



Coffee & Commentary

September 8, 2025

Good Morning!

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

Let's get started.

1. What is currently impacting financial markets?

- Both the S&P 500 and NASDAQ gained ground last week, recovering the slight losses both indexes saw the week before. The Dow slipped fractionally for a second consecutive week, with all three major indexes staying just a few tenths of a percent below their recent record highs. Final results on the week were; **S&P 500 +0.3%**, **NASDAQ +1.1%**, and the **Dow -0.3%**.
- Friday's monthly jobs report added to a recent string of soft labor market readings. August saw a gain of just 22,000 jobs, well below economists' expectations of around 75,000, while the unemployment rate climbed to 4.3%, its highest level since 2021. In addition, June's numbers were revised to show a loss of 13,000 jobs, marking the first monthly decline since 2020.
- Gold futures rose for a third straight week, reaching a new record high of \$3,655 per ounce in Friday afternoon trading and bringing year-to-date gains to over 36%. Much of the week's advance came after Friday morning's release of weaker-than-expected jobs data.

2. How are we to prepare and act?

- The latest U.S. labor market data is painting a picture of a gradually

cooling job environment, raising important questions about what comes next for the economy and Federal Reserve policy. Additional indicators reinforced this softer trend, including a drop in job openings to the lowest level since 2020, with the total number of unemployed individuals now exceeding available job postings for the first time in four years. Private payroll data also disappointed, reflecting broad-based weakness across multiple industries, even as pockets like construction and leisure posted modest gains. These figures suggest that employers are becoming more cautious about hiring amid ongoing uncertainty tied to trade disputes and tariffs. From a broader perspective, the dynamic between labor supply and demand has shifted over the past year, with fewer workers available and slower hiring momentum creating a backdrop in which even modest changes in job growth can significantly impact the unemployment rate. For investors, this cooling labor market signals that the Fed may feel compelled to step in with monetary support, reducing borrowing costs to help stabilize the economy.

- Markets have quickly adjusted to this possibility, with futures now pricing in a 100% likelihood of a September rate cut, including a small chance of a larger half-point move. The prevailing expectation is that the Fed will gradually lower its benchmark rate over the next year or two, bringing it closer to neutral levels from its current restrictive stance. Historically, when rate cuts occur outside of a recessionary environment, equity markets have responded positively, as lower borrowing costs encourage spending and investment. This shift has already influenced bond markets, with the two-year Treasury yield falling to its lowest point of the year and the yield curve steepening—a development that benefits banks and other lenders. Looking ahead, attention will turn to inflation data due out next week, with both consumer and producer price reports offering the final readings before the Fed's September 17 meeting. If services inflation, such as shelter and rent, begins to ease alongside the softening labor market, overall inflation could trend lower, giving the Fed even more room to carefully navigate rate cuts without stoking new price pressures.

3. Taking a look at the week ahead.

- Monday — Consumer credit
- Tuesday — Small Business Optimism Index
- Wednesday — Producer Price Index
- Thursday — Consumer Price Index
- Friday — University of Michigan Consumer Sentiment Index

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, CEO & CIO

Alpha Zero

2500 N Military Trail, Suite 316

Boca Raton, FL 33431

Phone: (561) 576-2599 Ext. 124

eric@alphazerowealth.com

Investment Advisory Services are offered through Alpha Zero LLC, a registered investment adviser. Insurance products and services are offered and sold through Alpha Zero LLC and individually licensed and appointed agents. **Please remember that securities cannot be purchased, sold, or traded via e-mail or voice message system. Likewise, insurance coverage cannot be bound, altered, or cancelled via e-mail or a voice message system.** This email transmission and any documents, files or previous email messages attached to it may contain information that is confidential or legally privileged. If you are not the intended recipient, you are hereby notified that you must not read this transmission and that any disclosure, copying, printing, distribution, or any action or omission of this transmission is strictly prohibited. If you have received this transmission in error, please immediately notify the sender by telephone at (561) 576-2599 or return and delete the original transmission and its attachments without reading or saving in any manner.

Securities offered through The Leaders Group, Inc., member FINRA/SIPC, 475 Springfield Ave, Summit, NJ 07901.(303) 797-9080. Alpha Zero LLC and the Leaders Group are not affiliated.

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!