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THE FRIDAY FIVE

The free weekly read on market conditions, sector rotation, and stock ideas.

What's Going On, Everybody?

I hope you all had a great week. We've got Friday Five, Issue #1, the very first one, so let's get into what happened in the market this week and what you all can take away from it. We've been keeping an eye on the memory chip names, and we saw them get hit hard early in the week before snapping back, and that's really about one question hanging over the whole market right now: how real is AI demand. Micron answered that on Wednesday night with a blowout quarter, and the Nasdaq jumped more than 2% the next day on the back of it. Meanwhile the banks all passed their annual checkup with the Fed and started handing money back to shareholders, and the Dow closed at a record. So a rocky start, a strong finish.

Alright, let's get into it.

This Week in One Minute

The week opened with a technology selloff. Memory and semiconductor shares were routed Monday and Tuesday, and Apple fell about 6.5% after CEO Tim Cook called rising memory costs "unavoidable." Then Micron reported a blowout fiscal third quarter Wednesday after the close, with revenue up roughly 346% year over year on AI memory demand, and the AI trade roared back Thursday. Separately, all 32 major U.S. banks passed the Fed's annual stress test, clearing the path for dividend increases and buybacks, and the Dow pushed to a fresh record. Leadership broadened beyond mega-cap software into memory, financials, and healthcare M&A. A choppy but ultimately constructive week. (Prices in this issue reflect closes through Friday, June 26, 2026.)

Market Risk Score

Market Risk Score: 58 / 100. Neutral, leaning constructive.

Bullish factors: a verified, concrete AI demand catalyst in Micron's results, broadening leadership beyond a handful of mega-caps, banks cleared to return large amounts of capital, a Dow record, and inflation roughly as expected.

Bearish factors: the early-week tech rout showed how quickly sentiment can flip, several of the week's biggest winners are running parabolically, and the market still leans on a small set of AI-linked themes.

Overall: a neutral regime with a constructive tilt. Conditions support selective buying, not aggressive risk-taking.

Sector Rotation Update

Strongest sectors this week

1. **Semiconductors / Memory.** Micron's results and Apple's pricing comments confirmed a memory upcycle.

2. **Financials (banks).** The stress-test pass triggered a wave of dividend hikes and buybacks.

3. **Healthcare.** A large biotech takeout (Apogee) and continued M&A interest pulled capital in.

Weakest sectors this week

1. **Mega-cap software.** Money rotated out toward AI infrastructure.

2. **Consumer tech hardware.** Apple led the weakness on rising input costs.

3. **Energy.** Falling oil prices weighed as the Iran-related risk premium came out.

Four of our five picks (MU, SNDK, JPM, MS) sit directly in this week's leading sectors. The fifth (APGE) is an M&A situation in healthcare, and its bear case addresses why a set deal price changes how you should think about it.

The Five

1. Micron Technology (MU) · Technology / Memory

Why it made the list: the cleanest expression of the AI memory theme, and it just delivered the numbers to prove the demand is real.

Catalyst: fiscal Q3 results: revenue near $41.5B against roughly $35.7B expected, adjusted EPS of $25.11 versus about $20.49, revenue up roughly 346% year over year, around $22B in customer supply commitments, and a Q4 revenue guide of about $50B.

Bear case: the stock has run hard in 2026, and memory is deeply cyclical. Demand can be real today and still see a sharp reset if pricing rolls over or a single quarter's guide disappoints.

Premium teaser: *Premium members got our exact entry zone and risk plan on this one.*

2. SanDisk (SNDK) · Technology / NAND Storage

Why it made the list: a direct beneficiary of the same memory upcycle, on the NAND side, and one of the year's standout performers.

Catalyst: two reinforcing events, Apple's Tim Cook calling memory price hikes "unavoidable," and Micron's blowout confirming the cycle. Shares are up more than 600% in 2026.

Bear case: that parabolic move is the risk. Memory pricing is cyclical, the valuation is stretched, and the pending Western Digital share-swap adds an overhang. Momentum cuts both ways.

Premium teaser: *Premium members got our risk framing and the levels we are watching here.*

3. Apogee Therapeutics (APGE) · Healthcare / Biotech

Why it made the list: the week's headline takeout, and a clean teaching example of how M&A reprices a stock.

Catalyst: a strong Phase 2 atopic dermatitis readout (a 65.9% EASI-75 response at the selected dose), followed by an announced acquisition by AbbVie at $135.11 per share, a roughly 49% premium, alongside up to $1.3B in Blackstone financing.

Bear case: with a deal price set, most of the upside is already in the stock. This is effectively a merger-arbitrage situation: the remaining return is the small gap to the deal price, with regulatory and closing risk attached. Chasing it here is very different from owning it before the news.

Premium teaser: *Premium members got our read on the deal spread and whether it is worth holding into close.*

4. JPMorgan Chase (JPM) · Financials / Banks

Why it made the list: the bellwether bank, and the clearest signal of how much capital the group is ready to return.

Catalyst: passed the Fed's annual stress test and announced a new $50B buyback authorization and a dividend increase to $1.65 per quarter from $1.50.

Bear case: capital return was widely expected, so the news is more confirmation than surprise. Big banks remain sensitive to credit conditions and the path of interest rates, either of which can overwhelm a buyback.

Premium teaser: *Premium members got our entry zone and risk plan on the bank trade.*

5. Morgan Stanley (MS) · Financials / Banks

Why it made the list: the same capital-return story with the most aggressive dividend action of the group.

Catalyst: cleared the stress test and announced a 15% dividend increase to $1.15 per quarter, the biggest hike among the majors, plus a reauthorized $20B buyback.

Bear case: Morgan Stanley leans on capital markets and wealth flows, so a slowdown in dealmaking and trading would pressure results. As with JPM, the capital-return theme was already partly priced in.

Premium teaser: *Premium members got the levels and sizing we used here.*

Stock of the Week

Micron Technology (MU). If you remember one name this week, make it Micron. It is the clearest, most measurable expression of the AI memory upcycle: a verified earnings beat, roughly 346% revenue growth, about $22B in customer commitments, and a Q4 guide near $50B. It sits squarely in the week's leading theme, and the catalyst is concrete rather than narrative. The only real knock is how far and how fast it has already run, which is exactly why entry discipline matters here.

What Could Change My Mind?

A few things would push us back toward caution. If next week's PCE inflation print runs hot and the 10-year Treasury yield jumps, the rate-sensitive parts of this rally (including the banks) would be tested. If the memory names give back a large chunk of this week's gains on no news, that would tell us the move was positioning rather than demand, and we would treat MU and SNDK as trading vehicles, not investments. And if early Q2 earnings show margin pressure spreading the way Apple's memory-cost warning hinted, the broadening leadership we liked this week could narrow right back. On the other side, a cool inflation print plus follow-through buying in financials would push us more constructive. We are honestly split on the two memory names: the business case is strong, but the charts are stretched, so we are framing them as higher-risk ideas, not core holdings.

Scoreboard

This is Issue #1, so the track record starts here. These are our five picks at this week's closing prices, and we will report them honestly against SPY every week from now on, winners and losers alike.

Ticker	Issue	Added	Entry close	Status
MU	#1	2026-06-26	1,213.56	**New**
SNDK	#1	2026-06-26	2,335.00	**New**
APGE	#1	2026-06-26	132.68	**New**
JPM	#1	2026-06-26	335.12	**New**
MS	#1	2026-06-26	221.04	**New**

No hiding losers, ever. Check back next week for the first marks against SPY.

Go Premium

The free Friday Five gives you the market read, the rotation map, and the ideas with their catalysts and risks. Premium adds the part we hold back here: exact entry zones, stop levels, position sizing, price targets, options structures, and real-time alerts when something changes. Premium is where the ideas become an executable plan.