ALPHA ZERO

Coffee & Commentary

June 22, 2026

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.

******* Coffee & Commentary will be taking a break next week. We will be back the week of July 6th. *******

1. What is currently impacting financial markets?

- The major U.S. stock indexes finished the week higher, with the NASDAQ again leading the advance. Stocks initially sold off after the Federal Reserve's Wednesday meeting, as investors digested a more cautious message on inflation and interest rates, but rebounded on Thursday as optimism around a U.S.–Iran agreement and renewed strength in technology shares helped lift sentiment. Final results on the week were; S&P 500 +1.06%, NASDAQ +2.55%, and the Dow +0.76%.
- The latest Consumer Price Index report showed annual inflation at 4.2% in May, the highest level in more than three years, while core CPI, which excludes food and energy, was more contained at 2.9%. Wholesale inflation also remained elevated, with the Producer Price Index rising 6.5% year over year, the strongest reading since November 2022.

2. How are we to prepare and act?

- The latest Federal Reserve meeting offered investors a clearer sense that monetary policy has moved into a more cautious and inflation-focused phase. In Kevin Warsh's first meeting as Fed chair policymakers kept rates unchanged, but the message beneath the surface was more hawkish than markets had anticipated. The Fed removed its previously projected 2026 rate cut, raised its inflation forecasts, lowered its near-term growth outlook, and upgraded its assessment of the labor market. That combination suggests the central bank is no longer primarily asking when it can begin easing policy, but rather how long interest rates may need to remain elevated to bring inflation back toward its 2% target.

- The reason the Fed has room to remain patient is that inflation has become more uncomfortable while the labor market remains relatively stable. At the same time, unemployment remains contained at 4.3%, close to the Fed's estimate of full employment, and job openings still slightly exceed the number of unemployed workers. This mix points toward an extended pause as the most likely policy path, as the Fed is unlikely to cut while inflation is rising but also appears reluctant to hike unless price pressures broaden or become more persistent. Overall, the Fed's message is firmer, but the broader investment backdrop remains constructive if inflation gradually cools and corporate earnings continue to hold up.

3. Taking a look at the week ahead.

- Monday — No major reports
- Tuesday — Manufacturing and Services PMI
- Wednesday — New home sales
- Thursday — Initial jobless claims
- Friday — Consumer Sentiment report

--

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.