

News and Notes:

January Newsletter

Top Headlines

- Fed Cuts
- Weight Loss Drugs
- Inflation
- Apple Buy Backs



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Fed Cuts: The Federal Reserve cut interest rates in December for the third meeting in a row and said it expects fewer cuts in 2025 than previously anticipated. After a two-day meeting of its monetary policy committee in Washington the Fed announced it would move its rate target from 4.25% to 4.5%. Most members of the federal Open Market Committee expect just two more interest rate cuts in 2025, when the committee will meet eight times. That is notably fewer rate cuts than officials had previously projected (source: Washington Examiner).

Weight Loss Drugs: Prescription fills for blockbuster weight loss medications in the U.S. more than doubled in 2024, even with limited insurance coverage and high out of pocket costs for the treatments. That's according to new data from drug savings company GoodRX, which examined fill trends and spending patterns for weight loss drugs such as Novo Nordisk's Wegovy and Eli Lilly's Zepbound. It offers more evidence of the insatiable demand for a class of medications called GLP-q and GIP antagonists, which have hefty price tags of roughly \$1,00 per month be-

fore insurance and savings cards (source: CNBC).

Inflation: According to the federal government's Bureau of Labor Statistics, the Consumer Price Index (CPI) recorded a 2.7% percent annual increase in November. The data suggests that inflation remains elevated above the Federal Reserve's target and that the specter of high prices remains a problem for many Americans. This could lead the Federal Reserve to hold off on future rate cuts (source: The National Pulse).

Social Security: Based on the latest numbers, about half of the people who are 80 today will outlive Social Security's ability to pay scheduled benefits, unless changes to the program are made (source: Barrons).

Imports: Last year, products coming from China made up 14% of all imported goods, the lowest share in nearly two decades. Mexico (15.4%) became the largest source of U.S. imports, with Canada (13.6%) no far behind (source: The Week).

Lots in Stock: As of October 15th, U.S. households held 48% of their financial assets in equities- a record that equals the previous peak, set around the turn of the century. This allocation is far above

the long-term median of 28%. In contrast, cash allocations represent around 15% of households' financial assets- near a record low (source: Goldman Sachs).

Big Tech: The combined revenue of the four biggest U.S. tech companies hit a record \$1.6 trillion over the last 12 months. That's larger than the GDP of all but 15 countries (source: The Week).

Big Buy Backs: Over the past ten years, Apple has bought back \$655 billion in stock, which is more than the market cap of 490 companies in the S&P 500 (source: Hightower Advisors).

Claims Denied: A poll from the healthcare policy group KFF last year found that nearly a fifth of U.S. adults reported having a claim for medical care denied by an insurer over the prior year (source: Barrons).

Less Holiday Parties: In 2007, according to data from Challenger, Gray and Christmas, 90% of firms said they hosted a holiday party. This year 64% of 173 companies surveyed told Challenger they're having one, and a Harris Poll of 1,238 employed adults

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“if we had no winter, the spring would not be so pleasant; if we did not sometimes taste of adversity, prosperity would not be so welcome”

-Anne Bradstreet



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found only 48% of workplaces now hold regular annual in-person holiday parties (source: Market Axios).

Holiday Creep: “Holiday Creep” is the term for when retailers start selling holiday-themed items before the traditional start of the season. This year, the window between Thanksgiving and Christmas was almost one week shorter, so holiday sales events started as early as October to make up the time (source: CBS News).

OpenAI: In a blog post in December, OpenAI laid out its early plans for changing its corporate structure to allow for more capital raising and growth. Open AI said its existing for-profit division will become a public benefit corporation or PBC, “with ordinary shares of stock”. The PBC will oversee commercial operations, and the non-profit will hire a staff to pur-

sue charitable initiatives, OpenAI said. OpenAI already has a \$157 billion valuation, achieved in the two years since the company launched its virtual Chatbot, ChatGPT (source: CNBC).

Credit Card Debt: Consumers are on track to set a spending record in December according to forecasts. 36% of Americans went into debt over the holiday season. Heading into the peak holiday shopping season, credit card balances were already 8.1% higher than a year ago, according to the Federal Reserve Bank of New York's report on household debt. Of those with debt, 21% expect it'll take five months or longer to pay it off (source: CNBC).

Netflix: Netflix set records for the most streamed NFL games ever in the U.S. with its two Christmas Day matchups, according to Niel-

sen. Nearly 65 million people across the U.S. tuned in to the two NFL games Christmas Day. The NBA also had its most-watched Christmas Day in five years, averaging 5.25 million viewers per game in the U.S. across five contests throughout the day according to Nielsen (source: Nielsen).

Refund Coming: The Internal Revenue Service (IRS) announced plans to issue automatic payments to eligible taxpayers who didn't claim the Recovery Rebate Credit on their 2021 tax returns. IRS officials found roughly 1 million taxpayers didn't claim the pandemic-related credit in their 2021 return when they were eligible to receive it (source: IRS)

Happy New Year

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