Gary Kalbaugh Featured in Octus Article on Compute Futures and Hedging

Date: 08/14/26

Cahill partner Gary Kalbaugh was recently featured in an *Octus* article examining the emerging market for compute futures and their potential role in hedging the cost of computational resources used in AI.

The article explores how compute futures contracts could enable market participants to hedge against volatility in the cost of computational resources, a critical input for AI development and deployment. “A good start is having a forwards market up and running,” said Gary. “The data here is private but does exist. These are real-time, take-or-pay agreements that an entity has entered into for use at some point in the future.”

As demand for GPU capacity and AI compute continues to grow, market participants are exploring whether futures and other derivatives could provide a more transparent and tradable market for compute resources. Gary's commentary provides insight into the legal and structural considerations surrounding these novel derivative instruments, including whether compute would qualify as a commodity under the Commodity Futures Trading Commission’s framework, the availability of reliable pricing data and safeguards against market manipulation.

Read full article here: Compute Futures Could Pave the Way for Compute Hedging, Says Cahill Gordon’s Kalbaugh

Attorney

- Gary E. Kalbaugh

Practices

- Commodities, Futures & Derivatives
- CahillNXT – Digital Assets & Emerging Technology