

Macro Roundup Article

Headline: [Nvidia Shares Bounce Back as Microsoft Increases AI Spending](#)

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Tweet: Microsoft's capex in their fiscal Q4 ending in June grew 80% y/y to \$18B. TD Cowen analysts raised their forecast of MSFT 2025 capital spending from \$70B to 84B. The firm says the spend "really will be monetised over 15 years and beyond."

Summary: Microsoft's capital expenditures for the quarter to June 30 hit \$19bn, nearly 80% higher than the same period a year ago and ahead of Wall Street's forecasts. "Nearly all" of that was cloud and AI-related spending, said its chief financial officer Amy Hood, and those investments would pay off during the second half of the year when Azure growth would "accelerate." Analysts at TD Cowen said on Wednesday that they had raised their forecasts for Microsoft's capital spending from \$70bn to \$84bn for the 2025 financial year. Hood said that half of Microsoft's capital spending went towards land, building, and leases, which "really will be monetised over 15 years and beyond", while the other half was spent on technical equipment, including chips and servers, which would be "based on demand signals."

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Primary Topic: Investment

Topics: Business Cycle, Financial Markets, GDP, Investment, News article, Productivity

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