

GLM5.2 Is a Milestone for China AI, but Still Hasn't Fit in Anthropic's Shoes

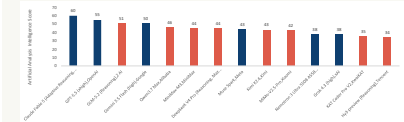
US restriction on Fable 5 access is likely unsustainable. GLM 5.2's global #3 ranking is a milestone as it is the 1st time a CN vendor enters top 3. Although it validates Zhipu's coding capability, Fable 5 ban is unlikely to drive material revenue gain for Zhipu, given Claude/CN model alternatives, open-source model deployment and fast-changing leadership. We also view anti-distillation feature from US vendors and compute shortage as risks to CN model players.

US restriction on Fable 5 access appears unsustainable. After Anthropic launched Claude Mythos 5/Fable 5 on Jun 9, the Trump administration ordered it to block foreign nationals, including non-US employees in the US, from accessing the models on national security concerns. Unable to separate non-US users quickly, Anthropic temporarily disabled global access and is tightening ID checks while negotiating with the govt to lift the ban.

GLM 5.2 ranked #3 globally in model intelligence, a milestone for Chinese AI. On Jun 13, Zhipu launched GLM-5.2 via its Coding Plan, and subsequently released API access on Jun 17. GLM-5.2 is a 744B-param MoE model with 40B active param and 1mn token context window. It has strong capabilities in coding and long-horizon agentic workflows, and is open weights under the MIT license. Leveraging GLM 5.2, Zhipu is now ranked #3 globally and #1 in China on Artificial Analysis' model intelligent index behind Anthropic and OpenAI. On coding/agentic indexes, GLM 5.2 is ranked #4/#2 globally and #1/#1 in China. On Arena.ai, GLM-5.2 Max ranked #2 on frontend coding leaderboard, only behind Fable 5 High but ahead of Claude Opus 4.7/4.8. This is a milestone for China AI, as it is the first time a Chinese model was ranked top 3 globally.

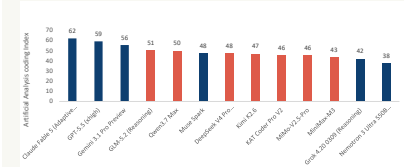
Our view: 1) **Strict US-national-only access for top AI models is unlikely to be sustainable**, as it is difficult to implement and could hurt the US AI ecosystem. Many AI researchers and engineers in the US are foreign-born. Blocking them from frontier models could slow research progress or push some talent and usage overseas, which is not what the US govt wants. 2) **Ban on Fable 5 would unlikely lead to meaningful rev for Chinese co.s.** Per our channel check, we found: a) Most users would not switch to GLM5.2 for Claude. GLM 5.2 is often viewed as having similar coding capability to Opus 4.7 but trailing Opus 4.8; b) even if developers switch to Chinese open-source model (e.g., GLM 5.2), they are likely to access the model via local deployment or hyperscalers and inference platforms (e.g., OpenRouter), which would not generate revenue for the model vendor; c) developers use different models for different coding tasks (especially in China) like code generation, debugging and long-context workloads. 3) **Model leadership is hard to maintain, compute bottleneck still a key issue.** GLM 5.2 is clearly a top-tier model in coding. But whether Zhipu can maintain its lead remains uncertain, as we have seen frequent shift of model leadership in the past. Meanwhile, Zhipu still faces shortage of high-end inference compute that could hamper its ability to meet enterprise demand, especially for long-context agentic workloads that consume much more compute. 4) **China model market's price competition is intense**, as GLM 5.2 maintains API price unchanged, while performance score is up 26% vs. GLM 5.1. 5) **Anti-distillation and US export control are negatives for China AI**, which could potentially lead to widening performance gap between frontier models in China vs. US (see [here](#)). 6) **Zhipu's valuation is too demanding.** Zhipu is trading at 94x P/ARR, assuming co. could reach US\$1bn ARR guidance at end of 2026. In comparison, Anthropic is only ~18x on an estimated US\$55bn ARR at year-end.

Chart 1 - AA Intelligence Ranking



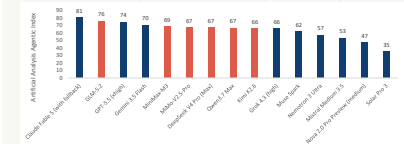
Source: Artificial Analysis, Jefferies
Blue = Global Model; Orange = Chinese model

Chart 2 - AA Coding capability Ranking



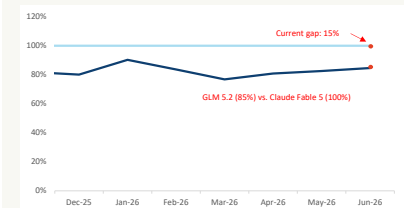
Source: Artificial Analysis, Jefferies

Chart 3 - AA Agentic capability Ranking



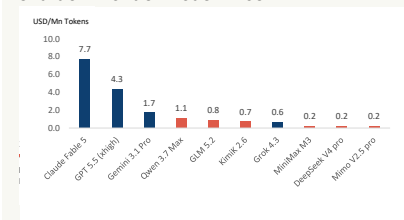
Source: Artificial Analysis, Jefferies

Chart 4 - Frontier Language Model Intelligence China vs. US



Source: Artificial Analysis, Jefferies

Chart 5 - Frontier Model Price



Source: Companies, Artificial Analysis, Jefferies

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