



Coffee & Commentary

April 28, 2025

Good Morning!

Welcome to Coffee & Commentary, presented by Alpha Zero's Managing Partner and CIO, Eric Mechler CFP®, ChFC®, AIF®, BFA™, RICP®.

Let's get started.

1. What is currently impacting financial markets?

- Major U.S. stock indices experienced a sharp decline on Monday but swiftly reversed course, recording significant gains over the past four trading days. The NASDAQ led the recovery, surging for the week, while the S&P 500 and the Dow both logged sizable gains. Final results on the week were; **S&P 500 +4.6%**, **NASDAQ +6.7%**, and the **Dow +2.5%**.
- The International Monetary Fund revised its global economic growth projections downward, highlighting concerns over escalating tariff risks. The IMF now forecasts global GDP growth of 2.8% in 2025 and 3.0% in 2026, down from its previous estimates of 3.3% for both years.
- The earnings growth outlook for S&P 500 companies strengthened as the reporting season reached its busiest point. Results released through Friday projects first-quarter net income to increase by an average of 10.1% compared to the same period last year, which marks a notable improvement from the previous week's forecast of 7.0%.

2. How are we to prepare and act?

- Both stock and bond markets rebounded significantly last week, driven primarily by easing tensions around trade policy and concerns regarding the independence of the Federal Reserve. Recent developments have

suggested a softening in trade rhetoric between the U.S. and key trade partners, while encouraging dialogues with countries like South Korea and India have further indicated possible positive outcomes in upcoming trade negotiations. While these developments have helped markets recover from recent lows, further growth will, of course, depend on whether these developments can turn into concrete trade deals.

- Alongside trade, market attention has shifted toward corporate earnings, and while initial reports have exceeded analyst expectations, concerns remain regarding future profitability, especially given the ongoing uncertainties tied to global trade dynamics and economic slowdown risks. While consumer-oriented companies have signaled possible weakness in customer spending, overall earnings growth for the year remains achievable if economic conditions do not deteriorate significantly. The Fed's path forward will also be in focus, as markets now anticipate two or three interest rate cuts by year's end if economic data continues to soften.

3. Taking a look at the week ahead.

- Wednesday — Personal Consumption Expenditures (PCE) Price Index
- Friday — Jobs and unemployment

--

As always, here at Alpha Zero we believe knowledge is power and look forward to helping you Think Beyond What's Next.

Please feel free to share this newsletter with friends and family, and we thank you in advance for any introductions you send our way.

Have a great week and please reach out to us with any questions.

Sincerely,

Eric Mechler, CFP®, ChFC®, AIF®, BFA™, RICP®

Founder, Managing Partner

Chief Investment Officer

Alpha Zero

2500 N Military Trail, Suite 316

Boca Raton, FL 33431

Phone: (561) 576-2599 Ext. 124

eric@alphazerowealth.com

Alpha Zero LLC ("Advisor") is a registered investment advisor. Information contained in this report is for informational purposes only and should not be considered investment advice or recommendations.

Advice may only be provided after entering into an advisory agreement with Advisor.

This document is for informational purposes only. The information and data presented herein has been prepared on the basis of the publicly available information, internally developed data or other third-party sources. No guarantee is given as to the accuracy, completeness, or reasonableness of the contents contained herein.

Visit our website

Alpha Zero

2500 N Military Trail, Suite 316, Boca Raton, FL 33431

Phone: (561) 576-2599 Ext. 124

eric@alphazerowealth.com



Think Beyond What's Next.

Alpha Zero | 2500 N Military Trail Suite 316 | Boca Raton, FL 33431 US

[Unsubscribe](#) | [Update Profile](#) | [Constant Contact Data Notice](#)



Try email marketing for free today!