

Costco's Conundrum, Pulling Presidential Powers, and Lessons Learned

January 27, 2025

- **Fuel Frenzy** – The December 2024 Consumer Price Index rose by 0.4% after rising 0.3% in November 2024. Gasoline was a top contributing factor, with a 4.4% increase in December 2024. From January 2024 through December 2024, the index rose 2.9% (source: U.S. Bureau of Labor Statistics).
- **Great Growth** – Bank of America released its Q4 earnings report, citing \$6.7 billion in net income and earnings per share of \$0.82. For the full year 2024, Bank of America generated \$102 billion in revenue and \$27.1 billion in net income (source: The Motley Fool).
- **Costco's Conundrum** – Teamsters, a union representing Costco workers, voted overwhelmingly in favor of a nationwide strike as they enter the final week of contract negotiations. The negotiation deadline is January 31, 2025 (source: Reuters).
- **Strong Sales** – Salesforce reported an 8% increase in revenue and a 29% increase in operating cash flow year-over-year for its third quarter ended October 31, 2024. Subscription and support services led these growth trends (source: Salesforce).
- **In the Hot Seat** – The U.S. Equal Employment Opportunity Commission has launched lawsuits against General Motors for age discrimination and Stellantis for sexual harassment. General Motors allegedly reduced sickness and accident benefit payouts to older employees who receive Social Security benefits (source: Reuters).
- **Prices Picking Up** – U.S. import prices increased by 0.1% in December 2024, following 0.1% increases in both November and October 2024. U.S. export prices also rose by 0.3% in December 2024 (source: U.S. Bureau of Labor Statistics).
- **Time to Pay Up** – Vanguard Group will pay \$106.4 million to the U.S. SEC for failing to disclose important tax information about its target-date funds, causing countless investors to pay inflated tax bills (source: Reuters).
- **Pulling Presidential Powers** – President Biden pardoned Dr. Anthony Fauci, Gen. Mark Milley, and members of the House committee that investigated the January 6th attack on the Capitol in his final hours, citing he's safeguarding against potential "revenge" by the Trump administration (source: AP News).
- **Lesson Learned** – Hailey Welch, a 22-year-old who went viral on TikTok, is facing legal action against her Hawkcoin. The lawsuit alleges securities violations and misuse of internet fame to market an unregistered investment. Shortly after its launch on December

4, Hawkcoin hit a \$490 million valuation. However, related parties allegedly held 80% to 90% of Hawkcoin's supply at launch and quickly sold the shares after the value increase, dropping the market value to \$26.4 million (source: New York Post).

- **A Historic Fire** – The Palisades Fire will go down in history as the worst fire in Los Angeles, destroying almost the entire neighborhood of Pacific Palisades (source: The Week).

Definitions and Indexes

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