Coffee & Commentary
July 6, 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.

1. What is currently impacting financial markets?

- Shifting expectations around AI and semiconductors helped lift the major U.S. stock indexes, with each finishing roughly 2% higher for the holiday-shortened week. The Dow climbed to a new record high, while the S&P 500 and NASDAQ remained below the peak levels they reached at the start of June. Final results on the week were; S&P 500 +1.8%, NASDAQ +2.1%, and the Dow +2.0%.
- U.S. job growth fell short of expectations in June, marking a shift after three consecutive months of better-than-expected gains. The economy added 57,000 jobs during the month, roughly half of what economists had forecast. In addition, initial estimates for April and May were revised lower by a combined 74,000 jobs.
- Oil prices moved lower to start July, extending the prior month's 20% decline. U.S. crude was trading near $68 per barrel on Thursday afternoon, down significantly from above $87 at the end of May. That level was roughly in line with where oil traded in late February, before tensions in the Middle East escalated.

2. How are we to prepare and act?

- As we move into the second half of 2026, the U.S. economy continues to show a notable degree of resilience despite facing several meaningful headwinds earlier in the year. Geopolitical uncertainty, sharp swings in energy markets, and questions about the direction of Federal Reserve policy have all contributed to periods of volatility, but underlying economic activity has remained relatively steady. Growth appears on pace to hold near or slightly above its longer-term trend, supported by a labor market that has been uneven but generally stronger than expected. Broader hiring trends also look better than last year as well, with monthly job gains averaging about 92,000 so far in 2026 compared with fewer than 10,000 per month in 2025.

- The next major variable is the path of energy prices, which could meaningfully influence both inflation and consumer sentiment in the months ahead. Oil prices have fallen sharply in recent weeks, and although a definitive peace agreement has not yet been reached, progress in U.S.–Iran negotiations and improved traffic through the Strait of Hormuz have helped ease concerns about energy supply disruptions. Gasoline prices have not yet fallen as quickly as crude oil, but that lag is typical, as gas stations work through older, higher-cost inventory. If oil remains lower, consumers could begin to see more meaningful relief at the pump over the next four to eight weeks, which would support spending heading into the final months of the year.

3. Taking a look at the week ahead.

- Monday — Nonmanufacturing Index
- Tuesday — Trade balance
- Wednesday — Release of Fed June meeting minutes
- Thursday — Existing home sales
- Friday — No major reports

--

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

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.