

GLOBAL X INSIGHTS

# The Next Big Theme: February 2025

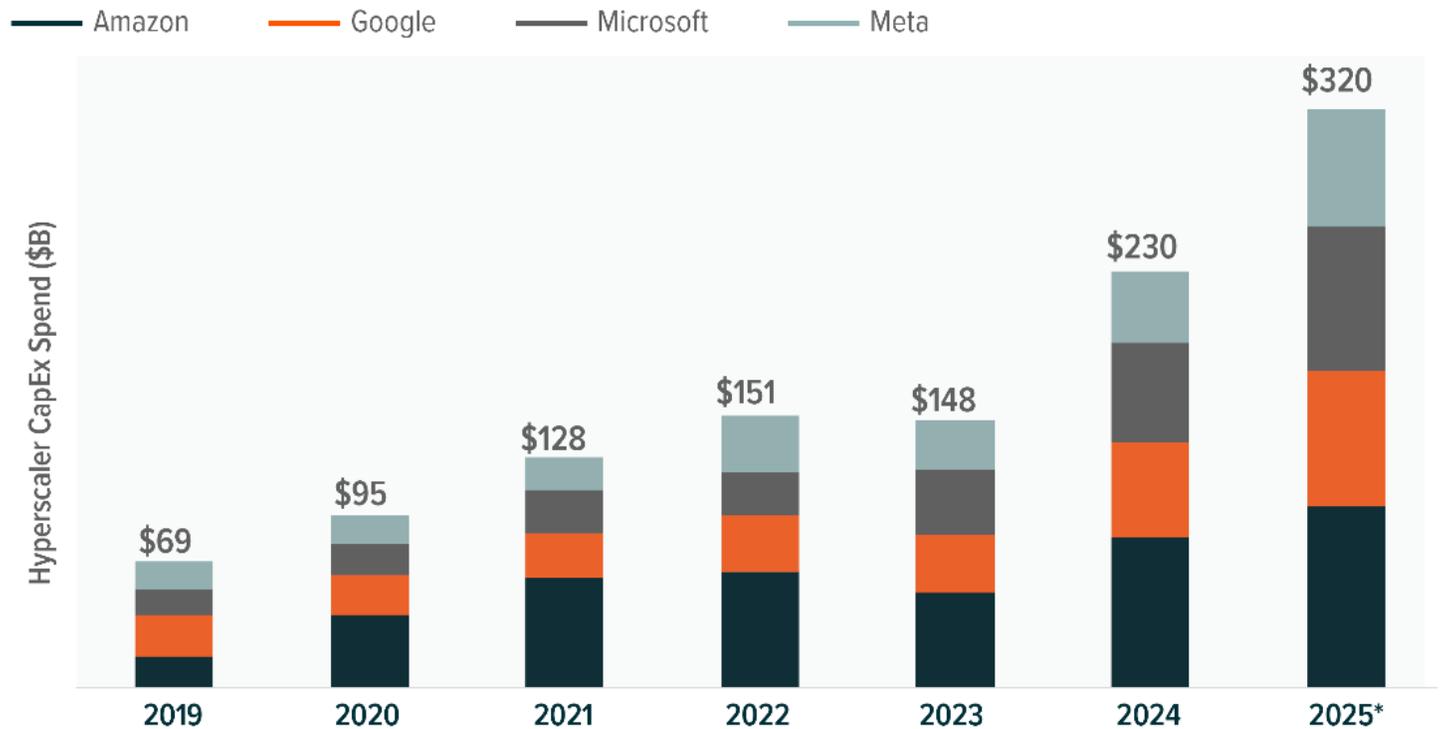
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Topic: **Thematic**



## MONTHLY CHART SPOTLIGHT

### 2025 EXPECTED TO BE ANOTHER RECORD YEAR FOR HYPERSCALE CAPITAL EXPENDITURE (CAPEX), AS AI INFRASTRUCTURE MATURES



Sources: Global X ETFs with information derived from: Factset. (n.d.). Amazon (AMZN), Alphabet (GOOGL), Microsoft (MSFT), and META Financial Data. Accessed on Feb 10, 2025.  
\*Global X forecast based on AMZN, GOOGL, MSFT, and META company guidance.



## Artificial Intelligence

### *AI Infrastructure and Startup Investments Continue to Surge*

In a joint venture with Oracle, OpenAI, and Softbank, President Trump announced a new project called Stargate. The initiative will invest an initial \$100 billion in domestic AI infrastructure and up to \$500 billion over the next four years to help support U.S. re-industrialization and strengthen national security for America and its allies. Already underway is a 1 million square-foot data center construction project in Texas. Oracle and OpenAI, along with Arm, Microsoft, and Nvidia, will be the key initial tech partners of the project. Softbank Masayoshi Son will serve as the chairman.<sup>1</sup> On fundraising, OpenAI is in talks to raise up to \$40 billion, potentially valuing the company at \$340 billion. This valuation would nearly double OpenAI's October 2024 valuation and position it as the world's second-most valuable startup after SpaceX. SoftBank is expected to lead the funding round with an investment of \$15–25 billion, which would make it OpenAI's largest investor, surpassing Microsoft.<sup>2</sup>

## U.S. Electrification

### *Power Industry Marks a Historic Acquisition*

U.S. nuclear power provider Constellation Energy agreed to acquire natural gas and geothermal company Calpine Corp. for \$16.4 billion, one of the largest power sector deals in U.S. history. The deal turns Constellation, which is already the largest U.S. nuclear plant operator, into the largest U.S. independent power provider, expanding its generation capacity to nearly 60 gigawatts (GW). It also significantly increases Constellation's presence in Texas and California, two of the most energy-intensive markets. The acquisition is a major milestone in U.S. electrification because it reinforces the ongoing shift toward low-emission and reliable power generation. With demand for electricity surging, driven by AI data centers, electric vehicle adoption, and building electrification, energy providers are racing to expand grid capacity with a mix of nuclear, natural gas, and geothermal power. In particular, natural gas plays a key role in meeting current data center demand.<sup>3</sup>

## Defense Tech

### *U.S. Pentagon Tasked to Implement Next-Generation Missile Defense Systems*

President Trump issued an executive order referred to as Iron Dome for America, tasking the Pentagon to develop an implementation plan within the next two months for a multilayer missile defense system like Israel's. The aim is to protect the country against ballistic, hypersonic, advanced cruise missiles, and other next-generation aerial attacks. Notably, given space's growing role in warfare and the decreasing cost of satellite deployment, the order mandates that the defense systems are underpinned by space-based sensors and interceptors stationed in orbit that can defeat ballistic missiles during their boost phase. The order requires an accompanying funding plan that can be examined and included in the upcoming budget request for fiscal 2026. Large-scale architecture with this level of sophistication could cost upwards of \$100 billion.<sup>4</sup>

## Healthcare Innovation

### *Innovative Therapies Advance in Breast Cancer and Obesity Treatment*

AstraZeneca received Food and Drug Administration approval for its next-generation chemotherapy for patients with advanced forms of breast cancer who have received prior treatments. The treatment, which is already approved for lung cancer, is an antibody drug conjugate that works by delivering chemotherapy directly to tumor cells, sparing healthy cells and reducing toxic side effects. In a late-stage trial, the drug slowed disease progression in trial patients whose cancer could not be surgically removed or had spread beyond its origin.<sup>5</sup> Sales are projected to hit \$5 billion by 2030.<sup>6</sup> In an early trial, Novo Nordisk's next-generation GLP-1 helped patients shed a substantial amount of weight. Novo said that patients on a high dose of the injectable form of the drug, called amycretin, lost 22% of their weight after 36 weeks. If confirmed in larger trials, this treatment could have an edge over available obesity treatments.<sup>7</sup>

## Lithium & Battery Technology

### *Global Battery Energy Storage Grew Sharply in 2024*

In another banner year for battery storage, the fastest-growing battery demand market, global battery energy storage system (BESS) deployments grew a record-high 53% year over year (YoY) in 2024. The grid market was the key driver of this growth with more than 160 gigawatt hours (GWh) deployed globally, of which 98% was lithium-ion. China installed the most capacity, with new grid-scale BESS deployments growing 67% YoY to 108GWh. The United States and Canada followed with close to 40GWh installed. Traditionally smaller BESS markets, including the United Kingdom, Latin America, and Asia-Pacific (excluding China), more than doubled new deployments from 2023. Globally, 17 projects over 1GWh capacity entered operation, versus just 4 projects over 1GWh in 2023. The pipeline for these large projects is growing significantly, with 140 projects over 1GWh planned for 2025 and 2026, of which 30 are over 2GWh.<sup>8</sup>



## Robotics & Artificial Intelligence

### *The Physical AI Era Is Here*

At the 2025 Consumer Electronics Show (CES), Nvidia introduced two new technologies that we believe have the potential to expedite the development of robotics and autonomous driving. First, Nvidia introduced its open model license Cosmos platform for developing physical AI systems. Cosmos uses world foundation models (WFMs) to generate photo-realistic video for training physical AI systems like self-driving cars and humanoid robots at lower costs than traditional data collection methods, such as real-world driving. The synthetic training data that these models produce allows machines to understand the physical world, like how large language models (LLMs) enable chatbots to communicate naturally.<sup>9</sup> Nvidia also debuted its Isaac GROOT Blueprint, a software tool for training humanoid robots. Developers can record specific movements that the software synthesizes into a broader range of actions, enabling robots to learn more efficiently.<sup>10</sup> In our view, both new technologies can help alleviate the bottleneck of limited data for robotic and self-driving applications.

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- [AI Infrastructure – Laying the Groundwork](#)
- [CleanTech: Critical to Energy Security](#)
- [J.P. Morgan Healthcare Conference 2025: Healthcare’s Roadmap for the Year Ahead](#)
- [Tech-Enabled Health: Revolutionizing the Standard of Care](#)
- [CES 2025: Physical AI Is Here](#)

## ETF HOLDINGS AND PERFORMANCE

To see individual ETF holdings and current performance across the Global X Thematic Suite, including information on the indexes shown, click these links:

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- **Consumer Economy:** [Millennial Consumer ETF \(MILN\)](#), [E-Commerce ETF \(EBIZ\)](#), [Genomics & Biotechnology ETF \(GNOM\)](#), [Aging Population ETF \(AGNG\)](#), [HealthTech ETF \(HEAL\)](#)
- **Infrastructure & Environment:** [U.S. Infrastructure Development ETF \(PAVE\)](#), [CleanTech ETF \(CTEC\)](#), [Renewable Energy Producers \(RNRG\)](#), [Clean Water ETF \(AQWA\)](#), [Hydrogen ETF \(HYDR\)](#), [AgTech & Food Innovation ETF \(KROP\)](#), [Infrastructure Development ex-U.S. ETF \(IPAV\)](#)
- **Digital Assets:** [Blockchain & Bitcoin Strategy ETF \(BITS\)](#), [Bitcoin Trend Strategy ETF \(BTRN\)](#)
- **Multi-Theme:** [Dorsey Wright Thematic ETF \(GXDW\)](#)

### Footnotes

1. CNBC. (2025, January 21). Trump announces AI infrastructure investment backed by Oracle, OpenAI and Softbank.
2. CNBC. (2025, January 30). OpenAI in talks to raise funding that would value AI startup at up to \$340 billion.
3. CNBC. (2025, January 10). Constellation Energy to buy Calpine in blockbuster \$16.4 billion U.S. power deal.
4. DefenseScoop. (2025, January 28). Trump revives push for space-based interceptors in 'Iron Dome for America' edict.
5. Reuters. (2025, January 17). US FDA approves AstraZeneca's drug for breast cancer.
6. Stat. (2025, January 19). AstraZeneca, Daiichi Sankyo win first U.S. approval for key cancer drug.
7. Fierce Biotech. (2025, January 24). Novo Nordisk links next-gen obesity drug to 22% weight loss at Week 36, sending stock up 11%.
8. Energy Storage News. (2025, January 14). Global BESS deployments soared 53% in 2024.
9. Nvidia. (2025, January 6). NVIDIA Launches Cosmos World Foundation Model Platform to Accelerate Physical AI Development.
10. Nvidia. (2025, January 6). NVIDIA Announces Isaac GROOT Blueprint to Accelerate Humanoid Robotics Development.

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