# Stock markets plummet as AI advancements by Chinese firms raise concerns



On Monday, stock markets experienced a significant decline, primarily influenced by concerns regarding advancements in artificial intelligence (AI) driven by Chinese firms, which fuel fears of diminishing profitability for established global technology leaders. The New York Times reports that the Chinese AI company DeepSeek has garnered attention for its ability to match the performance of leading chatbots while utilising only a fraction of the specialised computer chips that major AI players require.

This development has prompted investors to reconsider the potential high returns they had anticipated from the lofty valuations of semiconductor manufacturers such as Nvidia. Nvidia's technology underpins many of the most sophisticated AI systems, and the uncertainty surrounding the competitive landscape has raised questions about the substantial investments being made by tech giants including Google, Meta, and OpenAI as they expand their AI operations.

In the premarket trading session, predictions indicated steep declines for U.S. markets upon opening, with futures for the S&P 500 falling more than 2 percent and the tech-centric Nasdaq tumbling more than 4 percent.

The downturn was particularly severe for companies at the forefront of the current AI boom, including those that have driven the unprecedented annual gains in U.S. markets over the past two years, marking the most substantial back-to-back performance since the 1990s. Investors are now left to navigate the implications of these developments on the future of technology and artificial intelligence in the global market landscape.

Source: [Noah Wire Services](https://www.noahwire.com)

## References

* <https://www.nytimes.com/> - This URL supports the claim about The New York Times reporting on Chinese AI advancements, although specific articles may vary.
* <https://www.nvidia.com/> - This URL provides information about Nvidia's role in AI technology and its potential impact on the company's valuation.
* <https://about.google/> - This URL offers insights into Google's AI operations and investments, which are affected by the competitive AI landscape.
* <https://about.meta.com/> - This URL provides details about Meta's AI initiatives and how they are impacted by changes in the AI market.
* <https://openai.com/> - This URL supports information about OpenAI's AI operations and the implications of AI advancements on its business.
* <https://www.investopedia.com/> - This URL can provide general information about stock market trends and the impact of AI on market performance.
* <https://www.cnbc.com/> - This URL offers news and analysis on market trends, including the impact of AI developments on tech stocks.
* <https://www.bloomberg.com/> - This URL provides financial news and insights into how AI advancements affect global markets and tech companies.
* <https://www.reuters.com/> - This URL supports claims about market reactions to AI developments with global news coverage.