.

- Deals include structural enhancements such as **debt service reserve accounts, amortization requirements, and lockboxes.** Mitigants for construction risk include guarantees and limited termination rights on construction delays.

Issuance spiked in April followed by no new HY data center deals in May



BB Data center bonds on average trade ~40bp back from the BB index



Source: Bloomberg, ICE BAML, LCD Pitchbook, Morgan Stanley Research

Morgan Stanley

Leveraged Finance | AI-related Issuer Performance – HY Debt & Equity

						Spread Change (Equity % Change)								
Entity	Description	Seniority	Price	Yield	Spread	1d	1wk	2wk	1mth	Year to Date	S&P	Moody's	Fitch	Out (mm)
APLD COMPUTECO 2 LLC	PFORGE 6 3/4 03/15/31	1st lien	100.79	6.53	227	+1	+7	-1	-51			Ba3	BB-	2,150
APLD COMPUTECO LLC	APLD 9 1/4 12/15/30	Secured	107.97	6.62	216	+4	+7	-15	-54	-390	BB-		BB-	2,350
BLACK PEARL COMPUTE LLC	BLKPRL 6 1/8 02/15/31	Secured	101.79	5.58	133	+4	+9	+4	-29			Ba2	BB-	2,000
CIPHER COMPUTE LLC	CIFR 7 1/8 11/15/30	1st lien	104.25	6.02	147	+0	+10	-2	-50	-128		Ba3	BB-	1,733
CORE SCIENTIFIC FINANCE	CORZ 7 3/4 05/15/31	Secured	102.32	7.05	279	-14	-31	-44	-114		BB		BB-	3,300
COREWEAVE INC	CRWV 9 3/4 10/01/31	Sr Unsecured	103.20	8.84	465	-6	-7	-18	-106		B	B1	BB-	2,750
COREWEAVE INC	CRWV 9 1/4 06/01/30	Sr Unsecured	102.09	8.45	430	+2	+10	+8	-76	-333	B	B1	BB-	2,000
COREWEAVE INC	CRWV 9 02/01/31	Sr Unsecured	101.49	8.51	432	+2	-3	+10	-107	-323	B	B1	BB-	1,750
EDGED COMPUTE LLC	EDGCOM 7 1/2 04/30/31	Secured	100.32	7.41	318	+1	-37	-49	-105		BB+		BB-	1,300
FLASH COMPUTE LLC	FLASHC 7 1/4 12/31/30	Secured	103.18	6.24	198	-3	-2	-7	-69	-169		Ba3		1,300
MERIDIAN ARC HOLDCO LLC	MERIDI 6 1/4 04/30/31	Secured	100.53	6.09	183	-0	+4	-6	-35		(P)BB-	Ba2	BB	5,700
PR RNO PROPERTY OWNER 1	TRACTD 6 1/2 05/01/31	Secured	100.19	6.45	221	-4	-6	-19			(P)BB	Ba1	BB	4,585
SE COSMOS LLC	SECMOS 8 7/8 05/01/31	1st lien	104.68	7.47	327	-14	-48	-102			(P)BB+		BB-	999
SV RNO PROPERTY OWNER 1	TRACTC 5 7/8 03/01/31	Secured	98.76	6.20	199	+1	-2	-11	-36		(P)BB+	Ba1	BB	3,800
WULF COMPUTE LLC	WULF 7 3/4 10/15/30	Secured	105.13	6.04	170	+10	+9	+2	-27	-138	BB	Ba2	BB	3,200
APPLIED DIGITAL CORP	APLD Equity		47.28			-4.8%	-1.5%	1.2%	47.2%	92.8%				
CIPHER DIGITAL INC	CIFR Equity		23.65			-3.8%	9.9%	6.1%	37.0%	60.2%				
COREWEAVE INC	CRWV Equity		109.53			2.5%	1.8%	-4.1%	3.8%	53.0%				
TERAWULF INC	WULF Equity		25.56			-3.2%	11.5%	5.8%	22.9%	122.5%				

Source: Bloomberg, Morgan Stanley Research; Note: Data as of 5/29/2026.

Morgan Stanley

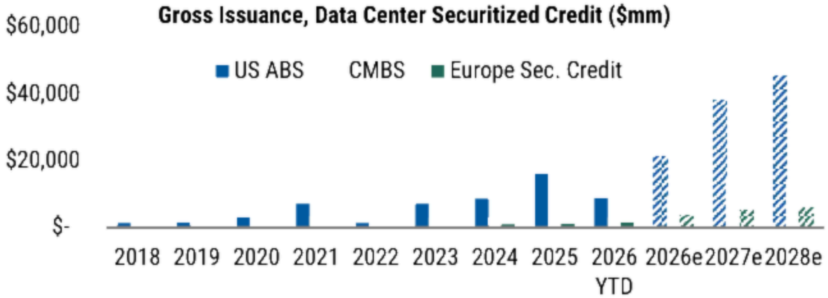
Securitized Credit

Data Center ABS & CMBS

Morgan Stanley

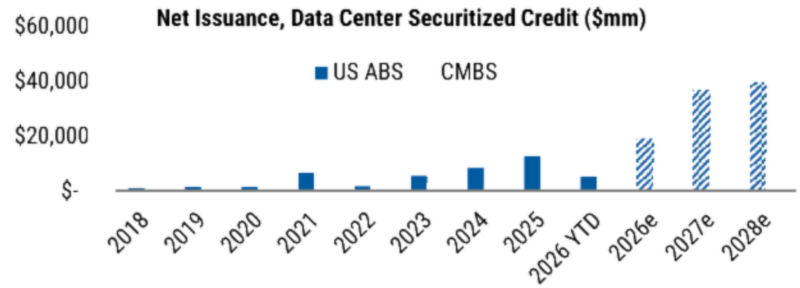
Securitized Credit | DC Securitized Credit pumps the brakes in April and May

April and May have been quiet in securitized credit, with just one deal each in ABS and CMBS



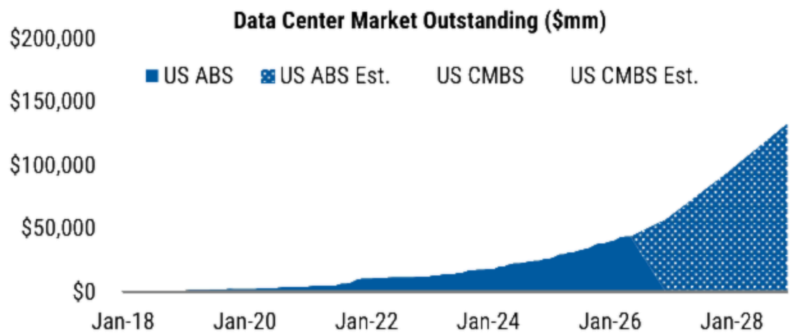
Source: CreditFlow, Trepp, Intex, Bloomberg, Morgan Stanley Research estimates..

Net issuance remains relatively subdued in ABS this year as a wave of refinancings go through; in CMBS net = gross issuance



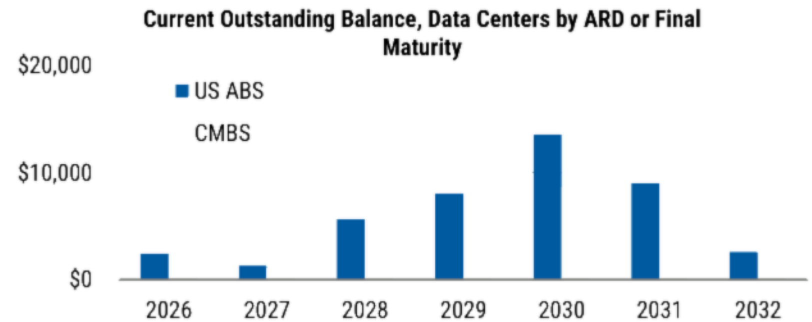
Source: CreditFlow, Trepp, Intex, Bloomberg, Morgan Stanley Research.

The Data Center securitized credit market size sits at around $65bn



Source: CreditFlow, Trepp, Intex, Bloomberg, Morgan Stanley Research.

The maturity wall is heaviest in 2029-2030, but now building in 2031

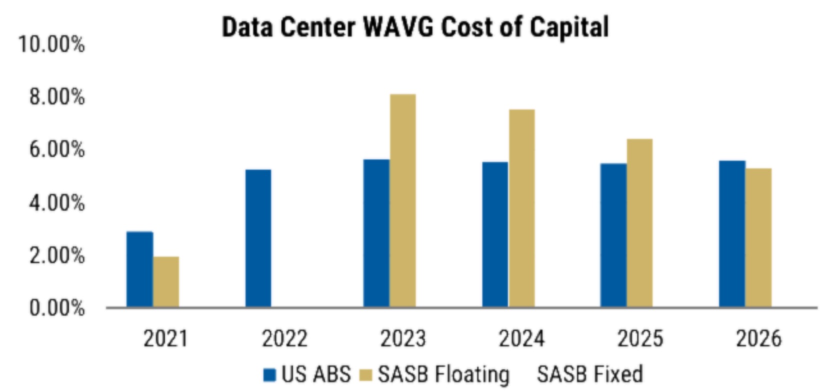


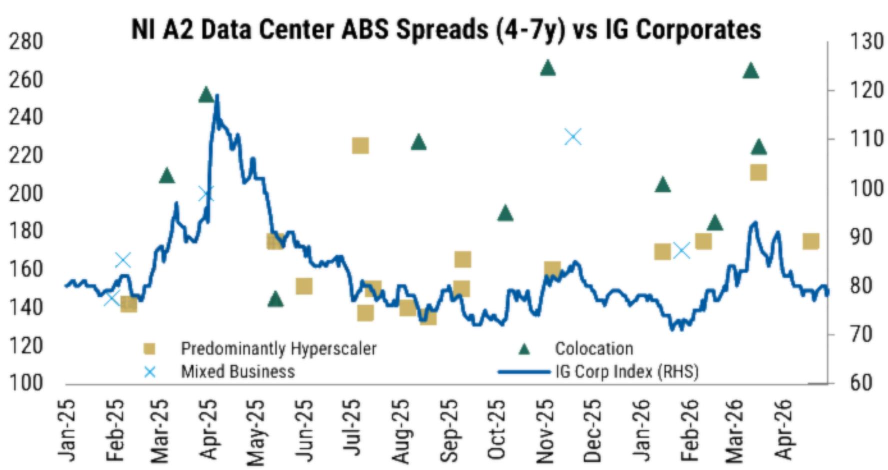
Source: CreditFlow, Trepp, Intex, Bloomberg, Morgan Stanley Research. ARD- (Anticipated Repayment Date)

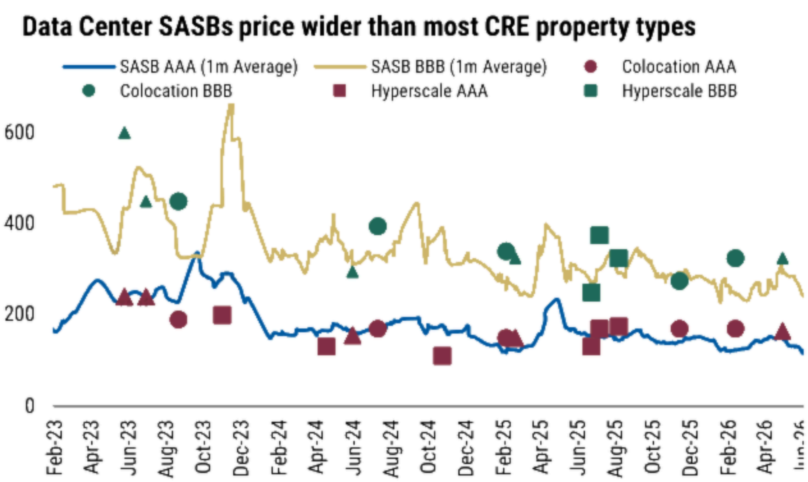
Morgan Stanley

Securitized Credit | Data Center ABS & CMBS Spreads

- Data center ABS & CMBS spreads tightened in April and May as supply dried up and pricing away in credit made securitized credit look attractive by comparison
- While we continue to expect healthy issuance in sec credit this year, we think demand for DC-backed paper in other markets will keep ABS and CMBS spreads contained
- We think data center securitized credit is attractive across the stack, but see the most value down the stack in ABS BBBs







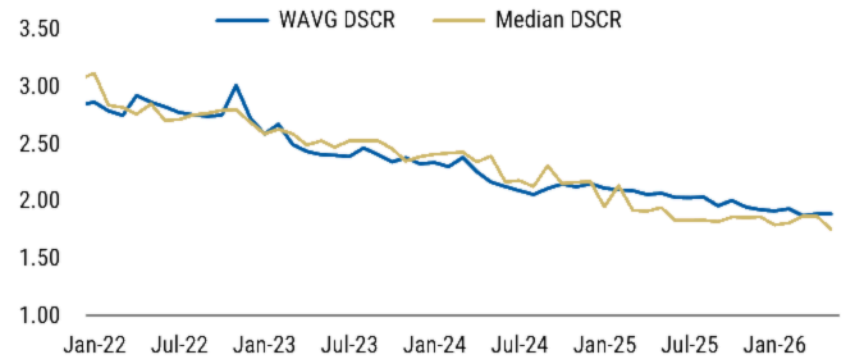
Source: Bloomberg, CreditFlow, Green Street Advisors, Morgan Stanley Research

Morgan Stanley

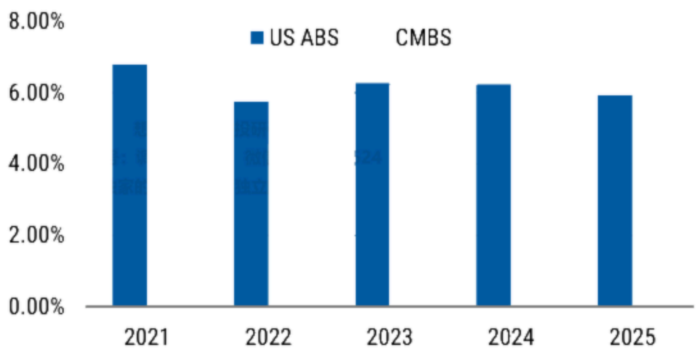
Securitized Credit | **Data Center ABS Performance Metrics Remain Healthy**

- Debt service coverage ratios in ABS have been gradually coming down as issuers grow their master trusts. However, levels still remain well above trigger points. DSCRs are generally higher in ABS than in credit deals.
- Both the average shelf-level and Class A loan-to-value ratios have also fallen as the market has expanded. In a handful of instances, cash sweeps have triggered to bring LTV back in-line.
- Cap rates remain steady across ABS and CMBS.

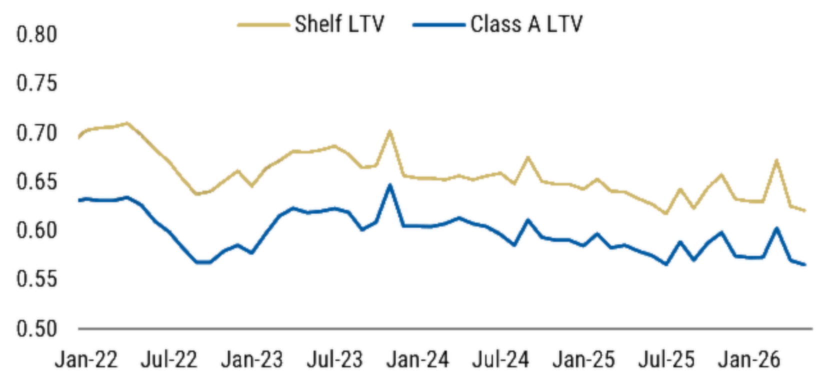
ABS Debt Service Coverage Ratios



Data Center ABS & CMBS Cap. Rates



WAVG Loan-to-Value Ratios Data Center ABS

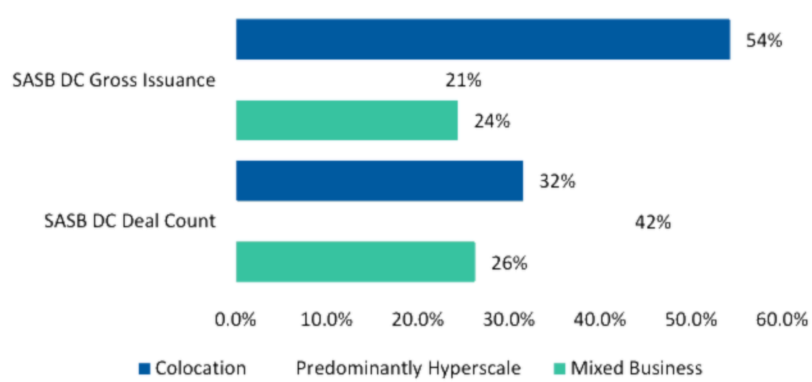


Source: Bloomberg, Morgan Stanley Research

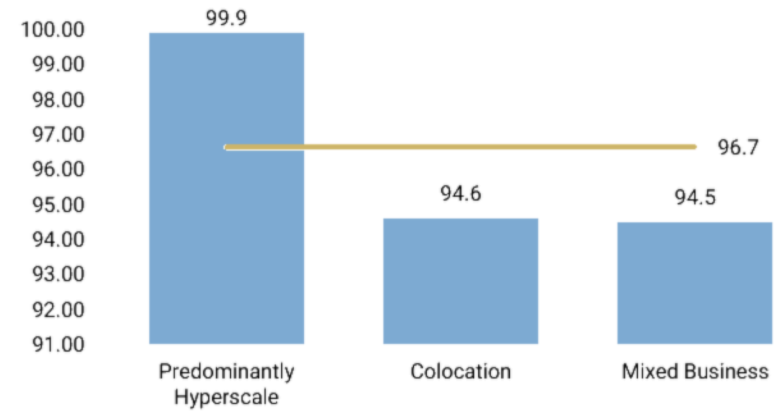
Morgan Stanley

Securitized Credit | Data Center CMBS New Issue Stats – Credit Metrics Broadly Comparable Across DC Collateral Types

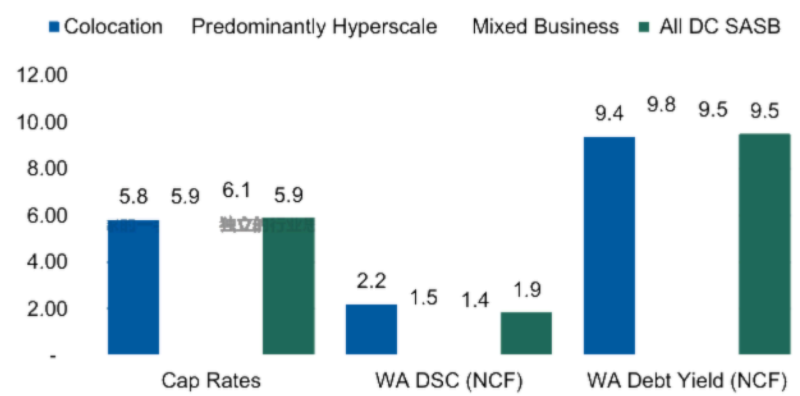
There have been two DC SASB deals issued YTD including BX 2026-VLT9 and CONE 2026-DFW3



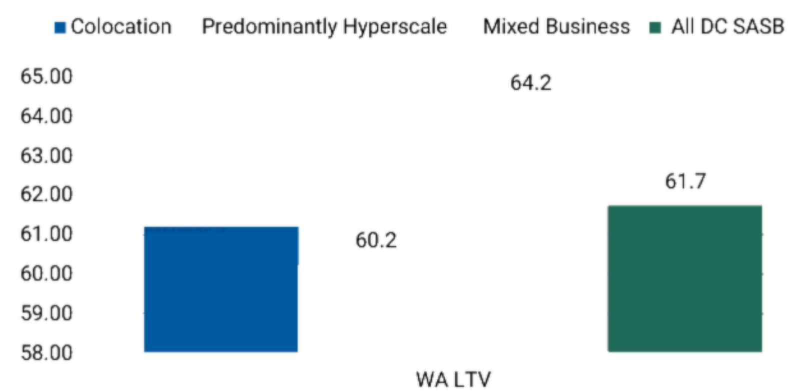
Securitized occupancy rates are reported above 90%



WA cap rate on '26 DC SASB is ~6.3%, in line with the overall SASB average



Mixed business reports the highest leverage among DC collateral types

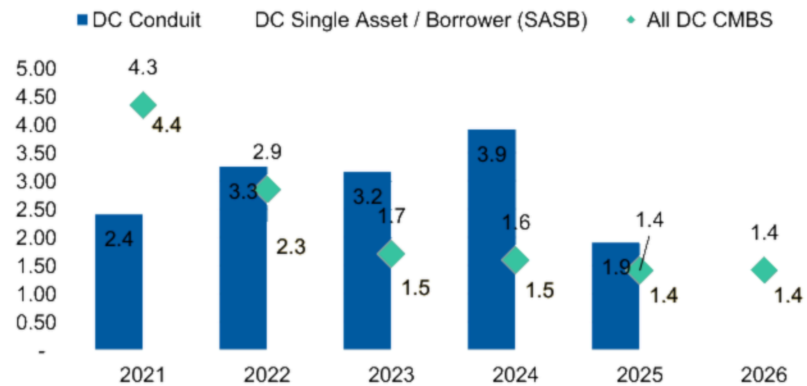


Source: Trepp, Securitization Docs, Morgan Stanley Research; The above stats show underwritten weighted average credit metrics reported at securitization and are on a NCF basis, if applicable. DC collateral type is categorized based on tenant composition: predominantly hyperscale (>70% hyperscale exposure), colocation (<1/3 hyperscale exposure), mixed business (hyperscale exposure between these thresholds)

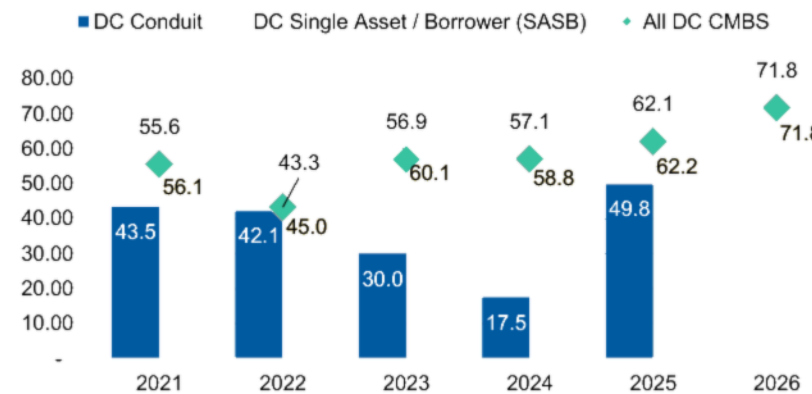
Morgan Stanley

Securitized Credit | **Data Center CMBS New Issue Stats**

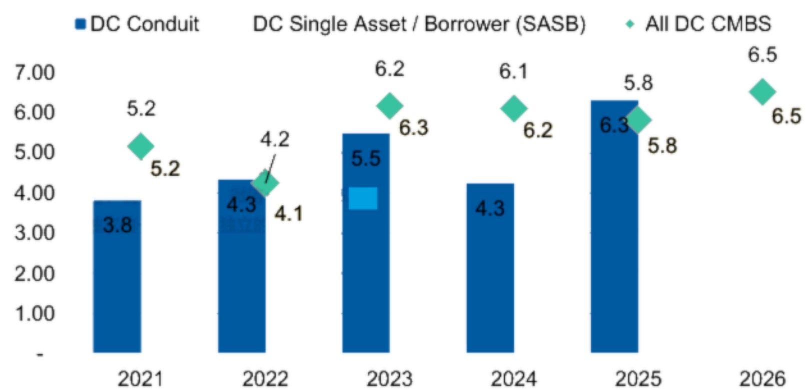
Debt service coverage ratios have compressed against a higher rate backdrop



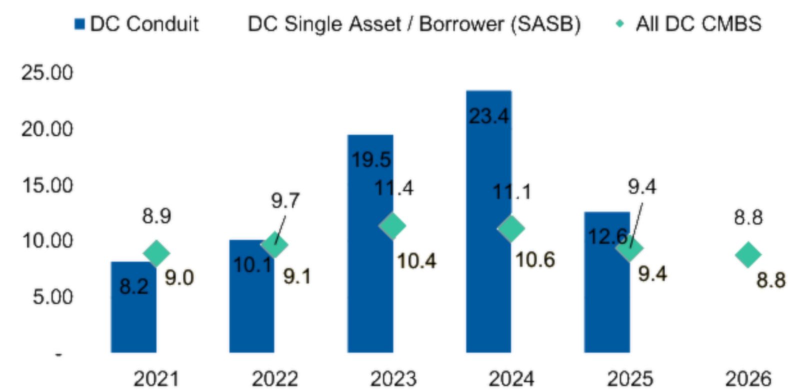
SASB new issue DC loan-to-value ratios have trended modestly higher alongside broader leverage increase across all property types



'26 DC cap rates priced tighter than office but wider than retail/lodging



DC SASBs issued YTD reported debt yields between 8-9%



Source: Trepp, Morgan Stanley Research; The above stats show underwritten weighted average credit metrics reported at securitization and are on a NCF basis, if applicable.

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Appendix

Select Morgan Stanley Research Reports

Compilation of 2Q26 publications on AI-related topics from teams across the Research department

Morgan Stanley

Latest Morgan Stanley Research | **Fixed Income**

Collaborative Reports

- Podcast | Deep Thoughts on Securitized Markets: Data Center Financing and Value Across Securitized and Corporate Credit | Ep. 360 (29 May 2026)
- Securitized & Corporate Credit: Data Center Financing: Faster, Broader, Deeper (26 May 2026)
- Morgan Stanley Global Macro Forum: Developments in the AI Eco System - Agentic AI, AI Adoption and Financings (27 Apr 2026)
- Sunday Start | What's Next in Global Macro: The New Architecture of AI Infrastructure Financing (10 May 2026)
- US Credit Strategy & Securitized Products Research: AI Debt Financing Tracker (10 Apr 2026)

Corporate Credit

- US Credit Strategy Mid-Year Outlook: Financing the Future (19 May 2026)
- US Credit Strategy Playbook: Focus Back on Supply (24 Apr 2026)

Securitized Products

- Video | Deep Thoughts on Securitized Markets: Digital Infrastructure and Consumer ABS 2026 Midyear Outlook | Ep.355 (20 May 2026)
- Global Securitized Products Mid-Year Outlook: A Balancing Act (15 May 2026)
- ABS Market Insights: Data Center ABS: A Turning Point? (14 Apr 2026)

Source: Morgan Stanley Research

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Latest Morgan Stanley Research | **Fixed Income**

Video Series | Bonds to Bytes

- Understanding Memory with Shawn Kim (27 Apr 2026)
- Humanoids and Embodied AI with Adam Jonas (21 Apr 2026)
- Networking Infrastructure with Meta Marshall (9 Apr 2026)
- Understanding the Semiconductor Industry with Joe Moore (30 Mar 2026)
- Colocation Data Centers with Cameron McVeigh (25 Mar 2026)
- Data Center & AI Policies and Regulations with Ariana Salvatore (16 Mar 2026)
- Live from TMT: Quick Thoughts on AI Capex, Adoption, and More (5 Mar 2026)
- AI Circularity & Lease Accounting with Todd Castagno and Lindsay Tyler (3 Mar 2026)
- AI Adoption with Michelle Weaver (26 Feb 2026)
- AI Monetization with Brian Nowak (20 Feb 2026)
- Power Constraints and Behind-the-Meter Solutions with Dave Arcaro (17 Feb 2026)
- Neoclouds and Chip Financing with Josh Baer (12 Feb 2026)
- Laying the Foundation with Stephen Byrd (10 Feb 2026)

Economics

- AI and the Economic Transition: Webcast, May 2026 (27 May 2026)
- Expect Rhyme, Not Rupture: The Pace of AI Adoption, Productivity Gains, and Labor Displacement Risks (13 May 2026)
- US Economics Weekly: Productivity: AI is boosting output rather than cutting jobs (24 Apr 2026)
- Industries with high AI exposure are seeing labor productivity from faster output growth, not labor replacement (20 Apr 2026)
- AI and Economic Transition: Lessons from the Five Innovation Waves That Preceded AI (6 Apr 2026)
- AI and Economic Transition: AI Labor Disruption: More Micro Than Macro So Far (6 Apr 2026)

Source: Morgan Stanley Research

Morgan Stanley

Latest Morgan Stanley Research | **Fixed Income, GVAT & Equity**

Sector Corporate Credit

- GPUs, TPUs, & IOUs: Insights on Contract- and Chip-Backed Debt Financings from the Corporate Lens (3 Jun 2026)
- AVGO Credit: Broadcom Broadening the AI Playbook to TPU Leasing (29 May 2026)
- DELL Credit: FY1Q Served Hot – AI Cooking, Spreads Well-Done (29 May 2026)
- HPQ Credit: DRAM-a Controlled in FY2Q26 (28 May 2026)
- Silicon x Sponsor: GOOGL TPU Cloud JV & Credit Ecosystem Read-Throughs (22 May 2026)
- ORCL Credit: Compute Clues – NBIS Earnings Read-Throughs (14 May 2026)
- AVGO Credit: Wafers & Wallets (13 May 2026)
- ORCL Credit: Compute Clues – CRWV Earnings Read-Throughs (8 May 2026)
- ORCL Credit: Wednesday Wrap – Hyperscaler Earnings Read-Throughs (30 Apr 2026)
- ORCL Credit: A Bond for 'The Barn' (24 Apr 2026)
- IBM Credit: Company Sees Cheap Deal Targets; Spreads Still Rich (23 Apr 2026)
- ORCL Credit: More Server Racks, Less Structural Recourse? (15 Apr 2026)

Global Valuation, Accounting & Tax

- AI Ecosystem: Charting Recent Trends (9 Jun 2026)
- AI: Off Balance Sheet, On the Hook (15 Apr 2026)
- AI: Mapping the AI Ecosystem (22 Mar 2026)

Communications Infrastructure

- Communications Infrastructure: NAREIT Group Meeting Takeaways (4 Jun 2026)
- Equinix Inc.: 1Q26: Sustaining Momentum – Reiterate OW (30 Apr 2026)
- Digital Realty Trust Inc.: 1Q26: Record Bookings and a $1Bn Backlog (24 Apr 2026)
- Communications Infrastructure: The AI Inference Inflection - Reiterate OW EQIX (13 Apr 2026)

Source: Morgan Stanley Research. AMZN, GOOGL, and META are covered by Brian Nowak; MSFT is covered by Josh Baer; ORCL is covered by Sanjit Singh. Semiconductors are covered by Joseph Moore and Shane Brett. Bitcoin miners are covered by Stephen Byrd. Communications Infrastructure is covered by Cameron McVeigh.

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Latest Morgan Stanley Research | Thematics & Equity

Thematics

- Financials and Thematics: AI: Financing the Next 10x Tech Cycle — Is Capital the Constraint? (29 May 2026)
- Internet: How Much Revenue per GW Could Be Generated with the Capacity Ahead? (27 May 2026)
- Video | What Did We Learn and What Matters Next: GOOGL, AMZN and META's '27 Compute Capacity and What Matters from Here | Ep. 225 (26 May 2026)
- Bitcoin Mining/Data Center Development: Watts in a Name: China/US Dynamics Drop Projected Shortfall, Room to Run for BTC-to-HPC Pivots, and Updates to EV/Watt Value (26 May 2026)
- Internet: How Much Capacity Will $2 Trillion of Hyperscaler Capex Bring By '27? (17 May 2026)
- Global Thematics: AI Adoption and the Future of Work: Banks, Tech and Professional Services (11 May 2026)
- AI Adoption and the Future of Work: Survey Results Highlight Surprising Depth of Impact - The Data You Haven't Seen (27 Apr 2026)
- Thematic Alpha: Momentum Around AI Adoption Is Building as Companies Cite More Quantifiable Benefits (14 Apr 2026)
- Technology: Rise of the AI Agent – Global Implications (19 Apr 2026)

Hyperscalers

- Meta Platforms Inc: 4 Products to Turn Meta Back into an "AI Winner" (2 Jun 2026)
- Microsoft: The Next Chapter for Windows PCs – Partnership with NVIDIA (1 Jun 2026)
- Microsoft: Infrastructure Monetization – Still Early Days in the AI Cycle (27 May 2026)
- Alphabet Inc.: Sparking the Agentic Torch (20 May 2026)
- Video | What Did We Learn and What Matters Next: GOOGL and AMZN Agentic Progress and I/O Expectations | Ep. 224 (13 May 2026)
- Microsoft: 3Q26 Results – Onto Newer and Better Things (30 Apr 2026)
- Internet: GOOGL, AMZN, and META Surprises and Learnings (30 Apr 2026)
- Internet: AMZN and META: A Graviton Enabled Muse Ahead? (24 Apr 2026)

Source: Morgan Stanley Research. AMZN, GOOGL, and META are covered by Brian Nowak; MSFT is covered by Josh Baer; ORCL is covered by Sanjit Singh. Semiconductors are covered by Joseph Moore and Shane Brett. Bitcoin miners are covered by Stephen Byrd. Communications Infrastructure is covered by Cameron McVeigh.

Morgan Stanley

Latest Morgan Stanley Research | **Equity**

Hyperscalers

- Oracle Corporation: Computing the Upside – And the Cost (23 Apr 2026)
- Internet: The Graviton and Axion Bull Cases for AMZN and GOOGL (21 Apr 2026)
- Microsoft: 3Q26 Preview – Taking Back the Narrative (20 Apr 2026)
- Internet: Key Themes and Numbers into GOOG/META/AMZN Earnings (14 Apr 2026)
- Meta Platforms Inc: Meet Meta's Muse (9 Apr 2026)
- Microsoft: 1Q26 CIO Survey Takeaways – Well Positioned to Capture Incremental Cloud and GenAI Spend (9 Apr 2026)

Semiconductors

- NVIDIA Corp.: Computex NVDA keynote & financial analyst Q&A (3 Jun 2026)
- Semiconductors: Takeaways from our meetings in Taiwan (1 Jun 2026)
- Analog Devices Inc.: More Room to Run (21 May 2026)
- Applied Materials Inc.: 2026 is AMAT's year (15 May 2026)
- GlobalFoundries Inc: GFS Investor Day (8 May 2026)
- Intel Corporation: Server supply above expectations; what next? (24 Apr 2026)
- Semiconductors: Microprocessors strengthening - but memory remains our favorite way to play that trend (20 Apr 2026)
- Semiconductors: Semiconductor Inventory Tracker: Bit by bit (16 Apr 2026)

Bitcoin Miners

- Bitcoin Mining/Data Center Development: Power Play: WULF's Muskie and Stronger Valuation of Future Deals for CIFR and WULF Increase Pipeline Value (3 Jun 2026)
- Bitcoin Mining/Data Center Development: 1Q26 Earnings Updates for WULF, CIFR, and MARA (18 May 2026)
- Bitcoin Mining/Data Center Development: Updating Our Thoughts, and Models for WULF, CIFR, and MARA (27 Apr 202

Source: Morgan Stanley Research. AMZN, GOOGL, and META are covered by Brian Nowak; MSFT is covered by Josh Baer; ORCL is covered by Sanjit Singh. Semiconductors are covered by Joseph Moore and Sh
covered by Stephen Byrd. Communications Infrastructure is covered by Cameron McVeigh.

Morgan Stanley

Investment Grade | **EBITDA & Cash Flow Expectations**

		EBITDA				FCF			
		2024	2025	2026		2024	2025	2026	
Company Name	**Ticker**	**Actual**	**Actual**	**MSe**	**Cons.**	**Actual**	**Actual**	**MSe**	**Cons.**
Hyperscalers	**($bn)**								
Amazon.com Inc	AMZN	122.2	150.4	221.1	207.6	32.9	7.7	-11.9	-11.9
Alphabet Inc.	GOOGL	127.5	153.8	244.2	230.1	65.4	63.2	19.7	19.7
Meta Platforms Inc	META	85.3	101.9	150.5	144.7	49.0	40.8	26.6	0.0
Microsoft	MSFT	144.3	184.8	204.4	220.1	47.1	52.1	14.3	55.2
Oracle Corporation	ORCL	23.5	27.4	41.8	42.3	3.9	-22.5	-47.1	-29.1
CoreWeave	CRWV	1.2	2.4	7.3	7.4	-6.0	-7.3	-27.1	-24.9

Source: FactSet, Morgan Stanley Equity Research estimates from models dated as of: 4/30/26 for AMZN, 5/27/26 for GOOGL, and 5/18/26 for META (covered by Brian Nowak); 5/4/26 for MSFT (covered by Josh Baer), 4/23/26 for ORCL (covered by Sanjit Singh); and 5/8/26 for CRWV (covered by Josh Baer).