

The final push in this AI bubble came eight days ago when Oracle announced \$450 billion in investments. But Larry Ellison is the one who had Netanyahu in his villa in Hawaii, who started out creating a database for the CIA, and who just bought CBS TV, is buying CNN, and yesterday, with Trump, he bought TikTok (along with two others), all for ISRAEL.

The \$450 billion deal is for \$300 billion with Open AI, owned by Sam Altman, another Israeli. But neither of them has \$300 billion.

Now, with the help of Artificial Intelligence, I'll explain the incredible TRICK of these two Israelis, who, however, have moved the world markets.

The mega-deal between Ellison's Oracle and Altman's Open AI (\$300 billion) uses Stargate announced by Trump.

Using Stargate as a "shield" to sign huge contracts, leverage RPO to obtain external financing (from banks/investors), and isolate threats. This is typical of the AI world of 2025, where people are betting on giant infrastructures without immediate profits, banking on a future dominated by AI.

If Stargate works, everyone wins; if not, the JV is shut down and the going gets tough. Stargate is an ambitious joint venture (an alliance between multiple companies) launched primarily by OpenAI (with the support of Microsoft and SoftBank) to build AI infrastructures on a massive scale. This is a multibillion-dollar project (up to an estimated \$500 billion) to build supercomputers and data centers dedicated to training advanced AI models. The goal is to support the development of next-generation artificial intelligence, such as superintelligence or AGI (Artificial General Intelligence).

OpenAI is the "brain" of the project: it requires enormous computational resources (GPUs, servers, energy) for its models, such as GPT.

Oracle is entering the game as a cloud computing provider. Recently (in 2025), OpenAI signed a \$300 billion deal with Oracle to purchase computing power over the next five years (starting in 2027). This is one of the largest deals in tech history and is part of Stargate. Oracle provides the infrastructure (data centers and cloud services), while OpenAI will use it for its own purposes.

Other parties involved: Microsoft (OpenAI's main investor), SoftBank (leading a \$40 billion investment in OpenAI), and potentially other partners. Stargate is structured as a separate JV to isolate risks from its parent companies.

The key point of the statement is that this agreement is not a simple "bilateral contract" between Oracle and OpenAI, but is embedded within the Stargate JV for financial and risk reasons. 2. "Neither party (Oracle and OpenAI) has the necessary funds, nor end-user revenues, nor profitable use cases." Necessary funds: Projects like Stargate require huge upfront investments (billions for data centers, energy, hardware).

OpenAI, despite its successes (such as ChatGPT), is loss-making: it spends more than it takes in (in 2025, losses are in the tens of billions). It does not have enough liquidity to finance everything on its own.

Oracle, despite being a cloud giant, has a backlog (future bookings) swollen by these very AI deals, but they too face high costs to expand their infrastructure (for example, CapEx (capital expenditures) expected to exceed \$30 billion in FY26).

End-customer revenue or profitable use cases: This means that, currently, OpenAI's AI products (and similar ones) do not generate stable profits for end users (e.g., businesses or consumers). ChatGPT and similar tools are popular, but the "use cases" (practical applications) are not yet fully monetizable at scale. There are no immediate cash flows to repay the investments. It's a "bet on the future": investing now for AI dominance, but the real revenues will arrive years from now (if ever).

In summary: Both companies lack the immediate cash and profitable business models to justify the enormity of the project without external help. 3. "The contract could have been signed within the Stargate joint venture"

Rather than signing directly between Oracle and OpenAI (which would risk exposing the individual companies to debt or bankruptcy), the agreement was structured within the Stargate JV. This means: Stargate acts as a "separate entity" (similar to a subsidiary) that signs the contract to supply computing power.

The parties (OpenAI, Oracle, Microsoft, SoftBank) contribute shares, but the risks (e.g., delays, extra costs, bankruptcy) remain confined to the JV and do not "contaminate" the balance sheets of the parent companies.

Advantages: It protects Oracle and OpenAI from direct liability. If Stargate fails, only the JV is liquidated, without draining resources from the other companies.

This is a common trick in large tech JVs (think energy or automotive joint ventures) to share risks and attract investment.

stitori.4. "All parties can then use RPO to raise funds."

What is RPO? RPO stands for Remaining Performance Obligations.

It's an accounting term used in SaaS/cloud companies (like Oracle) to indicate the value of future contracts not yet executed. Essentially, it's the "backlog" of guaranteed revenue: for example, if OpenAI commits to paying \$300 billion over five years for cloud services, that commitment becomes RPO on <http://Oracle's balance sheet>. Oracle recently reported a backlog of \$455 billion, largely thanks to deals like this one with OpenAI/Stargate.

Using it to raise funds: RPO isn't instant cash, but it's a credible "asset" that banks and investors love. The parties involved (Oracle, OpenAI via Stargate) can: Use the RPO as collateral for bank loans (e.g., "Lend me \$50 billion now, I'll repay you with future Stargate proceeds").

Attract investors (venture capital, bonds) by showing "guaranteed future revenues" to finance the immediate construction of data centers.

For example: SoftBank or Microsoft could inject capital into Stargate based on these obligations, diluting the risks.

Why a JV? By structuring it this way, all parties (not just Oracle) benefit from the RPO for fundraising. It's a "leverage" to raise billions without having to pay them immediately from their own pockets.

5. "Otherwise, the joint venture can close without jeopardizing the companies."

If things go badly (e.g., AI doesn't take off, costs explode, or funding is lacking), Stargate can simply close or fail as a standalone entity. No collateral damage: Oracle continues its cloud business, OpenAI continues its AI models, Microsoft continues its investments.

Without the JV, a direct contract between Oracle and OpenAI would expose both to lawsuits, debt, or direct losses (e.g., Oracle might have to repay loans based on a customer's default).

It's a "safety clause": It limits exposure and allows you to announce "300 billion" without having the money.