

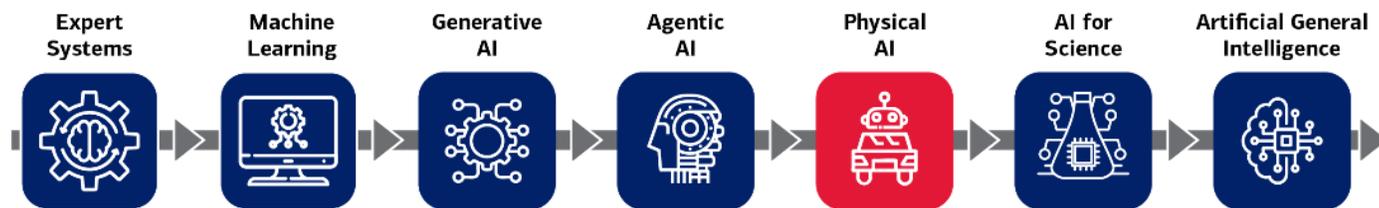
## Daily Insights

# Physical AI marks the next phase of AI commercialization

26 February 2026

**AI capabilities are evolving, with practical applications beginning to emerge in physical domains**

Infographic illustration of AI's evolution



Source: BofA Global Research

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A world with humanoid robots and autonomous vehicles might be closer than you think. Physical AI, or embodied AI, refers to the shift from systems that exist only in digital environments to machines that can sense, reason, and act in the physical world. According to BofA Global Research, this evolution marks the next major phase of AI commercialization, moving beyond chatbots and content generation toward machines capable of interacting with their surroundings and delivering real-world productivity gains.

Want to learn more about physical AI? Check out our latest series: [Physical AI, part 1: The basics](#).

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