

JUNE 2025

VOL. 03
ISSUE 26



"APRIL SHOWERS BROUGHT SUMMER FLOWERS"


Great Point Capital's June Markets Letter

Whether you're seeking differentiated alternative investments, creative tax strategies, consistent income, or long-term growth potential that you are considering, the Great Point Capital [Alternatives platform](#) is built to support those goals. **NOTE:** Information and content compiled as of 4:00PM CST June 16th.

THIS MONTH'S HIGHLIGHTS

- U.S. inflation remains contained, and the Federal Reserve is in no rush to [cut interest rates](#).
- Preliminary results for June from the University of Michigan's monthly Index of Consumer Sentiment showed a 16-percent jump in the headline index. The initial tariff shock wore off and markets recovered most of the losses incurred in the immediate aftermath of "Liberation Day". The index does remain 20 percent below December 2024 levels - see Chart 3 below.
- [The VIX index](#) (Wall Street's "fear gauge") is holding around 20, indicating expectations of continued low market volatility.
- Life science real estate continues to attract investment from major pharmaceutical firms and family offices, reflecting growing long-term confidence in the sector. 


MARKET REVIEW & SUMMARY

- Crude oil prices have surged +27% over the past 30 days due to renewed Middle East tensions. **Note** - What Is Crude Oil, and [Why Is It Important to Investors?](#)
- The U.S. Dollar continues its 2025 correction, now down nearly 12%. A weaker dollar may enhance the competitiveness of U.S. exports in a volatile, tariff-sensitive global trade environment. For those tracking currency trends, the U.S. Dollar Index (**symbol: DXY**) offers a helpful reference.
- Note: A G-7 meeting is scheduled this week in Canada, where tariff discussions are expected to be a key topic.
- Total nonfarm payroll employment increased by 139,000 in May. The unemployment rate held steady at 4.2%, remaining within a narrow range of 4.0% to 4.2% since May 2024. Job growth was concentrated in healthcare, leisure, and hospitality, while federal government employment continued to decline. 

On The Radar

Monitor crude oil (**symbol: CL=F**) and gasoline prices (**symbol: UGA**), as both may influence June's inflation figures.

Did You Know?

Stocks are almost back into Neutral territory, historically a bullish sign, as measured by two often watched indicators: [Morningstar US Market Fair Value](#) and the [Fear & Greed Index](#) at 60. 

WHAT WE'RE WATCHING

Real Estate: Life Science Infrastructure.

LIFESCIENCE 

[Shannon Morfin](#), CEO of [LifeScienceX](#), which provides capital and growth strategy solutions for life science infrastructure and real estate, recently pointed out that a “record-breaking \$53B in pharma imports has become a wake-up call for domestic manufacturing”. Historically, manufacturing was offshored by design.

See Rx Reform: [The Quest to Bring Pharma Profits and Production Back Home.](#)

- 60–70% of branded drugs used in the U.S. are manufactured abroad.
- Over 80% of generic medications are foreign manufactured.

- 70–80% of active pharmaceutical ingredient (API) production occurs overseas, primarily in China and India.
- Meanwhile, the U.S. pays the highest prices, funds the R&D, but loses out on the jobs, the tax base, and supply chain resilience.

How Has the U.S Responded?

Major pharmaceutical companies have announced a combined \$158 billion in U.S. manufacturing investments, following policy efforts aimed at encouraging domestic production. Federal legislation has also been introduced to strengthen U.S. life sciences infrastructure, including:

- The 2022 CHIPS and Science Act
- BARDA funding initiatives supporting biosecurity and domestic supply chains
- **Note:** [Six life sciences real estate trends to watch in 2025.](#)

Worth Reading - [Life Science Real Estate: The real estate asset class of the future.](#)

With increased spending on research and development, the life science industry is expected to continue to grow at a sustained and dynamic pace. The COVID-19 pandemic was the catalyst to consider alternatives to the sourcing and manufacturing of critical drugs & vaccines. 🏥

SOMETHING TO CONSIDER

To 1031 or Not to 1031 - that is the question?

Bob Boggess, CEO of IREXA Financial, shares a compelling example of why timing and tax awareness matter when planning around real estate exits.



Bob Boggess



bob@irexafinancial.com



[+1 \(312\) 884-1031](tel:+13128841031)


IREXA[®]financial



irexafinancial.com


For decades, the 1031 like-kind exchange has been a cornerstone strategy for deferring capital gains on investment real estate. While still highly effective, the 2017 Tax Cuts and Jobs Act introduced new tools—broadening the range of planning options beyond real estate to better meet diverse client needs.

When a client approaches us ahead of any asset sale including a real estate closing, the more we know—debt, equity, liquidity, investment goals—the better the outcome. Here's one of my favorite examples: A prospective client came in, casually “kicking the tires,” curious about what we could offer. He owned an office building valued at \$6.2 million, generating \$370,000 in annual net income, increasing by roughly \$11,000 per year. He confidently projected the building would be worth \$8.2 million in 10 years. Then he asked, “So what can you do?”

Instead of defaulting to a 1031 exchange, I recommended using a Qualified Opportunity Zone Fund (QOZF) for the gain and a value-add Reg D fund for the basis. Before we got into the details, I told him plainly: Your \$8.2 million projection is before taxes—and the number you actually keep could be much lower. We reviewed two after-tax reinvestment scenarios—one projecting \$13 million, the other \$15 million. He was stunned. That was over a year ago. He's still trying to sell that office building today. 

Keep an Eye On

For real-time Middle East updates, trusted sources include [BBC Middle East](#) and the [Institute for the Study of War \(ISW\)](#).

Markets appear to be treating the current Middle East tensions as a regional risk. However, the situation remains fluid, particularly if Iran takes steps to restrict access to [the Strait of Hormuz](#), a critical global shipping route for oil and gas exports. 

NEED TO KNOW

U.S. inflation declined to 2.4% in May, but remains above the Federal Reserve's target of 2%. Core inflation, at 2.8%, reflects ongoing price pressure—keeping inflation a central concern for the Fed's policy outlook.

Overall Inflation: The Consumer Price Index (CPI) increased by 0.1% in May, resulting in a 2.4% annual rate, according to [data reported by CNBC](#).

Core Inflation: The core CPI, which excludes volatile food and energy prices, increased by 0.1% in May, resulting in a 2.8% annual rate, [according to USAFacts](#).

Federal Reserve Target: The Federal Reserve is aiming to bring the annual inflation rate down to 2%. 


TERM OF THE MONTH

What Is Core Inflation?

from  Investopedia

Core inflation measures how prices are rising across the economy, excluding food and energy, which tend to fluctuate unpredictably. It is commonly calculated using the [consumer price index \(CPI\)](#) and the [core personal consumption expenditures \(PCE\) index](#).

KEY TAKEAWAYS

- Core inflation excludes food and energy prices, focusing on goods and services with a more stable pricing pattern.
- It helps illustrate how inflation impacts consumer purchasing power over time.
- The Federal Reserve favors the PCE index over CPI for a smoother view of long-term inflation trends. 

ONE GREAT POINT

"The great Chicagoan Ferris Bueller once noted, 'Life moves pretty fast'" Fed. Chair Powell said in a recent speech to the Economic Club of Chicago. "For the time being, we are well positioned to wait for greater clarity" on the impact of policy changes in areas such as immigration, taxation, regulation and tariffs.

QUICK TAKE BEFORE YOU GO

- [The Fed is on hold until we get a little more clarity](#) about not only the magnitude of the tariffs and the breadth of the tariffs, but what effect they all have on inflation and what effect the tariffs and other policies, including the budget bill, will have on growth and employment. The full impact of tariffs and [spiking oil prices](#) may take time to be reflected in broader economic data.
- Recent data has been encouraging: inflation [shows signs of easing](#), and consumer sentiment [has improved for the first time this year](#).
- The labor market remains relatively stable, with the unemployment rate holding [at a healthy 4.2%](#), although a recent uptick [in continuing jobless claims](#) suggests some signs of cooling. Altogether, the backdrop appears supportive of the Federal Reserve's path toward easing. But Wall Street watchers say policymakers [may need more convincing](#) before delivering any cuts.

- Note - Approximately 20% of global oil and a substantial share of natural gas shipments transit through [the Strait of Hormuz](#) - a critical chokepoint for global energy supply. A prolonged disruption could significantly impact energy markets, as the strait serves as the primary export route for oil from major OPEC producers including Saudi Arabia, Iraq, Kuwait, Qatar, Iran, and the UAE. 📌

FREE RESOURCES & INSIGHTS: WORTH EXPLORING!

- [Advisor Perspectives](#) - A reliable source for industry research, commentary, and market insights.
- [Advisorpedia](#) - Offers actionable strategies and content designed to help financial professionals enhance efficiency and deliver value. 📌




CALL TO ACTION CALENDAR:

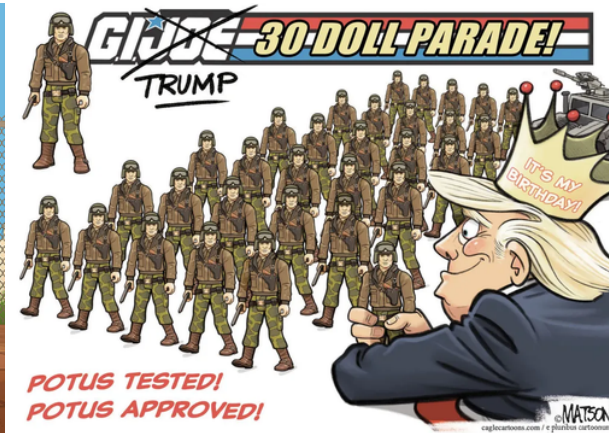
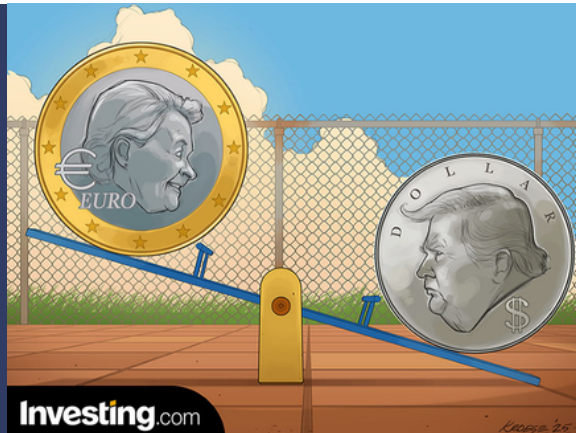
JUNE 2025

- **June 16:**
 - Tax Filing Deadline for U.S. Citizens Abroad: File using Form 1040 or 1040-SR. You may request an extension with Form 4868, but estimated taxes are still due to avoid penalties.
 - Estimated Tax Payment Due: Second-quarter installment deadline.
- **June 17–18:** FOMC Meeting (June) – Federal Reserve policy update.
- **June 19:** [Juneteenth Holiday](#) – Bank and NYSE closed.
- **June 30:** FAFSA Filing Deadline – Final day to apply for 2025–2026 federal student aid.
- **July 3:**
 - Early NYSE Close
 - June Employment Situation Report released.
- **July 4:** Independence Day – Bank and NYSE holiday; major U.S. spending holiday. Source: Federal Reserve System, "[Holidays Observed - K.8.](#)"
- **July 10:** Tip Income Reporting Due – Employees who earned \$20 or more in tips during June must report to employers. 📌

After a 24% rally from the April lows, the S&P 500 is now up 5% since the “Liberation Day” tariff announcement. Why have investors been so eager to embrace risk and “buy the dip” despite the continued negative headlines and uncertainty over tariffs?

Possibly a chart pattern **the “TACO trade,”** whereby **“Trump Always Chickens Out”** after announcing aggressive tariff policies, only to later delay, reduce, or cancel these policies. And when that shift occurs, the equity market explodes higher. See Chart #2 in *JUST CHARTS*. 

CARTOONS



THIS MONTH'S THANK-YOUS

Real Investment Advice "RIA" and Lance Roberts and his team.

Charlie Bilello - the Chief Market Strategist at Creative Planning - and his excellent work.

To subscribe to our email distribution & future newsletters!

[CLICK HERE](#)

SPONSOR SPACE AVAILABLE



COMBINED REQUIRED DISCLOSURES

Securities offered through Great Point Capital, LLC Member FINRA, IEX, SIPC.
Advisory Services offered through Great Point Advisors, LLC a SEC registered investment advisor.

Great Point Capital LLC & Great Point Advisors, LLC
200 W Jackson Blvd, Suite 1000, Chicago, IL 60606
(312) 356-4875

info@greatpointcapital.com | accounts@greatpointcapital.com

VISIT OUR WEBSITE FOR MORE NEWS



WWW.GREATPOINTCAPITAL.COM