

Is India Headed for a Bearish 2025?

India's projected GDP growth of 6.4% for the fiscal year 2024-2025 (FY25) (source: Reuters) marks its slowest pace in four years, raising concerns about potential impacts on the stock market.

GDP Growth Projections

The National Statistics Office (NSO) has estimated a 6.4% GDP growth for FY25, citing weaker manufacturing and reduced corporate investments as primary factors for the slowdown. In response, the State Bank of India (SBI) has revised its forecast to 6.3% (Source: The Print) indicating a "downward bias" due to challenges affecting economic growth.

Conversely, the International Monetary Fund (IMF) maintains a more optimistic projection (Source: The Economic Times) retaining India's GDP growth forecast at 7% for FY25, attributing this to resilient domestic demand.

Key Factors to Monitor

Several elements will influence India's economic and market trajectory in 2025:

- **Monetary Policy:** The Reserve Bank of India's stance on interest rates will significantly impact economic activity and investor sentiment.
- **Government Spending:** Fiscal policies, particularly in the upcoming Union Budget to be announced on February 1, will play a crucial role in stimulating growth.
- **Global Economic Conditions:** External factors, including global trade dynamics and geopolitical developments, will affect market performance.

The key takeaway is that,

While India's GDP growth is projected to slow in FY25, the implications for the stock market are complex and multifaceted. A bearish market is not a foregone conclusion; much will depend on domestic policy responses and global economic conditions. Investors are advised to adopt a vigilant and diversified approach, staying attuned to evolving economic indicators and policy developments.

WORLDVIEW DIGEST

NVIDIA founder Jensen Huang kicked off CES 2025

The Consumer Electronics Show (CES) 2025 is among the most powerful tech events in the world, and NVIDIA founder and CEO Jensen Huang inaugurated CES 2025 with a 90-minute keynote speech. (Source: NVIDIA)

AI (Artificial Intelligence) has been “advancing at an incredible pace,” Huang said, with an audience of more than 6,000 at the Michelob Ultra Arena in Las Vegas. “It started with perception AI — understanding images, words, and sounds. Then generative AI — creating text, images and sound,” Huang said. **Now, we’re entering the era of “physical AI, AI that can proceed, reason, plan and act.”** Modern AI has fundamentally changed how computing works.

Unveiling a series of groundbreaking products, Huang underscored the company's leadership in AI and computing. Among the most compelling updates was the Cosmos AI Platform designed to advance AI by simulating real-world scenarios for robots. This innovation aims to enhance the capabilities of autonomous systems in understanding complex physical environments. The company revealed collaborations with major automotive players with their Automotive Partnerships (Source: Investor's Business Daily)

Huang highlighted scalable solutions that redefine the boundaries of what is possible, setting a high bar for innovation and offering a compelling glimpse into a future driven by the relentless pursuit of excellence. Overall, NVIDIA's CES 2025 keynote showcased the company's commitment to advancing AI and computing technologies across gaming, robotics, autonomous vehicles, and personal computing.

Despite these significant announcements, NVIDIA's stock experienced a 6.2% decline, (Source: Investor's Business Daily) following the keynote, after initially reaching a record high. Analysts remain optimistic, highlighting NVIDIA's continued dominance in AI hardware and software.

Meta's New Fact Checking Policy

Meta, the parent company of Facebook and Instagram, has announced the discontinuation of its third-party fact-checking programs in the United States. These programs, initiated in 2016, involved collaborations with over 90 independent organizations to assess the accuracy of content shared on its platforms.

Community Notes

In place of these fact-checkers, Meta is introducing "Community Notes," a system inspired by a similar feature on X (formerly Twitter). This approach empowers users to add contextual notes to posts they perceive as misleading, with the aim of fostering a community-driven method to address misinformation.

Free Expression or Misinformation?

CEO Mark Zuckerberg stated that this transition is part of Meta's effort to return to its foundational principle of promoting free expression. He expressed concerns that the previous fact-checking system had led to over-moderation and was influenced by political biases, which, according to him, undermined trust.

Critics, however, warn that relying on user-generated notes may not effectively curb the spread of false information. They point to challenges faced by similar systems on other platforms, where community-driven moderation has sometimes failed to prevent the dissemination of misinformation and, in certain cases, exacerbated the problem.

What This Means for Users

For everyday users, the change means a more participatory role in content moderation. However, it also places greater responsibility on individuals to critically assess the reliability of annotations and flagged posts.

To Be Determined

As Meta implements these changes, the effectiveness of "Community Notes" in maintaining the integrity of information on its platforms remains to be seen. The company faces the challenge of balancing the promotion of free expression with the responsibility of preventing the spread of misinformation.

On Monday, Meta traded at \$604.63, near its 52-week high of \$638.40 (Source: Investing.com) reflecting strong market confidence. Meta's current market capitalization is \$1.53 trillion.