



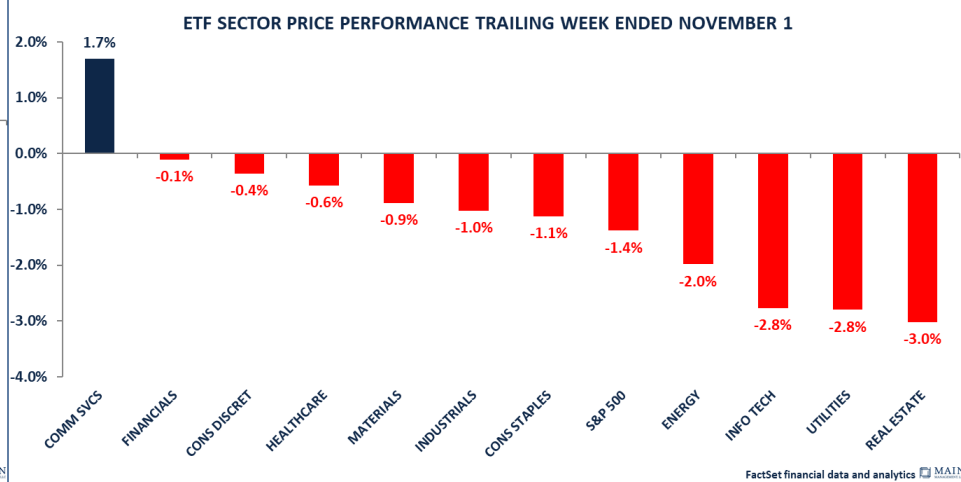
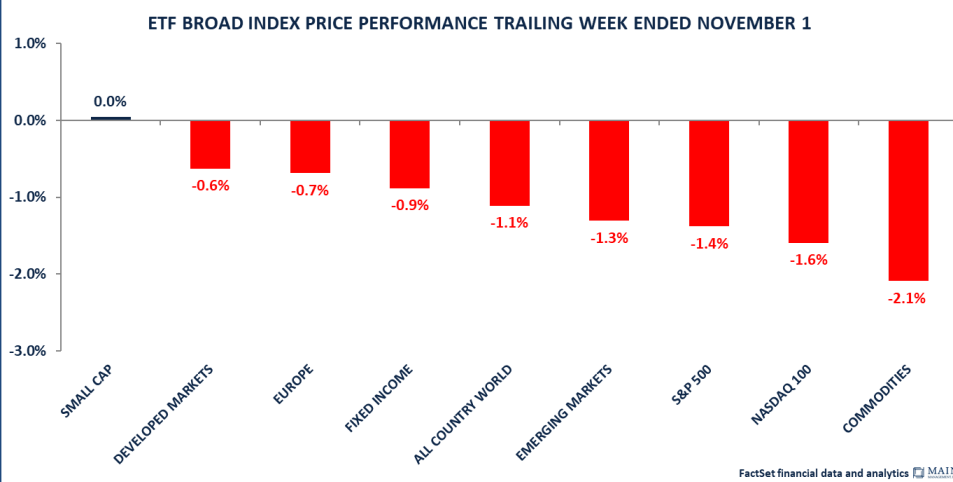
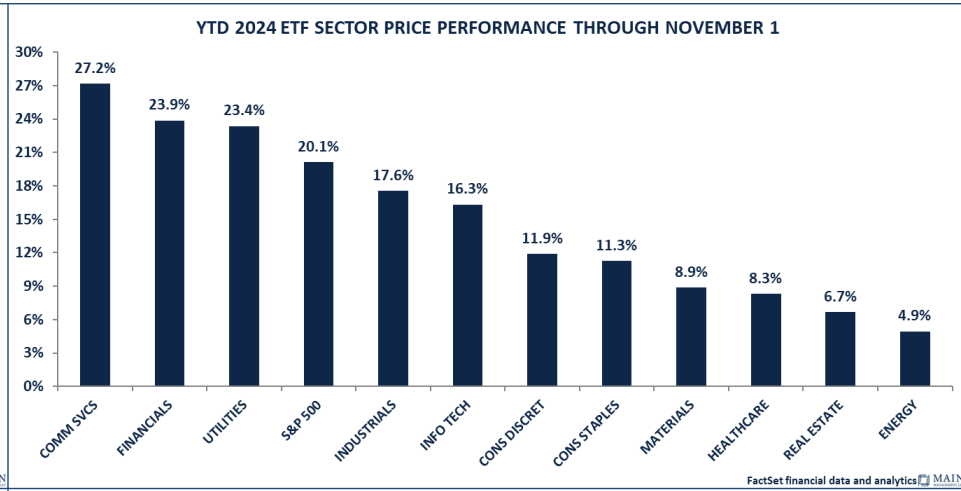
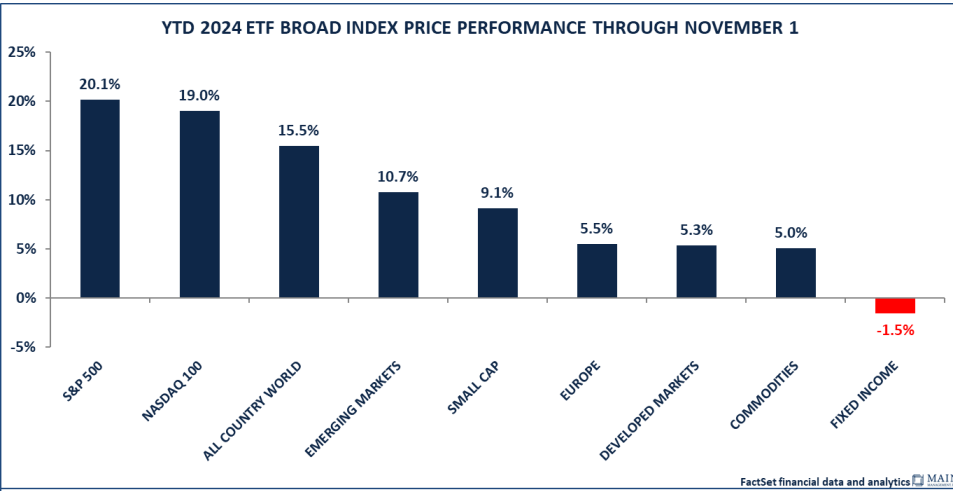
MAIN
MANAGEMENT, LLC

MAIN MANAGEMENT MARKET NOTE: **November 1, 2024**

601 California Street, Suite 300, San Francisco, CA 94108

Phone: 415-217-5800 | Fax: 415-217-5809 | www.mainmgt.com

Performance



Recession Dashboard

RECESSION START	INFLATION	CONSUMER	YIELD CURVE	HOUSING	SENTIMENT	AUTOS	EMPLOYMENT	PMI	RETAIL SALES
NOV 1973	↓	—	—	↓	—	—	↓	↓	—
JAN 1980	↓	↓	↓	↓	↔	↓	↓	↓	—
JUL 1981	↓	↓	↓	↓	↔	↓	↓	↓	—
JUL 1990	↓	↓	↓	↓	↔	↓	↓	↔	—
MAR 2001	↔	↓	↓	↔	↔	↔	↓	↓	↔
DEC 2007	↓	↓	↓	↓	↔	↓	↓	↓	↓
DEC 2019	↑	↑	↔	↔	↑	↔	↑	↔	↔
NOV 2024	↑	↔	↔*	↑	↔	↓	↓	↑	↔
LAST CHANGE	BLUE MAR '23	RED JAN '23	RED MAR '23	BLUE JUN '23	RED JUN '22	BLUE SEP '23	BLUE SEP '22	BLUE JUN '23	RED SEP '23

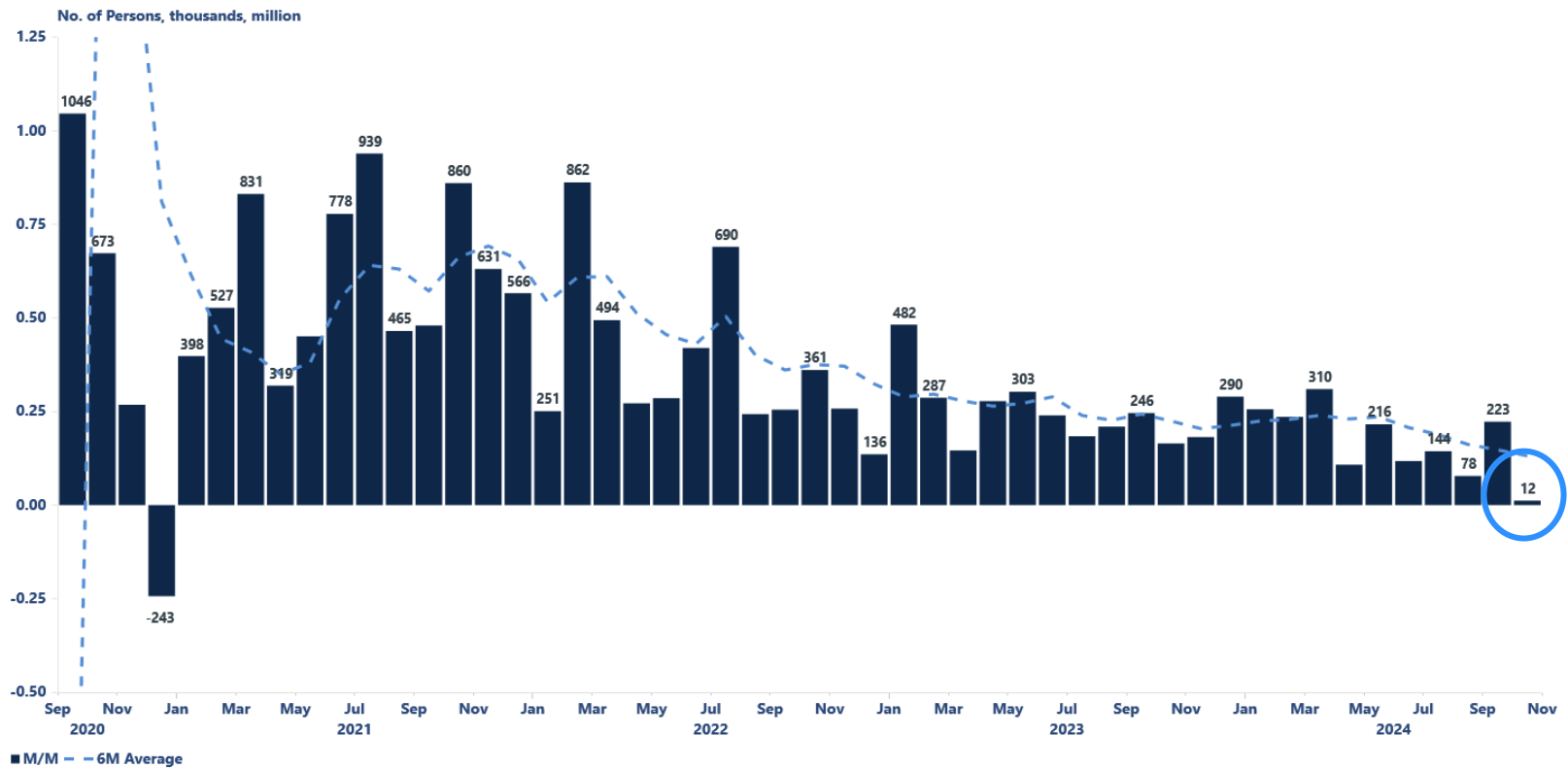
↑ Positive
↔ Neutral
↓ Negative

Inflation: Headline CPI. Source: St. Louis Fed. **Consumer:** Conference Board Consumer Confidence. Source: The Conference Board. **Yield Curve:** 10 year – 3 month Treasury spread. Source: FactSet financial data and analytics. **Housing:** Housing Starts & Existing Home Sales. Source: St. Louis Fed. **Sentiment:** Conference Board Consumer Confidence, UMich Consumer Sentiment, State Street Investor Confidence, CEO Confidence, VIX, AAll Autos: Auto Sales. Source: St. Louis Fed. **Employment:** Initial Weekly Unemployment Claims & Nonfarm Payrolls. Source: St. Louis Fed. **PMI:** Markit US Manufacturing PMI & US ISM Manufacturing PMI & Chicago PMI. Source: Markit, ISM. **Retail Sales:** Advance Retail Sales. Source: St. Louis Fed. * 10 year – 3 month Treasury spread inverted on 11/2/22.

NonFarm Payrolls

October NonFarm Payrolls came at +12k, far below expectations for +113k. It's the smallest reading since December 2020's -243k decline. Weather and strikes weighed upon the reading, so it's not as bad as it seems at first glance...

NONFARM PAYROLLS M/M



Source: Main Management, BLS, Macrobond. Data last updated: 11/1/2024

NonFarm Payrolls

Looking a bit more under the covers, we see that while the Participation Rate declined to 62.6%, the Unemployment Rate was unchanged at 4.1%. Wage growth beat forecasts, rising +0.37% M/M and accelerating to +3.99% Y/Y. That figure is solidly above inflation, providing consumers with real purchasing power.

US Employment

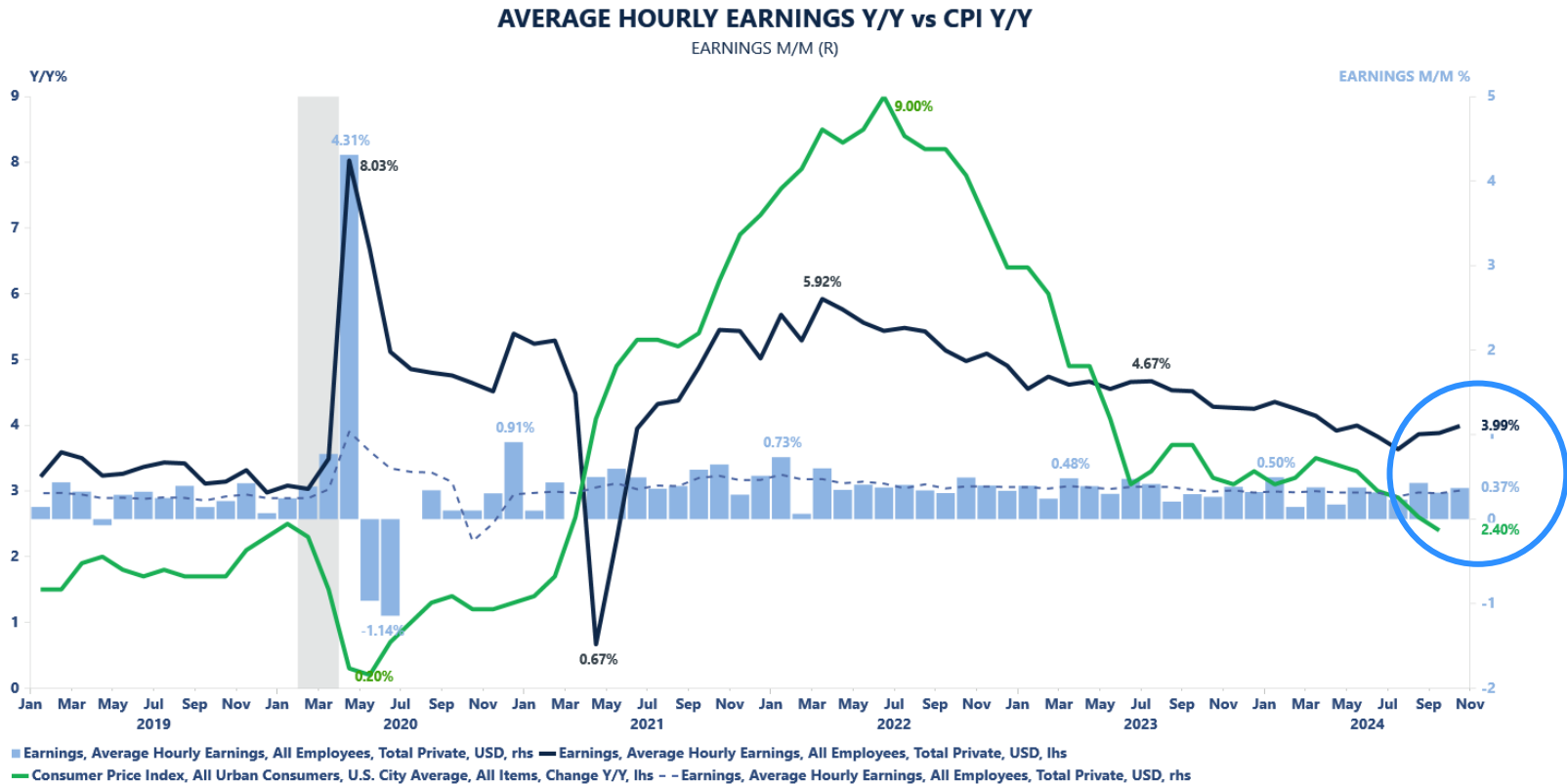
(All population/employment figures in 000s)

	October 2024	Last Month	12 Months Ago	Y/Y	M/M
Total Nonfarm Employment	159,005	158,993	156,832	1.4%	0.0%
Total Nonfarm Employment (Δ From Prior Period)	12	223	165		
Civilian Non-Institutional Population	269,289	269,080	267,642	0.6%	0.1%
Civilian Non-Institutional Population (Δ From Prior Period)	209	224	214		
Civilian Labor Force	168,479	168,699	167,723	0.5%	-0.1%
Civilian Labor Force (Δ From Prior Period)	-220	150	-174		
Participation Rate	62.6%	62.7%	62.7%	-0.2%	-0.2%
Employed (Household data)	161,496	161,864	161,280	0.1%	-0.2%
Employed (Household data) (Δ From Prior Period)	-368	430	-270		
Employed / Population	60.0%	60.2%	60.3%	-0.5%	-0.3%
Unemployed	6,984	6,834	6,443	8.4%	2.2%
Unemployed (Δ From Prior Period)	150	-281	96		
Unemployment Rate (U3)	4.1%	4.1%	3.8%	7.9%	0.0%
Unemployment Rate (U6)	7.7%	7.7%	7.2%	6.9%	0.0%
Part-time for Economic Reasons	4,557	4,624	4,284	6.4%	-1.4%
Want A Job Now (Δ From Prior Period)	-261	-158	-262		
Not in Labor Force	100,809	100,381	99,919	0.9%	0.4%
Not in Labor Force (Δ From Prior Period)	428	75	388		
Not In Labor Force / Population	37.4%	37.3%	37.3%	0.3%	0.3%
Δ in NFPs Less Those Leaving the Labor Force	-416	148	-223		
Average Hourly Earnings	\$35.46	\$35.33	\$34.10	4.0%	0.4%
Average Hourly Earnings (Y/Y change)	3.99%	3.88%	4.28%		
Private Weekly Hours Worked	34.3	34.3	34.3	0.0%	0.0%
Manufacturing Weekly Hours Worked	39.9	40.0	40.0	-0.3%	-0.3%
Total Private Diffusion Index (256 Industries, 1 Month Span)	55.6	59.8	56.6	-1.8%	-7.0%
Manufacturing Diffusion Index (74 Industries, 1 Month Span)	45.1	43.1	43.1	4.6%	4.6%

Source: Main Management, BLS, Macrobond. Data last updated: 11/1/2024

Wages

Here are the wage gains shown against CPI. It's good to see the divergence as Wages have started accelerating over the last couple months while CPI has continued to slow. This dynamic means more purchasing power for consumers, who are still feeling the negative effects of the high inflation seen in 2021-2022.



Source: Main Management, BLS, Macrobond. Data last updated: 11/1/2024

JOLTS

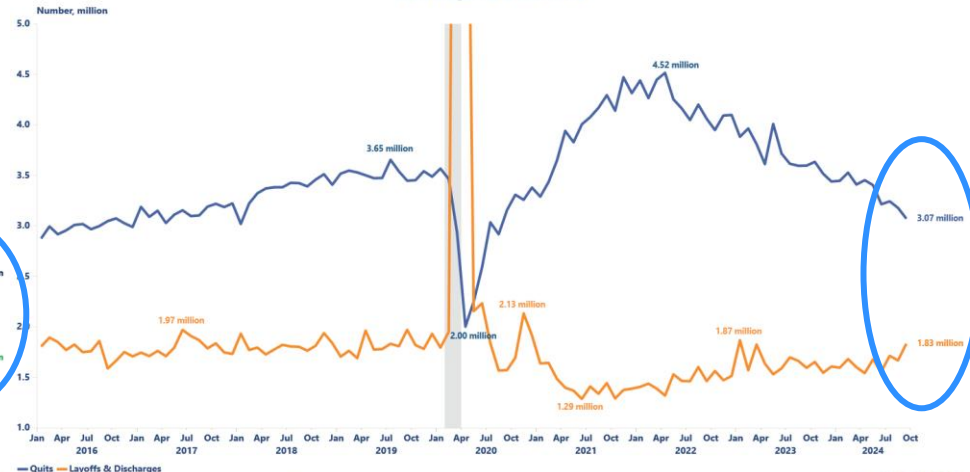
As always, JOLTS are about a month lagged but give additional insight into the labor market. Openings fell to 7.44 million, lowest since Jan. 2021, while Hires rose to 5.56mil. Quits moved down to 3.07mil, lowest since August 2020, while Layoffs rose to 1.83mil, highest since March 2023. Not great to see those Layoffs climbing while Quits are declining indicating a deterioration in worker confidence. Although to be fair, Layoffs are basically just now getting back in line with pre-covid levels.

JOLTS: OPENINGS & HIRES



Source: Main Management, BLS, Macrobond. Data last updated: 10/29/2024

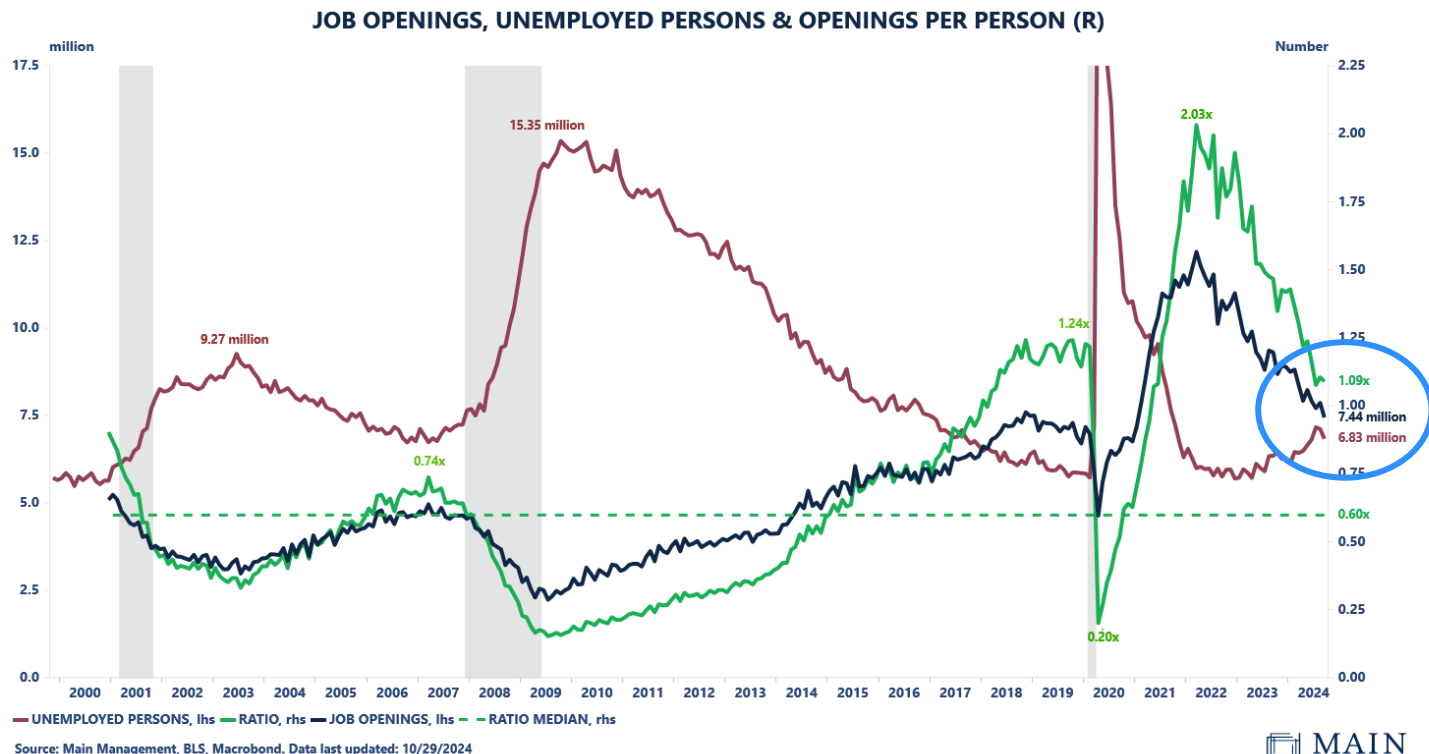
JOLTS: QUILTS & LAYOFFS



Source: Main Management, BLS, Macrobond. Data last updated: 10/29/2024

JOLTS

The ratio of Job Openings per Unemployed Person ticked down to 1.09x. The actual levels of Openings (7.4mil) and Unemployed Persons (6.8mil) may swap places here soon, reverting to what has been the usual dynamic for most of the time since JOLTS started being calculated. There may be some hand-wringing over this switch but its important to remember the longer-term, more normal relationship.

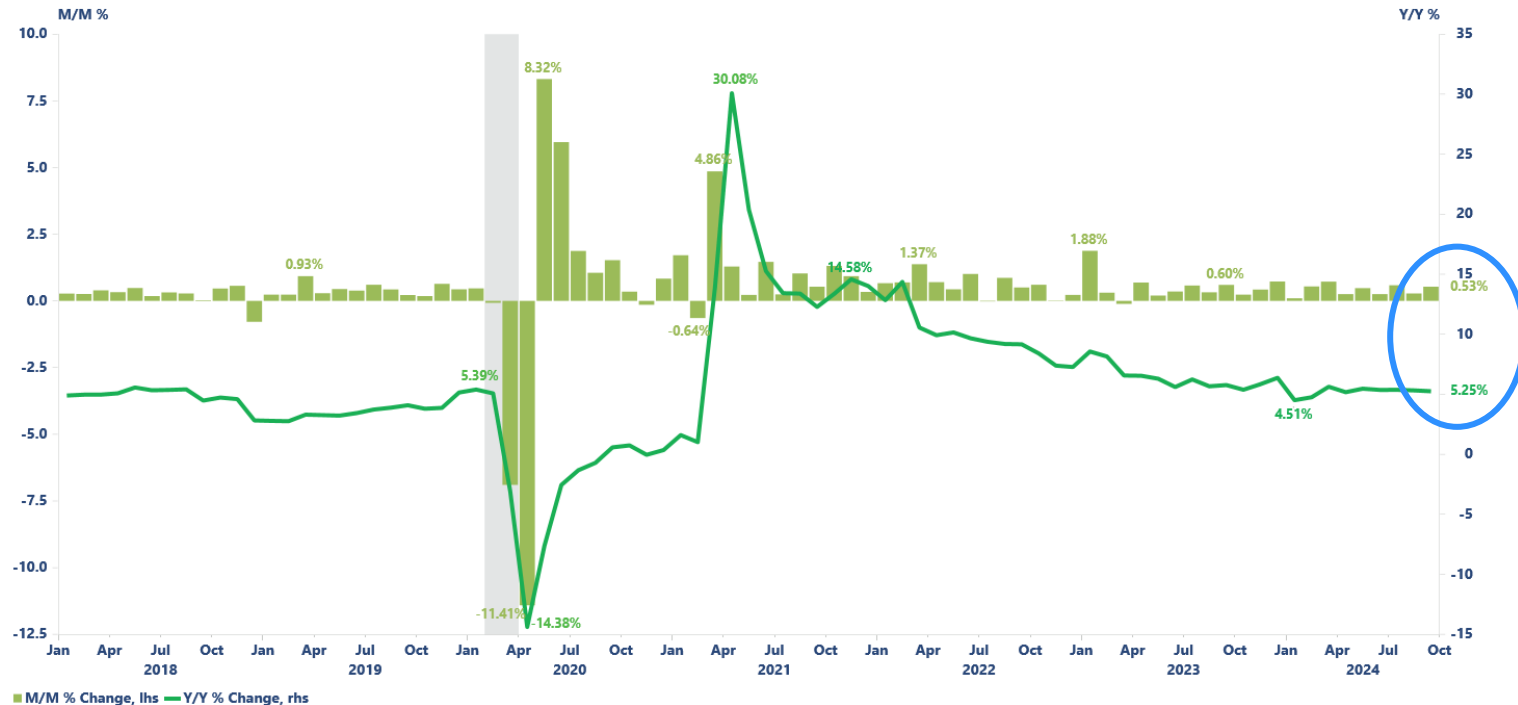


Consumer Spending

The September read for Consumer Spending was solid at +0.53% M/M, ahead of forecasts for a +0.4% rise. The Y/Y figure currently stands at +5.25%, basically in line with pre-covid levels and should help reassure pundits that the consumer is doing ok despite the higher rate environment. The Wage gains from the NFP report also reinforce this story.

U.S. Consumer Spending

United States, Expenditure Approach, Personal Consumption Expenditures, Total, SA, AR, USD

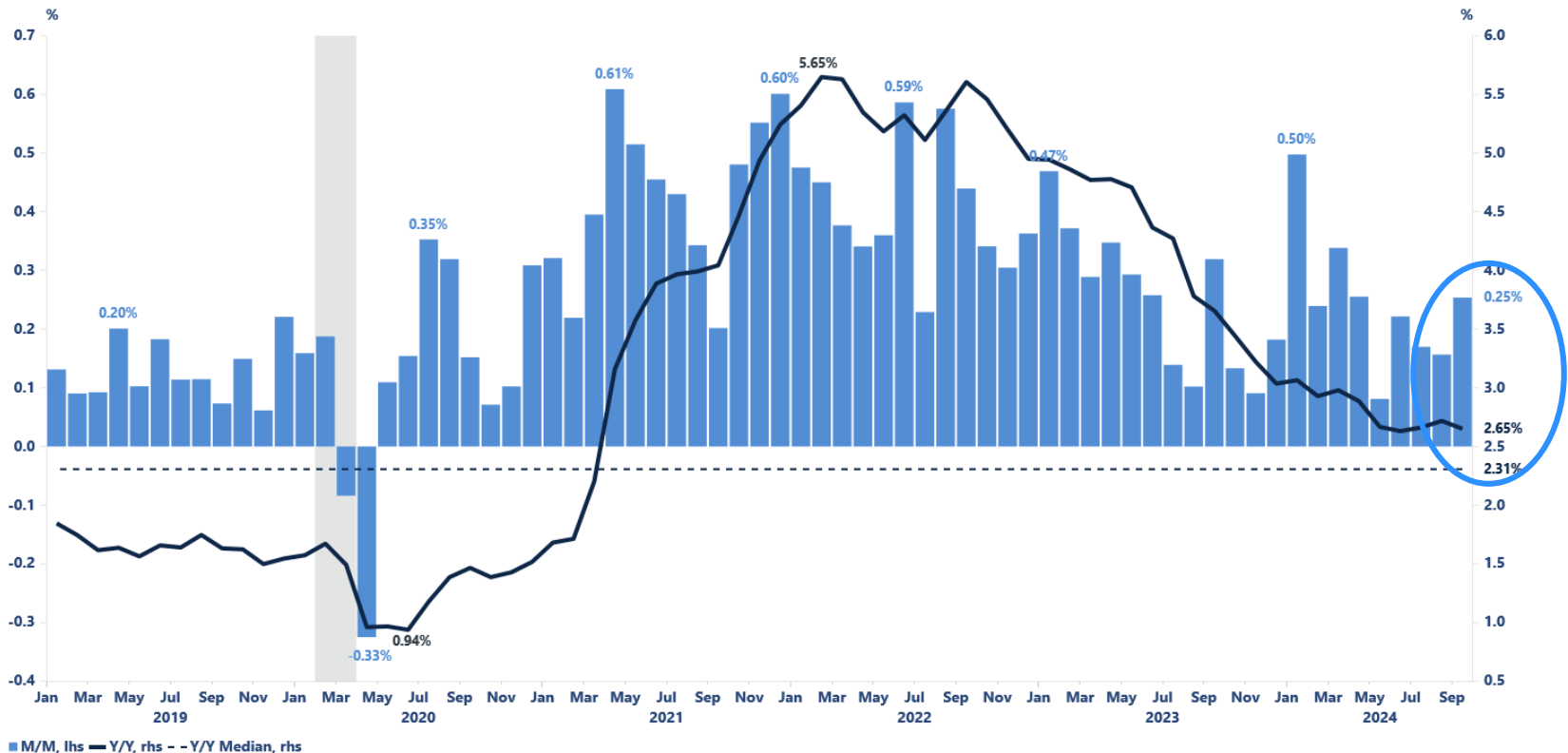


Source: Main Management, BEA, Macrobond. Data last updated: 10/31/2024

Core PCE

September's Core PCE reading rose +0.25% M/M, in line with expectations and the biggest gain since April. On a year-over-year basis, it ticked down to +2.65%, slightly above forecasts, but with tougher comps in the coming months, that deceleration trend looks likely to resume.

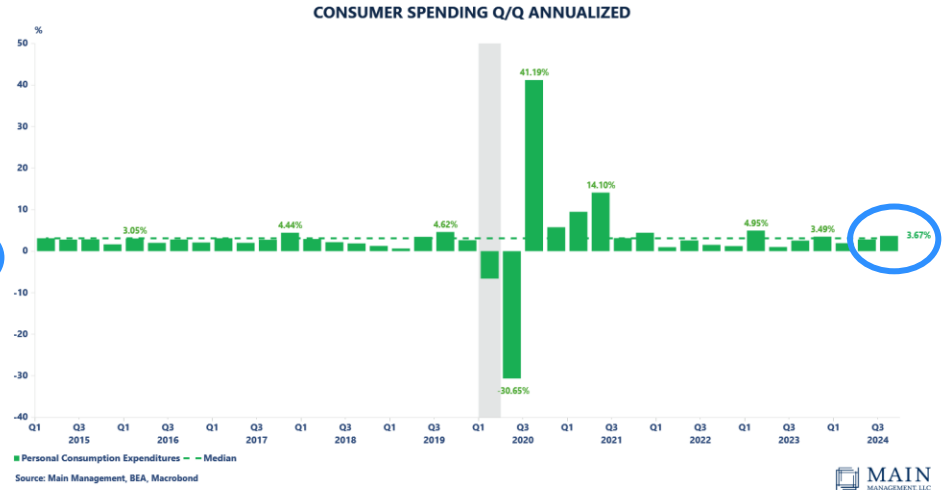
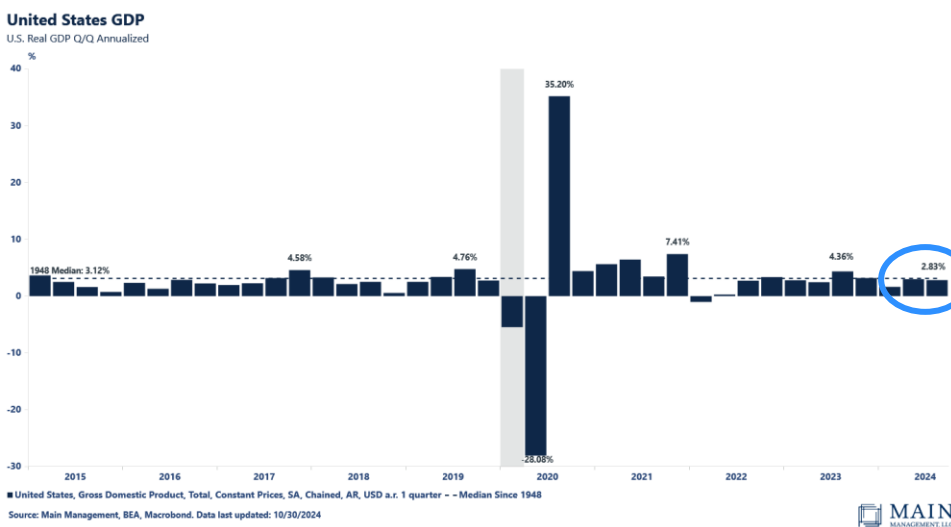
CORE PCE M/M & Y/Y (R)



Source: Main Management, BEA, Macrobond. Data last updated: 10/31/2024

Q3 2024 U.S. GDP

The 1st estimate of Q3 2024 U.S. GDP came in at +2.83%, missing forecasts for a +3% reading but still showing solid growth. Like we saw in the September PCE report, Q3 Consumer Spending was robust at +3.67%, the strongest reading since Q1 2023. Investment and Net Exports were drags on the GDP figure while Consumer Spending was responsible for roughly 2.5% of the 2.8% gain.



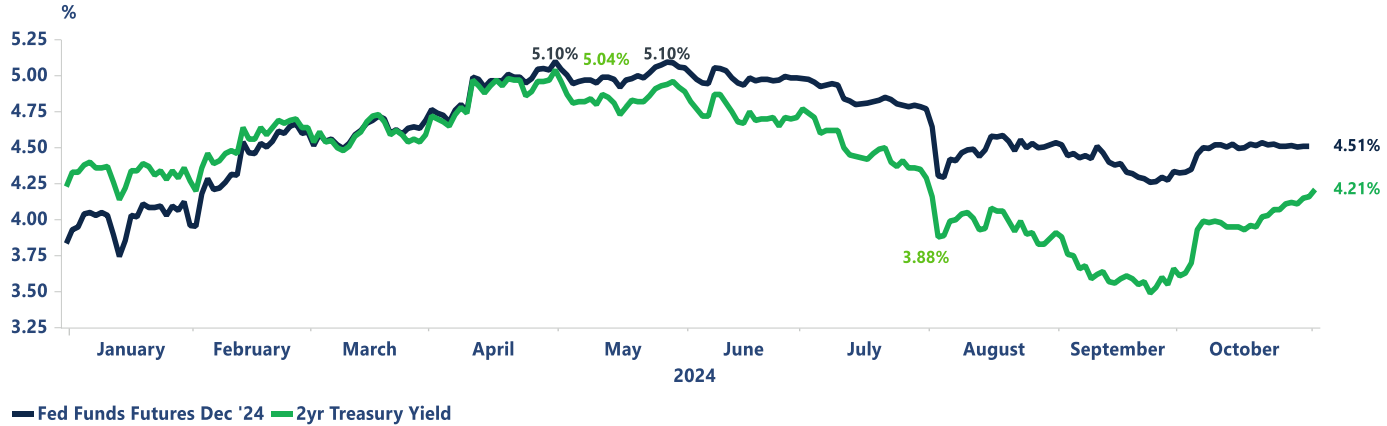
SUMMARY

- October NonFarm Payrolls came in very light at just +12k, negatively affected by weather and strikes. Wages showed solid growth, though, accelerating on a Y/Y basis to 3.99%.
- The September JOLTS report shows a labor market that continues to moderate. The ratio of Unemployed Persons per Open Job stands at 1.09x and may very well dip below 1 in the relatively near future, reverting to the dynamic that existed for much of the series history.
- Core PCE was up +2.65% Y/Y in September, slightly ahead of forecasts but still painting a picture of moderating inflation. Perhaps more notable in the report was the robust Consumer Spending figure, showing continued strength even in this higher rate environment.
- The 1st estimate for Q3 2024 U.S. GDP came in just below forecasts at +2.83%, but still showing solid growth. Consumer Spending was responsible for the bulk of the increase, confirming the September spending reading from the PCE report.
- Upcoming key data to watch:
 - Productivity (Thursday)
 - Service & Composite PMIs (Tuesday)

APPENDIX

YIELDS & FUTURES

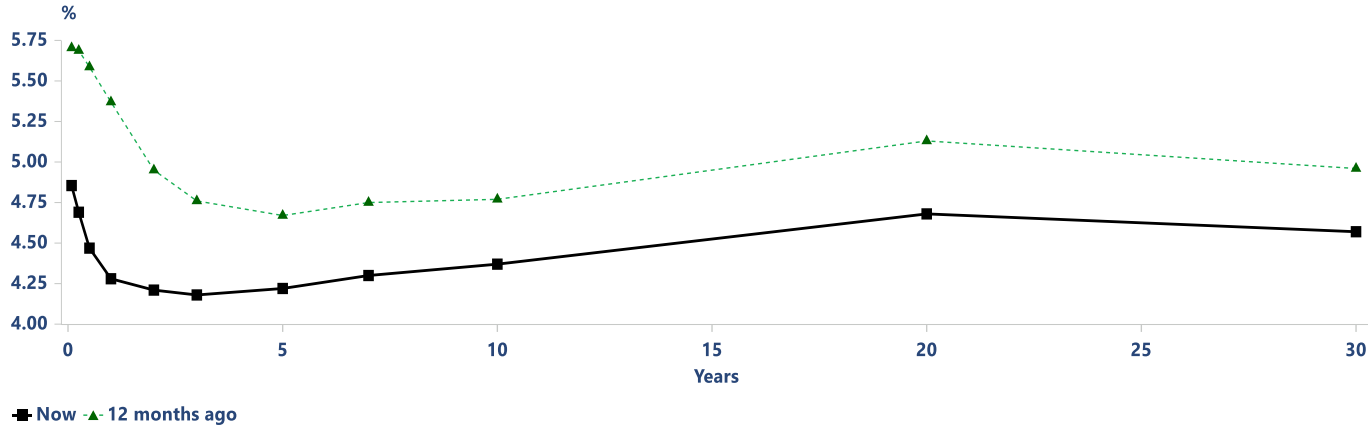
FED FUNDS FUTURES & 2-YEAR TREASURY YIELD



Source: Main Management, CME Group, U.S. Treasury, Macrobond. Data last updated: 11/1/2024



US TREASURY YIELD CURVE

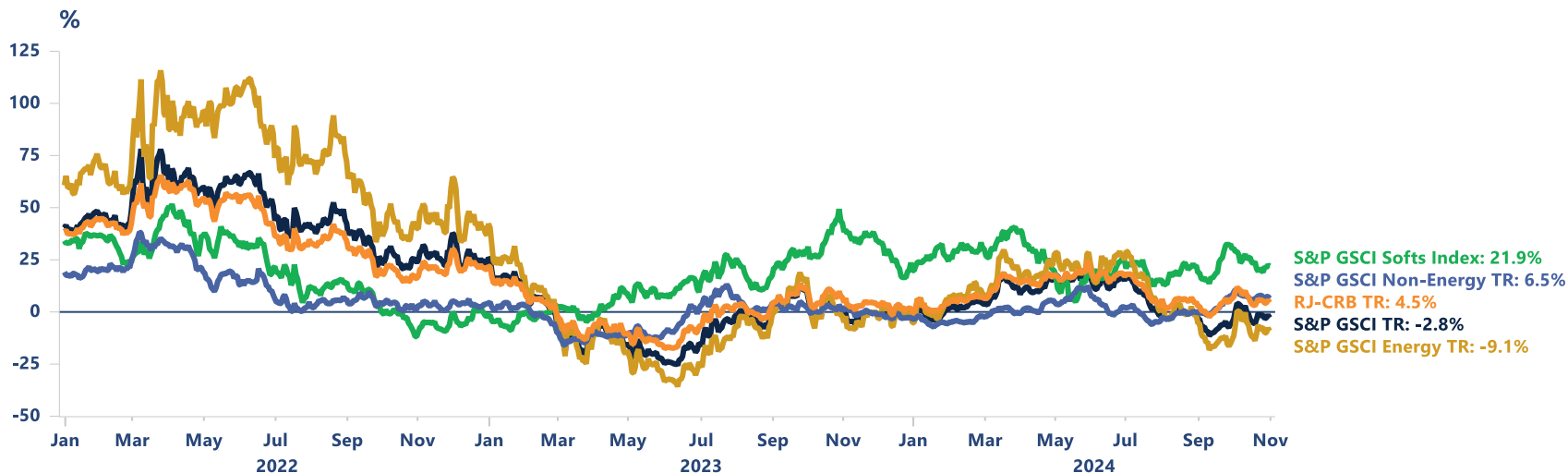


Source: Main Management, U.S. Treasury, Macrobond. Data last updated: 11/1/2024



INFLATION WATCH

MAJOR COMMODITY INDICES Y/Y



Source: Main Management, S&P Global, CoreCommodity Management, LME, EIA, LBMA, Macrobond, LPPM, NRCAN, ICCO, ICO, USDA, MIA, TREA, TMX, Macrobond. Data last updated: 11/1/2024

Commodity	1 Month	3 Months	YTD ↓	1 Year
Bitcoin	6.7%	6.1%	66.8%	103.5%
Silver	3.6	15.1	36.9	40.2
Gold	3.2	13.8	33.0	37.5
Coffee	-8.6	6.5	30.6	54.6
Copper	-4.8	5.9	10.8	16.2
Natural Gas	-6.7	27.3	7.7	-19.2
S&P GSCI	0.5	0.9	5.7	-1.9
US Dollar (DXY)	3.6	-0.5	2.6	-2.0
Lumber	2.8	9.7	1.1	12.5
BBG Commodity Index	-2.2	2.8	-0.6	-6.1
Crude Oil	3.3	-7.4	-1.8	-14.6
Gasoline	2.6	-16.1	-4.7	-9.8
Corn	-1.8	5.7	-12.9	-14.1
Cotton	-5.4	2.1	-14.1	-16.1
Soybeans	-7.8	-4.4	-24.0	-23.4

Source: Main Management, S&P Global, CME Group, ICE, LME, Macrobond. Data last updated: 10/31/2024

DISCLOSURES

Main Management, LLC (“Main Management”, or the “Firm”) is an investment adviser registered under the Investment Advisers Act of 1940, as amended. The Firm was founded in 2002 and provides investment management services primarily to high net worth, family groups, foundations/endowments, and serves as a sub-adviser to third-party investment advisers & broker-dealers.

The information contained herein was prepared using sources that the Firm believes are reliable, but the Firm does not guarantee its accuracy. The information reflects subjective judgments, assumptions and the Firm’s opinion on the date made and may change without notice. The Firm is not obligated to update this information. Nothing herein should be construed as investment advice or a recommendation to purchase or sell securities. The information is not intended as an offer to provide advisory services in any state or jurisdiction where such offer would not be permitted under applicable registration requirements. All equity investing entails risk of loss.

In preparing this material, Main Management has not taken into account the investment objectives, financial situation or particular needs of any individual investor. Many securities transactions are risky and are not suitable for all investors. All securities investments carry risk, including a risk of loss of principal.

601 California Street, Suite 200, San Francisco, CA 94108

Phone: 415-217-5800 | Fax: 415-217-5809 | www.mainmgt.com