

News and Notes:

January Newsletter

Top Headlines

- DeepSeek
- Mortgage Rates
- Oil and AI
- Feeling better



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January Effect: When stocks finish January in positive territory, the rest of the year sees gains 79% of the time, with a median increase of 11.5%. When January is negative, the likelihood of gains drops to 58%, and the average increase is just 2.4% (source Barrons).

DeepSeek: U.S. technology firms like Nvidia plunged, as Chinese startup DeepSeek sparked concerns over competitiveness in AI and America's lead in the sector, triggering a global sell-off in January. DeepSeek launched a free, open-source large language model in late December, claiming it was developed in just two months at a cost of under \$6 million. These developments have bolstered questions about the large amounts of money big tech companies have been investing in artificial intelligence models and data

centers (source: CNBC).

Mortgage Rates: Mortgage rates continued their upward climb in January, leaping above 7% and adding further pressure on the stagnant housing market. Freddie Mac's latest Primary Mortgage Market Survey, released on January 16th, showed that the average rate on the benchmark 30-year fixed mortgage jumped to 7.04%, up from 6.93%. The average rate on a 30-year loan was 6.60% a year ago (source Freddie Mac).

Give it Away: Following her divorce from Jeff Bezos, Mackenzie Scott has so far given away a staggering \$17.3 billion (source: Candid).

Tax Lobbyists: The total number of employees who work for the government's free tax-preparation software, Direct File, are outnumbered by the number of lobbyists who work for Intuit (source: the New

York Society of CPA's).

Oil and AI: Over the last decade, fueled by AI, US oil producers have pumped 60% more oil daily with 40% fewer workers. By extracting more oil while reducing expenses, they're lowering the costs to drill profitably. In the Permian Basin, the break-even price for oil producers has fallen to \$40 a barrel from over \$90 in 2012 (source Barrons).

Feeling Better: Gallup's annual global survey of 146,000 people in 142 countries revealed that negative emotions declined for the first time in a decade, and positive emotions reached their highest level since before the pandemic, with an uptick in people feeling more-well-rested, experiencing more enjoyment, and smiling and laughing more (source: Gallup).

Health Costs: The av-

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February Newsletter

If you buy things, you do not need, soon you will have to sell things you need”

-Warren Buffett

“Dance like no one is watching, but text and email like it will be read in court one day.”

Your Lawyer



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average 65-year-old retiring in 2024 will spend \$165,000 on health care and medical treatment for the rest of their life (source: Fidelity).

Doctor Time: The average waiting time in America for new patients to see a physician is 26 days, which is for mostly healthy people, while 22% of acutely ill patients 65 or older who sought emergency medical attention had to wait six or more days for an appointment (source: AARP).

Net Worth: Adjusted for inflation the median net worth of people ages 35 to 44 was \$130,380 in 1989. In 2022, that

number was slightly higher, at \$135,000. Those under 35 are also doing better, with a net worth of \$39,040 in 2022 compared with an inflation-adjusted \$18,740 in 1989 (source: BusinessInsider).

Breaking Bad: The Albuquerque 3-bedroom, 1-bath home of Breaking Bad’s fictional high school teacher, Walter White, is on the market for \$4million- more than ten times its Zillow estimated value of \$350,000 (source: BusinessInsider).

AI Teaching: A teaching experiment in Nigeria, where students

used AI as an after-school tutor, just shattered expectations. The learning improvements at 0.3 standard deviations were striking. To put it into perspective, that is the equivalent of nearly two years of learning in just six weeks (source: Worldbank).

Get Moving: Pre-retirees envision and active retirement lifestyle with traveling (79%) and exercising (71%) rising to the top of their lists. In contrast, watching TV is the top activity for current retirees (83%) (source: NAPA).

The Libertyville Sunrise Rotary will be having its annual Fundraiser on March 8th. The event will feature the Second City Traveling Group. The night will start with early dinner dine arounds at local restaurants, the show at the Libertyville high school auditorium, and an after party at Mickey Finns in Libertyville. There will be a silent auction and raffle. For ticket information go to <https://onecau.se/secondcity2025>. All proceeds benefit local charities, scholarships at Libertyville High School, and a few international projects with Rotary groups around the world

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