

BI-WEEKLY

# NEWSLETTER

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# RSI

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*Global News, financial analyses, data center related laws & regulations and further latest updates about technologies transforming the data center industry.*

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## Intel Shows Why Nvidia Is Still Hard to Beat

Intel is facing significant challenges in its efforts to compete with Nvidia in the AI chip market. Despite Nvidia's recent market value decline due to breakthroughs by Chinese AI startup DeepSeek, Intel's own struggles hinder its competitive stance. The company announced it wouldn't bring its Falcon Shores GPU accelerator to market, opting to use it as a test chip, and has also seen weak demand for its Gaudi AI accelerator chip. Meanwhile, Nvidia's Blackwell chip family is expected to generate substantial revenue, reinforcing its market dominance. Intel's outlook remains uncertain as it deals with negative cash flow and market share loss amid robust competition from Nvidia and AMD. Analysts predict a significant cash burn for Intel this year, with its stock also suffering due to leadership changes and prolonged turnaround plans. These developments highlight the difficulties Intel faces in closing the gap with Nvidia in the AI chip sector.

## Google's rising holiday's season ad sales aren't enough to ease worries about AI letdown

Google's digital ad sales grew robustly during the holiday season, but investors remain concerned about the company's AI investments. Alphabet's earnings and revenue increased, but the Google Cloud division's AI-driven growth fell short of expectations. This shortfall led to a significant drop in Alphabet's stock price. Despite AI-generated summaries boosting ad sales, Google's heavy spending on AI and competition from cheaper alternatives have investors worried. Additionally, Google faces regulatory challenges in the U.S., which could impact its revenue. The company's future success hinges on its ability to effectively monetize AI technologies

Source: [Apnews](https://apnews.com), February 5th, 2025

Source: [Wsj](https://www.wsj.com), February 3rd, 2025

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## Microsoft's Bill Gates issues this key reminder to Nvidia bulls

Microsoft's Bill Gates has cautioned investors about the rapid growth of AI infrastructure, emphasizing the need for caution. He highlighted that while AI is a significant advancement, the pace of its expansion should be carefully managed. Gates noted that the surge in AI investments could lead to market volatility if not approached prudently. He advised stakeholders to balance enthusiasm with a realistic assessment of AI's capabilities and limitations. Gates also mentioned that the current AI boom might not be sustainable in the long term.

He suggested that companies should focus on developing AI technologies that offer tangible benefits rather than speculative gains. Gates expressed concerns about the potential for overvaluation in the AI sector. He recommended that investors conduct thorough due diligence before committing to AI-related ventures. Gates concluded by urging a measured approach to AI development and investment to ensure long-term success.

Source : [Yahoo Finance](#), February 4th, 2025

## Researchers say China's DeepSeek chatbot is linked to state telecom, raising data privacy concerns

China's DeepSeek chatbot is suspected of transmitting user login data to China Mobile, a state-owned telecom linked to the government and military. Despite being banned in the U.S., researchers found China Mobile's script embedded in DeepSeek's login page, raising security concerns. The discovery suggests a deeper level of state involvement in the AI platform. Comparisons have been made to TikTok, highlighting potential data privacy risks. In response, Italy has blocked access to DeepSeek to protect user information. Texas has also banned its use on government devices due to security threats.

Source: [Apnews](#), February 5th, 2025

## Meta shares pop after company beats on revenue

Meta reported strong financial results for the fourth quarter and full year 2024, with revenue reaching \$48.39 billion for Q4 and \$164.50 billion for the full year, marking increases of 21% and 22% year-over-year, respectively. The company's net income for Q4 was \$20.84 billion, a 49% increase from the previous year. Meta's daily active people (DAP) averaged 3.35 billion in December 2024, up 5% year-over-year. Ad impressions across Meta's apps increased by 6% in Q4 and 11% for the full year, with the average price per ad rising by 14% and 10%, respectively. Total costs and expenses for Q4 were \$25.02 billion, a 5% increase year-over-year. Meta's capital expenditures for the full year were \$39.23 billion. The company also highlighted progress in AI, augmented reality glasses, and the future of social media.

Source: [Cnbc](#), January 29th, 2025

## Alphabet stock tumbles after cloud revenue miss, spending growth

Alphabet, Google's parent company, reported fourth-quarter revenue of \$96.5 billion, slightly below analyst expectations of \$96.7 billion. The company's cloud computing division generated \$12 billion in revenue, marking a 30% year-over-year increase but falling short of the anticipated 33% growth. This slowdown in cloud growth contributed to a 7% decline in Alphabet's share price. Despite these challenges, Alphabet's net income rose by 28% to \$26.5 billion, surpassing forecasts. CEO Sundar Pichai announced plans to invest \$75 billion in artificial intelligence and data center infrastructure in 2025, a significant increase from the previous year's \$52.5 billion.

This substantial capital expenditure has raised concerns among investors about potential overspending amid intensifying competition in the AI sector. Additionally, Alphabet faces regulatory scrutiny, including antitrust investigations in the U.S. and China, which could impact its operations. The company is also revising its AI principles, notably removing previous commitments against developing AI for weapons. These developments underscore the challenges Alphabet faces as it navigates slowing cloud growth, increased spending, and regulatory pressures.

Source: [Yahoo Finance](#), February 5th, 2025

## OpenAI's CEO Touts Tripling of Users in Pitch to India Founders

OpenAI's CEO, Sam Altman, highlighted a significant increase in the company's user base during a recent presentation to Indian entrepreneurs. He emphasized that India has become OpenAI's most important international market, contributing to a tripling of users over the past year. Altman also discussed the company's plans to expand its presence in India, including potential collaborations with local startups and investments in AI research and development. He acknowledged the challenges of operating in diverse markets but expressed optimism about the opportunities in India. Altman underscored the importance of adapting OpenAI's products to meet the unique needs of Indian users. He concluded by reaffirming OpenAI's commitment to fostering innovation and supporting the growth of the AI ecosystem in India.

Source: [Yahoo Finance](#), February 5th, 2025

## China launches an antitrust probe into Google. Here's what it means

The Chinese government has initiated an antitrust investigation into Google, marking the latest complication in the complex relationship between the tech giant and China. This move is part of China's retaliatory measures against new tariffs imposed by U.S. President Donald Trump. Historically, Google launched its censored Chinese search engine, google.cn, in 2006, capturing a 36% market share before withdrawing in 2010 due to cyberattacks and censorship disputes. Consequently, Google's services have been blocked in mainland China. Although direct services are inaccessible, Google still operates in China through its advertising business and maintains offices in Beijing, Shanghai, and Shenzhen. The antitrust probe, suspected to target Google's Android operating system, could impact its operations, but the immediate effects remain unclear. Experts view this investigation as a possible negotiation tool amidst the ongoing U.S.-China trade war.

Source: [Apnews](#), February 5th, 2025

# RSI's Advisory Services

*For those considering data center related new business*

## Wide variety of industries are beginning to enter and invest in the data center sector

RSI provides advisory services supports for companies eager to invest in a data center related new business. Recently, companies in a variety of industries have shown a growing interest in services for which RSI provides advisory supports, including but not limited to data center investment, land development, and investment in advanced technologies such as high-load servers for generative AI.



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Immersion Cooling And Container  
Data Center Design And Operations



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