

BUSINESS NEWS UPDATE

“Nothing is impossible, the word itself says ‘I’m possible.’”

India Inc may report good numbers in Q3

India Inc’s earnings for the December 2023 quarter are expected to show strong growth on the back of good numbers from auto manufacturers, banks, capital goods makers, cement producers and residential real estate developers. In aggregate, companies are likely to report a high single-digit increase in profits when seen year-on-year, though the rise may be somewhat modest sequentially. Good results from oil marketing companies (OMCs) will boost aggregate profits thanks to the helpful base in Q3FY23 when these firms reported losses. However, IT services players are expected to turn in an ordinary performance.

Source: [Financial Express, Jan 8, 2024](#)

SaaS to spur revenue growth for IT firms in 2024: Analysts

Optimism over SaaS (software as a service) companies will drive revenue growth of Indian IT firms in 2024, while ER&D (engineering and research and development) work will remain a bright spot, according to analysts. Indian IT players have ‘sell-to’ and ‘sell-with’ partnerships with a number of global SaaS companies, ICICI Securities said in a note. Recent results of such global companies and commentaries of their managements indicate that they “exhibit a texture of stable demand, and even improvement”. “We see SaaS players being early beneficiaries of Gen AI, with follow-on effects on IT services industry with a time lag,” said the ICICI Securities note. Kotak Institutional Equities, in a note, said, “

Source: [Financial express, Jan 8, 2024](#)

Rich valuations may weigh on equity returns in CY24: CLSA

Foreign brokerage CLSA has cautioned that the top-decile valuations of Indian equities may weigh on returns this year, notwithstanding the prospect of a third term for the incumbent government at the Centre. “A delayed cool-off in inflation and dramatic growth slowdown in the US could raise fears of recession and will be negative for global equities, including India. A risk-on environment, on the other hand, could shift flows to laggards like China from India, given the extended valuation premiums,” CLSA analysts said in a note. Retail investors’ direct ownership in the BSE 500 stocks has climbed to over \$300 billion. Their allocation to small caps is at a multi-year high of 15.9 per cent. At 21 per cent, their ownership of mid-caps is nearing the previous high of December 2021. Their share of large caps has fallen to multi-year lows of 63.1 per cent.

Source: [Hindu Business Line, Jan 8, 2024](#)

Large language models: Brace for shakeout in gen AI world

I believe that 2024 will be the real ‘Year of AI and GenAI’, putting even 2023 in the shade. The AI race accelerates: Google’s Gemini has put further fuel in the GenAI fire, and there will be a race between OpenAI-Microsoft, Google, Meta and well-funded startups like Inflection and Anthropic to build newer, more powerful GenAI models. We might see GPT4.5 or 5, and Gemini Ultra will be launched. However, there will also be a shakeout, with stability being perhaps the first casualty. LLMs become LMMs: Large language models will become large multimodal models, going beyond text to pictures, videos, sound, etc., and some of them will have agency and power to perform tasks on our behalf. We will also see SLMs or ‘small language models’ built for specific tasks with less power, like Gemini Nano and Microsoft’s Orca.

Source: [Financial Express, Jan 8, 2024](#)
