

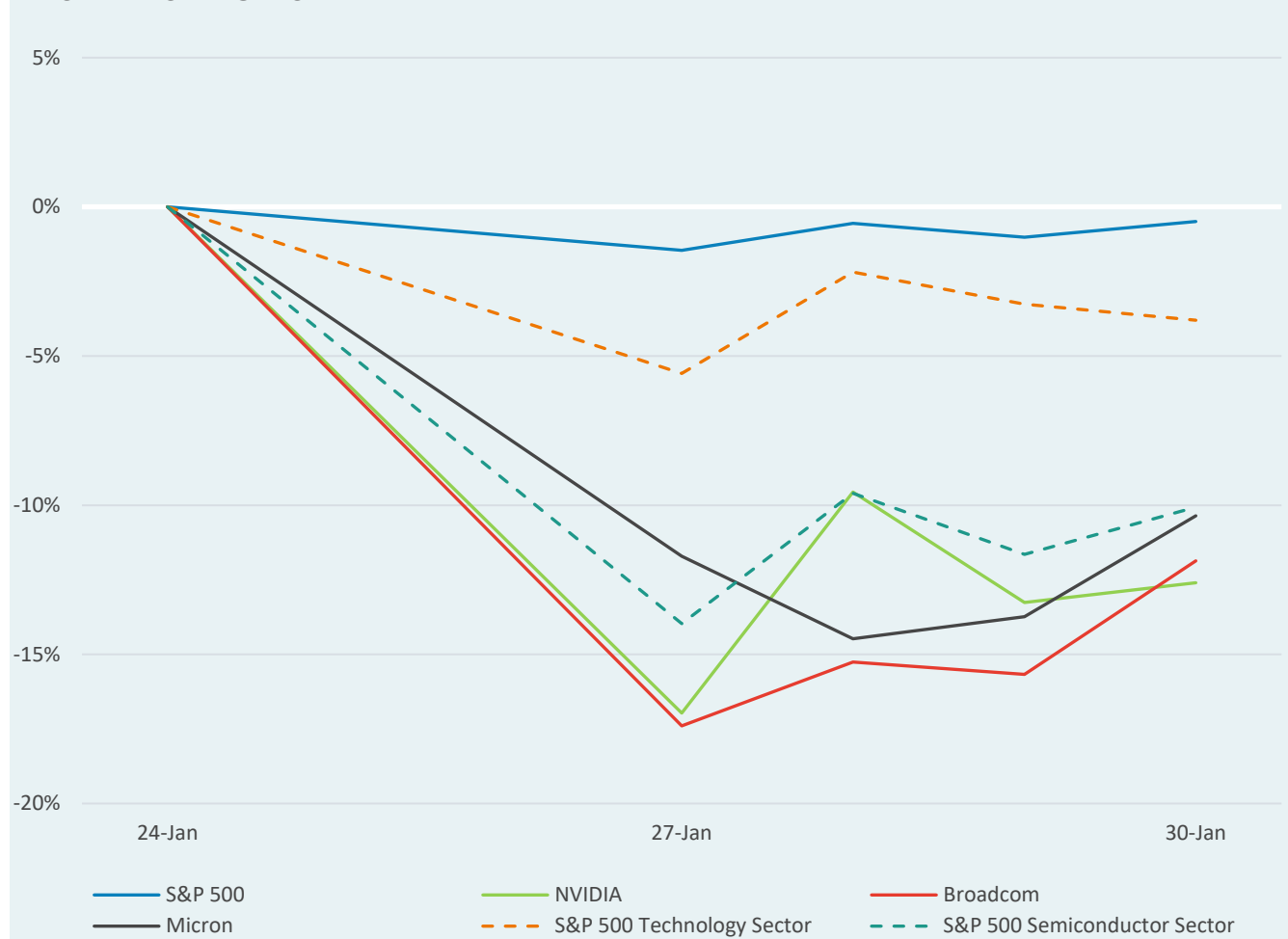
# Verus Market Note

## DeepSeek: What now?

Markets fell Monday morning due to news over the weekend that a new AI model named “DeepSeek” had become the most downloaded app on Apple’s app store. This new AI model reportedly performs as well as some of the most advanced AI models, based on benchmarking tests, and claimed to have invested only 10% of the amount required by Meta to train their latest “Llama” model. Nvidia is down -12.6% this week after dipping -17% on Monday, while the broader market is down -0.5%. Nvidia’s decline marked the largest ever single-day market cap loss for a U.S. corporation.

This week’s Market Note looks at asset movements following the announcement. The potential for more efficient model training has material implications for the number and type of chips (many of which are currently supplied by Nvidia) that are needed to build out AI infrastructure, which many companies have already committed large sums of capital to pursuing. This model training has potential to increase chip demand, if more companies can enter the market and train these models at a lower price.

### THIS WEEK'S RETURNS



Source: S&P, Bloomberg, as of 1/30/25