

Artificial Intelligence Industry Developments – June 2026

The following newsletter includes a high-level review of activity across technical, regulatory, legal and market areas of AI over the last month, highlighting selected new trends.

MARKET DEMAND FOR AI INVESTMENTS

The market's appetite for AI-related exposure reached new extremes, as some of the most valuable private companies in the world raced toward public markets and AI-linked assets posted dramatic gains over short periods, followed by high volatility and AI selloffs.

- SpaceX completed the largest IPO in history, raising more than \$75 billion. The offering priced SpaceX at \$135 per share, valuing the company at \$1.77 trillion, and the company ended its first day of trading with a market value of \$2.1 trillion ([Link](#)), making it one of the most valuable public companies in the United States ([Link](#)).
- Temporarily, following a further 20% surge in SpaceX shares, Forbes estimated Elon Musk's net worth in mid-June was roughly \$1.3 trillion. [Link](#)
- Ahead of the listing, S&P Dow Jones Indices declined to change its rules to fast-track mega-cap IPOs into the S&P 500, leaving in place a 12-month "seasoning" period and a requirement that a company be profitable under GAAP. S&P's decision effectively blocked early S&P 500 entry for SpaceX, and by extension early entry for OpenAI and Anthropic. Nasdaq separately adopted a "fast entry" rule allowing inclusion in the Nasdaq-100 in as few as 15 trading days. [Link](#)
- On June 1, Anthropic announced it had filed for an IPO, shortly after it raised \$65 billion in new funding from investors in a round that valued the company at \$965 billion. [Link](#)
- On June 8, OpenAI announced it had confidentially filed a draft S-1 with the SEC. [Link](#)
- SK Hynix and Micron, makers of memory chips used in AI systems, passed \$1 trillion valuations, with Micron doubling its valuation in 48 days. [Link](#)
- Situational Awareness LP, an AI-focused hedge fund co-founded by AI researchers Leopold Aschenbrenner and Carl Shulman, has reportedly grown from a few hundred million dollars in assets under management to more than \$20 billion in under two years. [Link](#)
- However, in late June, the AI rally partially reversed, with investors concerned about AI companies' large debt and spending numbers and potential interest rate increases, shaving a portion of the recent gains in the share prices of many AI-related companies. [Link](#)

CYBERSECURITY AND NATIONAL SECURITY

Governments, regulators and businesses continue to navigate and prepare for AI models' increasing cybersecurity capabilities, especially in relation to national security concerns. This month, such concerns escalated: Anthropic released a public, safeguarded version of its Mythos model called "Fable," which the U.S. government forced offline days later on national security grounds.

- As highlighted last in Cravath's [May AI Developments Newsletter](#), Anthropic previously announced that its most recent and most capable model, Claude Mythos Preview ("Claude Mythos"), was too effective at finding zero-day cybersecurity vulnerabilities to be safely released to the general public. Anthropic released Claude Mythos to certain trusted partners for cyber defense and announced it had found more than 10,000 high- or critical-severity security flaws in widely used software ([Link](#)). Anthropic also announced their commitment to provide early access to Mythos to more partners globally to improve cyber defense capabilities ([Link](#)).
- Following this warning, Anthropic released a safeguarded version of the Claude Mythos model called Claude Fable to the general public, maintaining significant restrictions on what the more powerful model could do in relation to activities Anthropic considered dangerous, such as cybersecurity, bioweapons and development of AI. [Link](#)
- Reportedly following intervention from Anthropic investor Amazon ([Link](#)), the U.S. government cited national security grounds to direct Anthropic to stop providing access to Claude Fable and Claude Mythos to foreign governments, companies and individuals, leading Anthropic to limit access to its most powerful models on June 12, only days after Claude Fable had been broadly released and after Anthropic had committed to expanding access to Claude Mythos for cyber defense ([Link](#)).
- At the G7, French President Emmanuel Macron advocated for wider European access to Mythos-class models, suggesting that Europeans would not buy U.S. AI models if they feared the U.S. government might "flip the switch" to cut off access. [Link](#)
- OpenAI, after discussion with the White House, also limited access to its new model, ChatGPT 5.6, while emphasizing its belief that such government restrictions should not be the "long-term default" process. [Link](#)
- On June 30, after discussions with Anthropic and others ([Link](#)), the U.S. government lifted the export restrictions on Claude Fable and Claude Mythos and Anthropic announced it would redeploy those models, though for the time being it would limit access to Claude Mythos to a set of U.S. organizations ([Link](#)).

Additionally, AI investment and capability continue to progress, along with new business, regulatory, litigation and M&A developments.

BUSINESS DEVELOPMENTS

- Anthropic announced it had reached a \$47 billion annualized revenue run rate, up from \$9 billion at the end of December. [Link](#)
- Google raised more equity than in its initially announced plans, bringing its total fundraising to \$85 billion. [Link](#)
- OpenAI and Broadcom announced they would develop a custom chip for AI inference. [Link](#)
- Leading AI researchers Noam Shazeer and John Jumper resigned from Google and joined OpenAI and Anthropic, respectively. [Link](#)
- KKR, Nvidia and other partners launched a new company designed to provide infrastructure for AI hyperscalers, beginning with \$10 billion in founding capital commitments. [Link](#)
- Jeff Bezos's Prometheus raised \$12 billion at a \$41 billion valuation to build what it calls an "artificial general engineer" – software to automate the design and manufacture of complex systems. [Link](#)
- Chinese AI startup DeepSeek raised \$7.4 billion in its first fundraising round, valuing the company at over \$50 billion and making it China's most valuable AI startup. [Link](#)
- Chevron signed a 20-year agreement to supply up to 2.7 GW of natural-gas-based power for a Microsoft data center campus in West Texas. [Link](#)

REGULATION AND SECURITY

- On June 2, President Trump signed an executive order titled "Promoting Advanced Artificial Intelligence Innovation and Security," reviving in narrowed form the order he been expected to sign but had abruptly pulled in May. The order primarily asks AI developers, on a voluntary basis, to give the government access to covered frontier models up to 30 days before broader release and to help select the "trusted partners" receiving early access, but expressly disclaims any "mandatory governmental licensing, preclearance, or permitting requirement" for releasing new AI models. [Link](#)
- On June 5, the White House published a memo calling AI "among the most transformative technologies to national security in the history of the United States" and directing various actions to "responsibly accelerate the use of AI across intelligence and warfighting." [Link](#)
- The U.S. military continued to expand AI-enabled defense capabilities, making agreements with Anduril and General Atomics ([Link](#)), Shield AI ([Link](#)), Empower AI ([Link](#)) and Palladyne AI ([Link](#)), among others.
- Seattle, home to Amazon and Microsoft's headquarters, passed a year-long moratorium on the construction of new data centers. [Link](#)

- The DOJ filed a motion to intervene and to dismiss in a private citizen NAACP Clean Air Act environmental lawsuit seeking to power down a large xAI data center facility in Mississippi, with the DOJ citing use of Grok in the Iran War and the importance of American AI development for national security. [Link](#)
- The EU joined the U.S.-led "Pax Silica" multinational cooperative agreement to protect AI supply chains. [Link](#)
- Progressive U.S. senator Bernie Sanders announced an "American A.I. Sovereign Wealth Act," which would create a sovereign wealth fund through a one-time tax that would take 50% of the stock of OpenAI, Anthropic, xAI, and certain other AI companies. [Link](#)
- China expanded trade restrictions on U.S. entities, including on rare earth producers critical for advanced electronics, in response to the U.S. government earlier this month expanding national security-related trade restrictions on Chinese entities. [Link](#)
- Anthropic alleged Alibaba conducted "the largest known distillation attack" on Anthropic so far, illicitly using roughly 29 million exchanges across 25,000 fraudulent Claude accounts to harvest data from Anthropic's more advanced models in order to accelerate improvement of Alibaba's own models. [Link](#)

LITIGATION

- A coalition of state attorneys general opened an investigation into OpenAI seeking documents related to a range of its activities and impacts on users from advertising to handling of health data. [Link](#)
- Google will appeal a German court ruling that held Google liable for false claims in Google's AI Overviews, with the court treating the AI-generated summaries as Google's own content. [Link](#)
- Google sued a group of cybercriminals who allegedly created an AI-powered phishing kit that is estimated to have led to the theft of 3.87 million credit card numbers and \$1.9 billion in losses. [Link](#)

M & A

- SpaceX agreed on June 16 to acquire Anysphere, the maker of the popular AI coding agent Cursor, for \$60 billion in an all-stock deal intended to strengthen its position in the enterprise AI tools market, especially for coding. [Link](#)
- Salesforce, which saw a selloff in recent months driven in part by concerns its business would decrease due to AI-enabled competitors, agreed to acquire AI customer service platform Fin for \$3.6 billion. [Link](#)
- Databricks agreed to acquire Panther Labs, a cybersecurity startup previously valued at \$1.4 billion, framing the purchase as part of a broader plan to create AI-based cyber defense tools. [Link](#)