DISCLAIMER: This report is for educational purposes only and does not constitute financial advice. It is not a recommendation to buy or sell any securities. All investments involve risk, including the loss of principal. This report is FTC compliant. Past performance is not indicative of future results.

THE PREHN INSTITUTE | RESEARCH

Published October 2026

AI INFRASTRUCTURE · CREDIT · MARKET STRUCTURE

The Last Time THIS Happened the Global Stock Market RESET

CoreWeave, the dotcom parallel, Goldman's trading desk, and what it means for your portfolio

FELIX PREHN

Economist and former investment banker
The Prehn Institute

REPORT SCOPE

Educational companion to the video.

RATING

None

PRICE TARGET

None

Three co-founders of the company that the entire AI boom runs through have sold $3.3 billion of their own shares. Its bonds trade like distressed debt. And you should know that the last time a technology boom ran on borrowed money and the plumbing cracked, the Nasdaq fell 78 per cent and took 15 years to recover.

$3.3B

in founder share sales since the company listed

© 2026 The Prehn Institute. Published by Skillset Solutions FZ-LLC.

About Felix Prehn and The Prehn Institute

Felix Prehn

Felix Prehn is an economist and former investment banker. He gained deep insights into the strategies and principles that professional investors use to build and protect wealth.

The Prehn Institute

Felix Prehn is the founder of The Prehn Institute, where he publishes research on the financial markets and provides instruction in how they work. The institute has taught over 20,000 students the fundamentals of investing and stock market analysis, focusing on demystifying Wall Street's investment strategies and making them accessible to regular investors.

The institute provides comprehensive training on fundamental analysis, technical analysis, risk management, and portfolio construction, empowering individual investors to make informed decisions about their financial futures.

WinstonDaily.com

Felix Prehn is also the co-founder of WinstonDaily.com, a platform dedicated to providing news, data and analytical tools specifically tailored for retail investors. WinstonDaily.com helps individual investors access the information and tools they need to compete effectively in modern financial markets.

Mission and Dedication

Felix Prehn has dedicated his career to teaching regular investors how to protect their wealth and make sense of the stock market. His approach emphasises understanding the fundamental principles that drive long-term investment success, rather than chasing short-term trends or speculation.

By bridging the knowledge gap between Wall Street professionals and individual investors, Felix works to level the playing field and help people take control of their financial destinies.

Connect with Felix Prehn on YouTube

youtube.com/felixfriends

© 2026 The Prehn Institute. Published by Skillset Solutions FZ-LLC.

Contents

Bottom line: the shape is the same 4

The company the AI boom runs through 5-6

The founders are selling 7-8

The debt is cracking 9-10

The last time this happened 11-12

What the reset built 13

Today vs 2000: what is different 14

Goldman's trading desk 15

What I am watching 16

The plan: two piles 17

Action checklist and free training 18

Sources, methodology and disclosures 19

How to use this report.

Read it beside the video. The sections follow the script in order.

The goal is not to predict the next market move. So instead it shows you how a problem in one corner of AI lending could reach your index fund, and what the last comparable episode looked like.

© 2026 The Prehn Institute. Published by Skillset Solutions FZ-LLC.

BOTTOM LINE

The shape is the same

A technology that really is changing the world, sitting on top of a small group of plumbing companies that everyone feels they have to own. In 2000 the plumbing was routers and fibre-optic cable. Now it is AI chips and data centres. And the companies that borrowed to build it are where you see the stress first.

A real technology boom → **Built on borrowed money** → **Lenders get nervous** → **Forced selling spreads**

THE PARALLEL

A genuine technological shift attracts enormous capital. So the plumbing companies borrow heavily to build capacity. But when confidence cracks, the most indebted names fall first and fastest.

THE DIFFERENCE

The Nasdaq 100 trades at about 21 times forward earnings (Bloomberg), a long way from the 200 times that Cisco commanded at the peak in 2000. And the demand for AI computing power is real and strong.

THE RISK

CoreWeave alone carries about $50 billion of debt. Deutsche Bank calculates a $35 billion annual gap between its operating cash and its planned spending. So that gap gets filled with more borrowing.

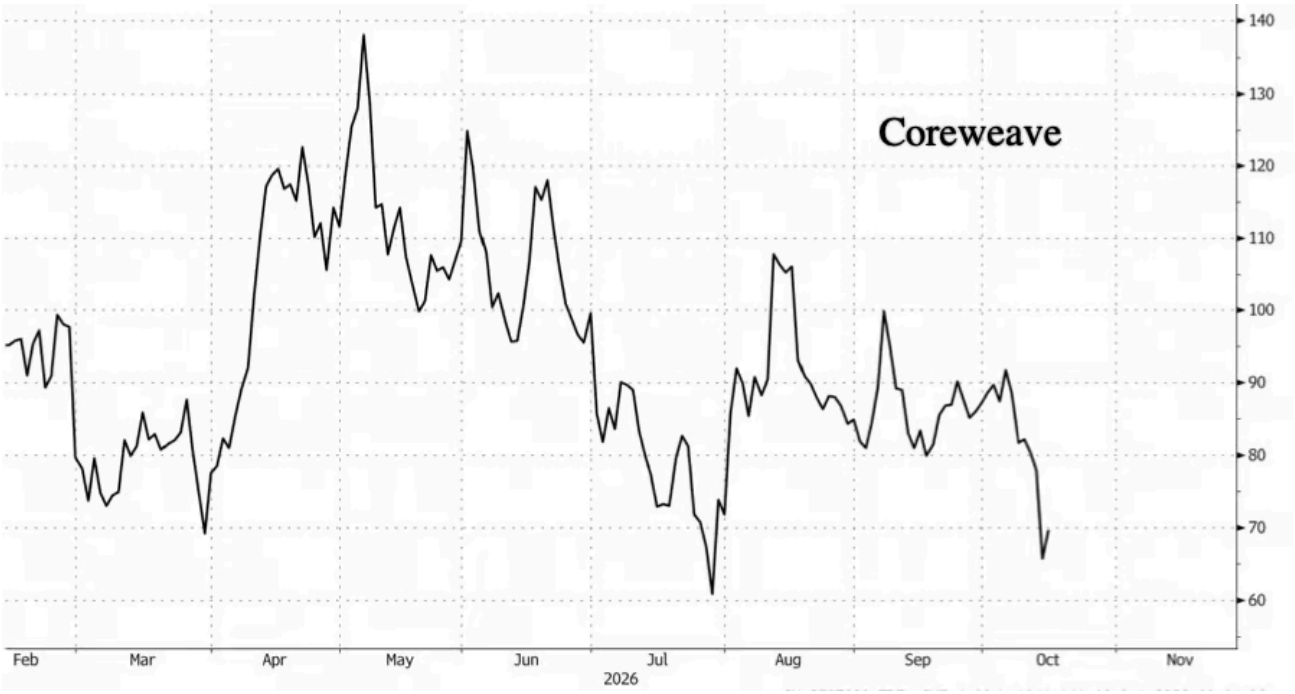
THE LESSON

In the last reset, the companies that could fund themselves had time to wait. But the ones that needed the next loan often did not get it. You want to know which kind you own.

© 2026 The Prehn Institute. Published by Skillset Solutions FZ-LLC.

THE COMPANY THE AI BOOM RUNS THROUGH

Borrow, buy chips, rent them out



CoreWeave share price. The stock is down about 65 per cent from its high. Source: supplied chart.

THE BUSINESS

You will hear it called a neocloud: a cloud company built only for AI. And it only listed its shares in March 2025.

THE DEBT

That is staggering for a company that only listed last year.

Deutsche Bank calculates about $10 billion a year in operating cash flow against $45 billion in planned capital spending. So the gap of roughly $35 billion gets filled with more borrowing.

THE BACKLOG

About two thirds is with customers that have strong credit ratings. Now, the chief executive called the sell-off irrational.

And he may be right. Deutsche Bank still rates the shares a buy.

© 2026 The Prehn Institute. Published by Skillset Solutions FZ-LLC.

WHY ONE COMPANY MATTERS TO THE WHOLE MARKET

CoreWeave does not sit in a box on its own



THE CHAIN

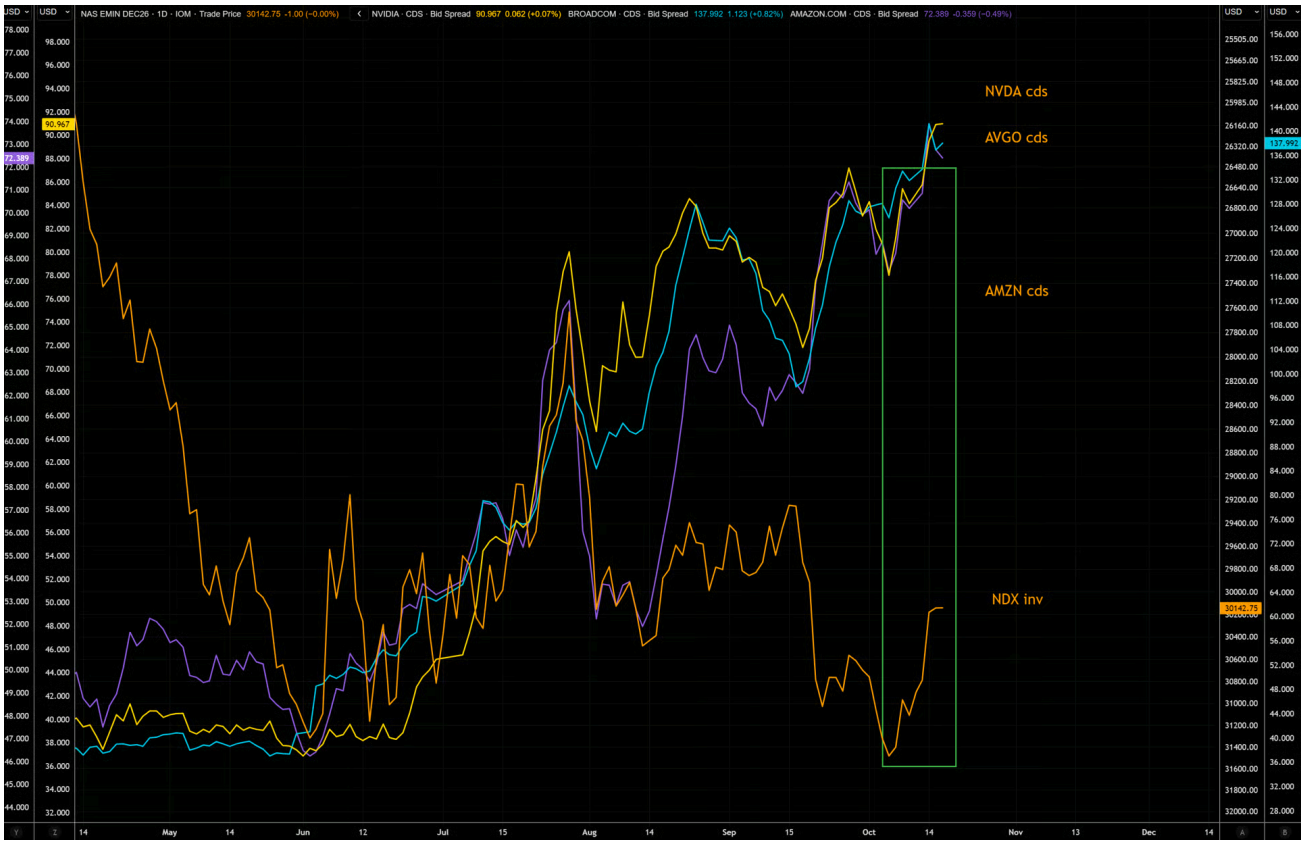
So when one big borrower wobbles, lenders start asking harder questions of everyone else who borrowed to build AI.

TECH CREDIT STRESS

The last time that measure spiked, the Nasdaq shrugged and kept climbing. But this time you can see the Nasdaq falling alongside it.

THE SIGNAL

And that is how a problem in one corner becomes a problem for the whole index you own.



Technology credit default swap spreads versus the Nasdaq (inverted). When both move in the same direction, stress is spreading. Source: supplied chart.

© 2026 The Prehn Institute. Published by Skillset Solutions FZ-LLC.

THE FOUNDERS ARE SELLING

$3.3 billion since the shares listed

> The three co-founders of CoreWeave have sold about $3.3 billion of their shares since the March 2025 listing. About $2.3 billion of that was sold this year alone. But the company calls the sales routine, pre-arranged financial planning.

Founder	Role	Sales since listing	Notes
Michael Intrator	Chief Executive	About $975 million	Sold about 16.5 per cent of his stake
Brannin McBee	Co-founder	About $1.1 billion	Bloomberg: sold about 40 per cent of his stake
Brian Venturo	Co-founder	About $1.2 billion	Sold more than 35 per cent of his stake

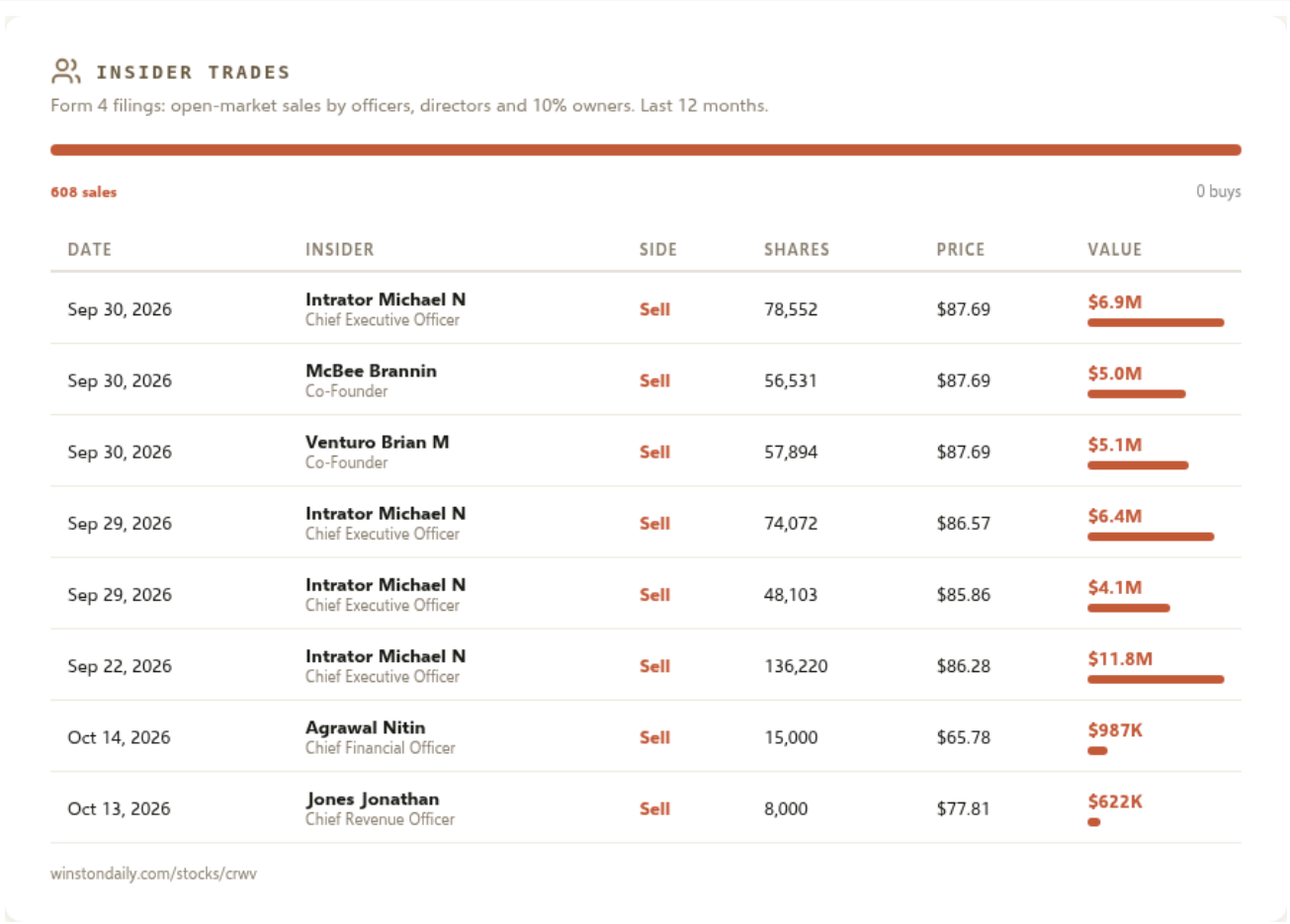
When a director or senior executive of an American company buys or sells shares, the law says they must tell the SEC within 2 business days, so you get to see it. The form is called a Form 4.

And you can read it, as anyone can. The Insider panel in the Winston app at **winstondaily.com** puts every filing in one place.

© 2026 The Prehn Institute. Published by Skillset Solutions FZ-LLC.

WINSTON APP: COREWEAVE INSIDER DATA

The filings, in one place



INSIDER TRADES

Form 4 filings: open-market sales by officers, directors and 10% owners. Last 12 months.

608 sales — 0 buys

DATE	INSIDER	SIDE	SHARES	PRICE	VALUE
Sep 30, 2026	**Intrator Michael N** Chief Executive Officer	Sell	78,552	$87.69	$6.9M
Sep 30, 2026	**McBee Brannin** Co-Founder	Sell	56,531	$87.69	$5.0M
Sep 30, 2026	**Venturo Brian M** Co-Founder	Sell	57,894	$87.69	$5.1M
Sep 29, 2026	**Intrator Michael N** Chief Executive Officer	Sell	74,072	$86.57	$6.4M
Sep 29, 2026	**Intrator Michael N** Chief Executive Officer	Sell	48,103	$85.86	$4.1M
Sep 22, 2026	**Intrator Michael N** Chief Executive Officer	Sell	136,220	$86.28	$11.8M
Oct 14, 2026	**Agrawal Nitin** Chief Financial Officer	Sell	15,000	$65.78	$987K
Oct 13, 2026	**Jones Jonathan** Chief Revenue Officer	Sell	8,000	$77.81	$622K

winstondaily.com/stocks/crwv

The Insider panel for CoreWeave in the Winston app at winstondaily.com. Every Form 4 filing is there. It shows who sold, on what day, how many shares and at what price. Data source: Winston app.

ONE SALE TELLS YOU VERY LITTLE

But if you see a cluster of insiders selling while the company's debt cracks, that is a very different picture.

THE INSIDER HUB

that shows insider buying and selling across the market in one place. And you can switch on alerts for the moment an executive who had been buying turns into a seller.

© 2026 The Prehn Institute. Published by Skillset Solutions FZ-LLC.

THE DEBT IS CRACKING

When a $1,000 bond sells for $760



CoreWeave 9.625 per cent 2032 bond price. A bond trading at 76 cents on the dollar means buyers are demanding a large premium for the risk. Source: supplied chart.

BOND BASICS

You lend a company $1,000. It pays you interest every year. Then it gives your $1,000 back on a set date.

CoreWeave has bonds that pay 9.625 per cent a year and fall due in 2032.

THE PRICE

So a $1,000 bond now sells for about $760. Add the interest and the repayment together and it works out at roughly 15 per cent a year.

That is the return you would demand if you were not sure you would get your money back.

WHAT IT MEANS

And if the cost of insuring a company's debt keeps climbing, lenders are getting more nervous, whatever the share price does.

© 2026 The Prehn Institute. Published by Skillset Solutions FZ-LLC.

INSURANCE ON COREWEAVE'S DEBT

Record insurance cost, 60 per cent implied odds of default



CoreWeave 5 year credit default swap. Insuring the debt for 5 years now costs more than 11 per cent of the amount insured, every year. That is a record. Source: supplied chart.

11%+

annual cost to insure CoreWeave's debt

~60%

implied odds of default (Bloomberg)

15%

yield on the 2032 bonds

It is an insurance policy on a company's debt. If the company cannot pay, the policy pays out. So the riskier the company, the more the insurance costs. And when the cost hits a record, the market is telling you something about confidence.

© 2026 The Prehn Institute. Published by Skillset Solutions FZ-LLC.

THE LAST TIME THIS HAPPENED

2000: everyone bought the plumbing

> In 2000 the internet was going to change everything. And it did. The company everyone wanted to own was Cisco, which made the routers and switches that carried internet traffic. If you believed in the internet, you bought the plumbing. Sound familiar?

THE PEAK

Its shares traded at about 200 times earnings. So for every $1 of profit Cisco made in a year, buyers were paying about $200.

THE TURN

A boom like this runs on other people's money. Shareholders buy new shares. Banks and bond buyers lend.

And the companies spend it building things. So as long as the money keeps coming, everything looks fine to you.

THE MECHANISM

The cost of borrowing goes up. Some companies cannot borrow at all. So they cut spending.

And the companies selling to them suddenly have fewer orders. Now, you will not get one big announcement. You get a lot of quiet decisions to stop lending.

© 2026 The Prehn Institute. Published by Skillset Solutions FZ-LLC.

WHAT A RESET ACTUALLY LOOKS LIKE

78 per cent, 31 months, 15 years

78%	31	15
Nasdaq decline, peak to trough	months of falling prices	years until a new record

THE GOOD COMPANIES FELL TOO

from the peak at the end of 1999 to about $6 in late 2001. And it was a real company, with real customers, buying real things every day.

If you had put $10,000 in at the top, you would have had about $600 left.

THE PLUMBING WAITED 25 YEARS

The company was fine. But the price people paid was the problem.

HOPE KEPT PEOPLE COMING BACK

There were big rallies on the way down. And every one of them convinced people the worst was over. So they bought the dip, and then they bought it again.

WHAT A 78 PER CENT FALL FEELS LIKE

Two and a half years later it is worth about $44,000. And you are 70 by the time it is back where it started.

The technology carried on. But the prices had to come back to earth.

© 2026 The Prehn Institute. Published by Skillset Solutions FZ-LLC.

WHAT THE RESET BUILT

While everyone was selling, the future was being built at bargain prices

Event	Date	Significance
Nasdaq bottom	9 October 2002	1,114 (down 78 per cent from the peak)
Google IPO	August 2004	Listed at $85, less than 2 years after the bottom
Amazon S3 launch	March 2006	Start of cloud computing, the same business CoreWeave is in today
iPhone launch	January 2007	Apple redefined mobile computing
Amazon above old peak	2009	On its way to becoming one of the biggest companies on earth

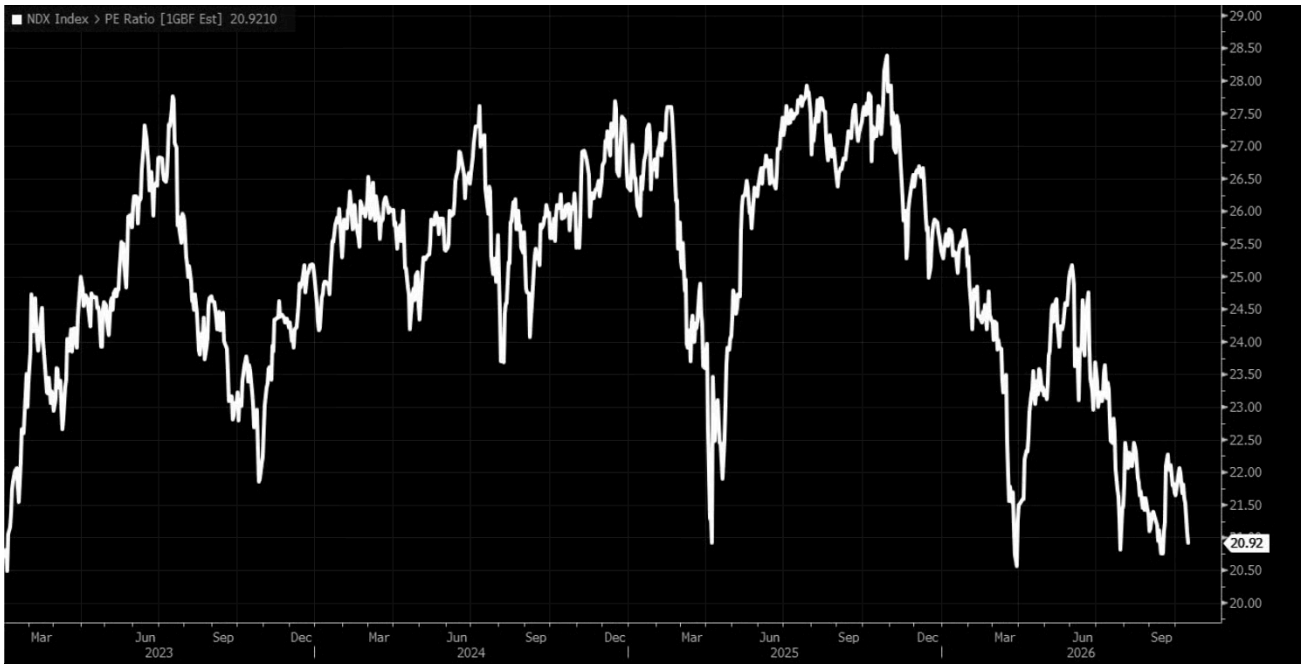
The reset did not kill the technology. It moved the money.

Away from the companies that needed endless borrowing, and towards the ones that could stand on their own feet. If you understood that in 2002, it was the opportunity of a lifetime. If you did not, it was the end of your retirement plan.

© 2026 The Prehn Institute. Published by Skillset Solutions FZ-LLC.

WHAT IS DIFFERENT THIS TIME

Not exactly the same, and you need both sides



Nasdaq 100 forward price to earnings ratio, about 21 times (Bloomberg). In 2000 Cisco alone traded at about 200 times. Source: supplied chart.

Factor	2000	Today
Valuation	Cisco at about 200x earnings	Nasdaq 100 at about 21x forward earnings
Demand	Internet traffic growing but revenue models unproven	GPU rental prices strong, demand real
Funding	Heavily reliant on borrowed money and IPO proceeds	Big tech funds much of its AI spending from existing profits
Borrowed layer	Widespread	Concentrated in neoclouds like CoreWeave

The research firm expects more than 80 per cent of neocloud companies to stop operating independently by 2030. Some will be bought. Some will fail.

And $3.5 trillion of AI infrastructure is at risk of being written down in value.

© 2026 The Prehn Institute. Published by Skillset Solutions FZ-LLC.

WHAT THE TRADING DESK TOLD ITS CLIENTS

"Too much capital is chasing too little investable, power-ready compute capacity"

> A senior Goldman Sachs trader has warned institutional clients. The repricing, he said, "could unfold gradually or through violent dislocations, potentially spilling into broader markets." Broader markets means your index fund, and that means you.

FORCED SELLING

That was nearly a 4 standard deviation move: statistically, a move you almost never see.

And funds were selling what they owned and buying back what they had bet against, all at once, because they had to rather than because they wanted to.

VOLUME

And CoreWeave itself fell roughly 15 per cent in a single day this week.

THE OTHER SIDE

Not every scare becomes a crash. And plenty of sell-offs in the last few years looked frightening and then simply stopped.

But the debt will still be there when you look again.



Trading volumes in chip-tracking funds versus the broader Nasdaq. Source: supplied chart.

© 2026 The Prehn Institute. Published by Skillset Solutions FZ-LLC.

WHAT I AM WATCHING

Four signals and one sorting exercise



Nasdaq 100 daily chart with the rising trend line from April, the 100 day moving average, and the hammer candle. If this level holds, the scare may be over for now. If it breaks and stays broken, the selling could speed up. Source: supplied chart.

#	Signal	What it tells you
1	The Nasdaq's trend line	If it holds, short-term relief. If it breaks and stays broken, selling speeds up.
2	CoreWeave's bonds and CDS	If insurance costs keep climbing, lenders are getting more nervous. If they fall back, the panic is easing.
3	Profit reports	At 21 times, earnings can do some of the heavy lifting. If profits arrive, 21 times starts to look reasonable.
4	Who is selling	The Winston insider hub shows buying and selling across the market. A buyer turned seller has changed their mind about something.

© 2026 The Prehn Institute. Published by Skillset Solutions FZ-LLC.

TWO PILES

Sort what you own

Pile 1: Companies that own scarce computing power and pay for it from their own profits

→

Pile 2: Companies that borrowed heavily, spend more than they bring in, and need lenders to keep saying yes every year

THE TEST

Then check whether it brings in more cash than it spends.

You take the cash coming in from the business, minus what it spends on buildings and equipment. Analysts call it free cash flow. So if it is positive, the company can pay its own way. If it is negative year after year, it depends on lenders, and so do you as its owner.

YOUR INDEX FUND

Check what share of the whole fund they make up. You will find it printed on the fund's fact sheet. You might be surprised how much of your money sits in the same handful of AI names.

TWO SCENARIOS

the shares that fell hardest can bounce quickly, and you may see it fast. But if the line breaks, pile 2 falls furthest and fastest, because its lenders get nervous first.

And pile 1 falls too, at least for a while. The sorting happens later.

WHAT I WILL NOT DO

Amazon was down 65 per cent at one point and still had a long way to fall.

But I will not sell everything in a blind panic either. And the people who did that in 2002 missed Google, the cloud and the iPhone.

© 2026 The Prehn Institute. Published by Skillset Solutions FZ-LLC.

TURN UNDERSTANDING INTO PROCESS

Five questions before the next warning shot

- ✓ Do I have three to six months of expenses available without selling investments?
- ✓ Am I overexposed to one crowded theme or one source of borrowed money?
- ✓ Can I explain why each business I own makes money?
- ✓ Do the businesses I own have pricing power, cash generation and manageable debt?
- ✓ Would a broad market sell-off force me to act, or give me choices?

The Prehn Institute

prehninstitute.com

The Institute publishes research and provides instruction. Its published research is open to any reader, and its instruction is given by people who have worked in professional markets. The Institute does not manage money and does not advise on investments.

© 2026 The Prehn Institute. Published by Skillset Solutions FZ-LLC.

REFERENCES

Sources and disclosures

1. **Video:** "The Last Time THIS Happened the Global Stock Market RESET" by Felix Nikolas Prehn, The Prehn Institute.
2. **Winston app: winstondaily.com** - stock-market data, insider trade filings, insider hub and moat scores.
3. **Bloomberg:** CoreWeave founder share sales ($3.3 billion), CDS record, 60 per cent implied default odds, Nasdaq 100 forward P/E.
4. **CNBC:** CoreWeave debt ($50 billion), bond yields, CDS levels, Cisco record close December 2025.
5. **Deutsche Bank:** CoreWeave operating cash flow versus capital spending, Buy rating.
6. **Goldman Sachs trading desk:** Institutional client commentary on forced selling, systematic strategy drawdown, and repricing risk.
7. **Gartner:** 80 per cent of neoclouds ceasing independent operations by 2030; $3.5 trillion at risk of impairment (via TechTarget).
8. **SEC EDGAR:** CoreWeave Form 4 filings (CIK 1769628).
9. **Historical data:** Cisco peak valuation (CNET), Nasdaq Composite 2000-2015 (NPR, Wikipedia), Amazon S3 launch (Amazon), iPhone announcement (Apple Newsroom), Google IPO (CNN).

FULL EDUCATIONAL DISCLAIMER

This report is for educational and informational purposes only and does not constitute financial, investment, legal, tax or accounting advice. It is not a recommendation, solicitation or offer to buy or sell any security, currency, commodity or financial product. No buy/sell rating or price target is provided. All investments involve risk, including the possible loss of principal. Market events, relationships and historical comparisons described here may not repeat. Illustrations simplify complex systems and may omit factors. Readers should conduct their own research and consult appropriately qualified professionals before making financial decisions. Past performance is not indicative of future results. The Prehn Institute and Winston make no guarantee regarding outcomes.

Analyst: Winston, Lead Analyst for The Prehn Institute.

© 2026 The Prehn Institute. Published by Skillset Solutions FZ-LLC.