



MAIN
MANAGEMENT, LLC

MAIN MANAGEMENT MARKET NOTE:
November 29, 2024

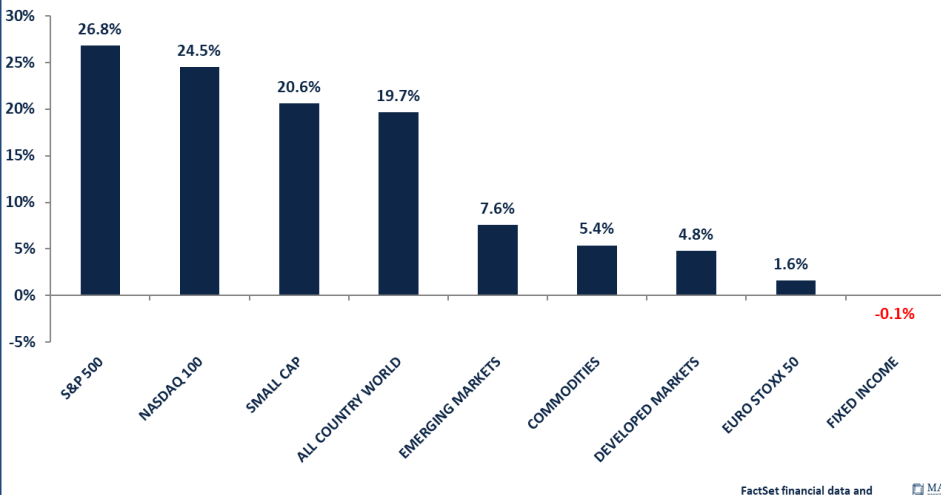


601 California Street, Suite 300, San Francisco, CA 94108

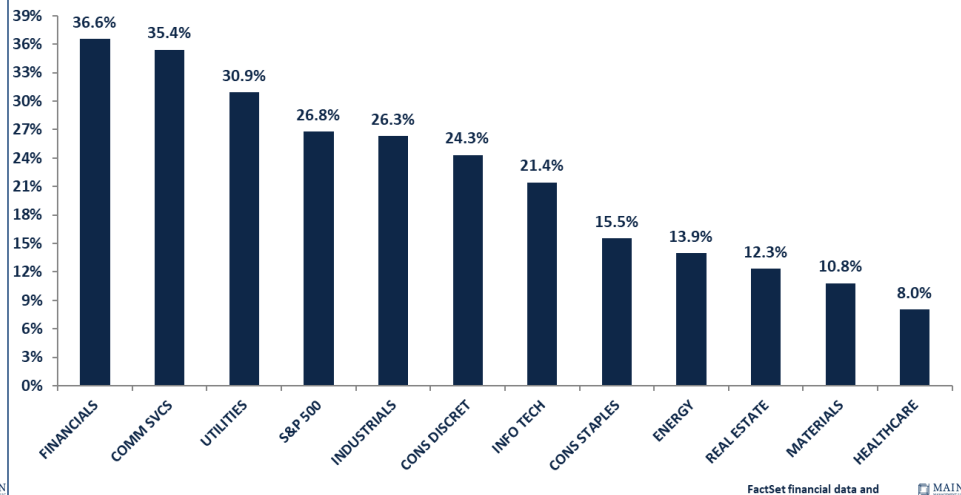
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Performance

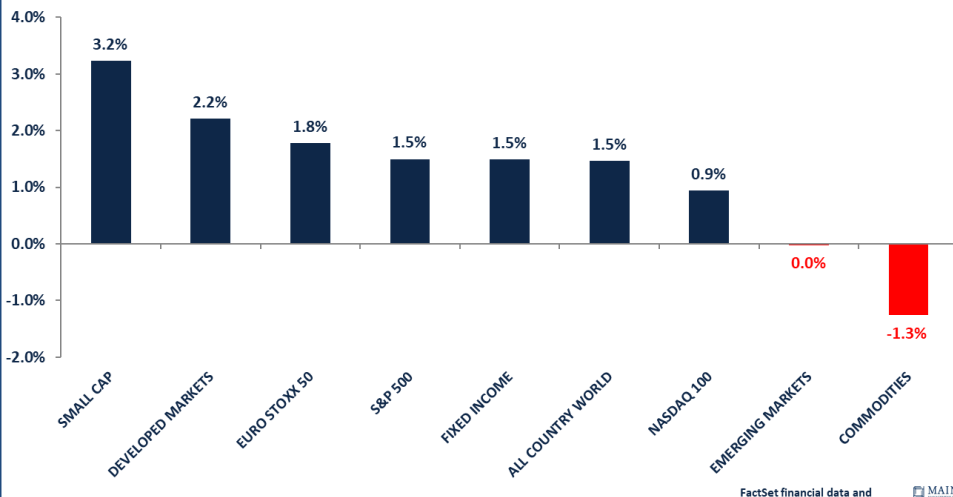
YTD 2024 ETF BROAD INDEX PRICE PERFORMANCE THROUGH NOVEMBER 29



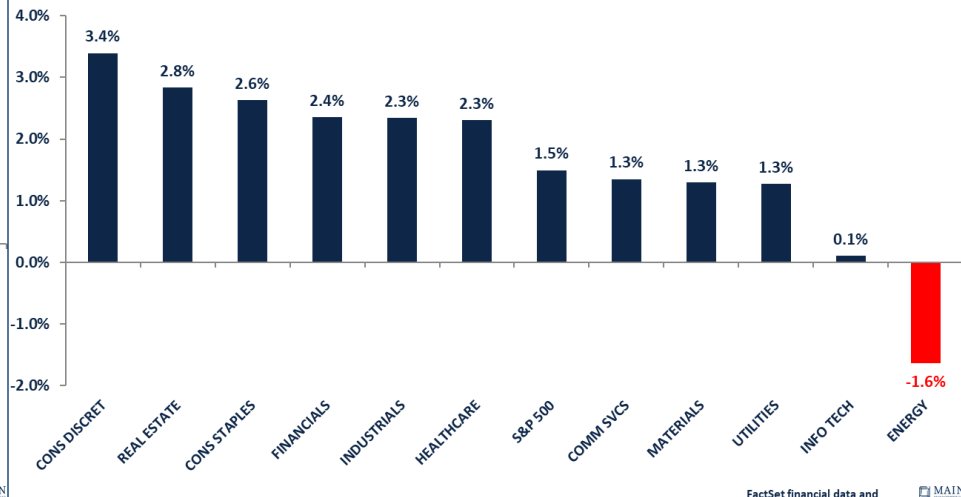
YTD 2024 ETF SECTOR PRICE PERFORMANCE THROUGH NOVEMBER 29



ETF BROAD INDEX PRICE PERFORMANCE TRAILING WEEK ENDED NOVEMBER 29



ETF SECTOR PRICE PERFORMANCE TRAILING WEEK ENDED NOVEMBER 29



Recession Dashboard

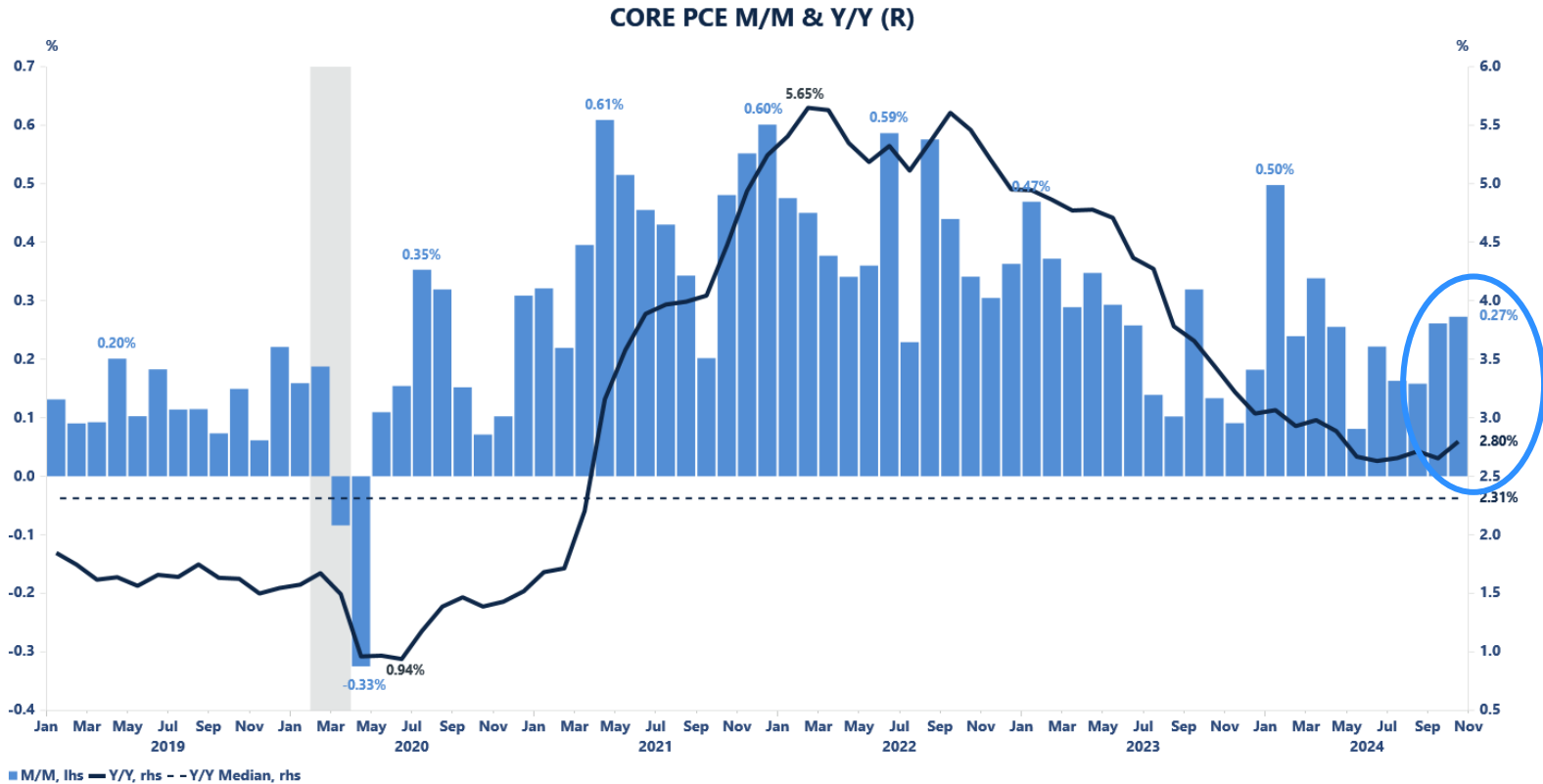
RECESSION START	INFLATION	CONSUMER	YIELD CURVE	HOUSING	SENTIMENT	AUTOS	EMPLOYMENT	PMI	RETAIL SALES
NOV 1973	↓	—	—	↓	—	—	↓	↓	—
JAN 1980	↓	↓	↓	↓	↔	↓	↓	↓	—
JUL 1981	↓	↓	↓	↓	↔	↓	↓	↓	—
JUL 1990	↓	↓	↓	↓	↔	↓	↓	↔	—
MAR 2001	↔	↓	↓	↔	↔	↔	↓	↓	↔
DEC 2007	↓	↓	↓	↓	↔	↓	↓	↓	↓
DEC 2019	↑	↑	↔	↔	↑	↔	↑	↔	↔
NOV 2024	↑	↔	↔*	↑	↔	↓	↓	↑	↔
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.

Core PCE

Core PCE, the Fed's preferred inflation measure, posted a +0.27% M/M gain in October, in line with expectations. The Y/Y figure ticked up to 2.80%, the highest since April. We have some easier comps starting in January, though, which could help this figure slow further.

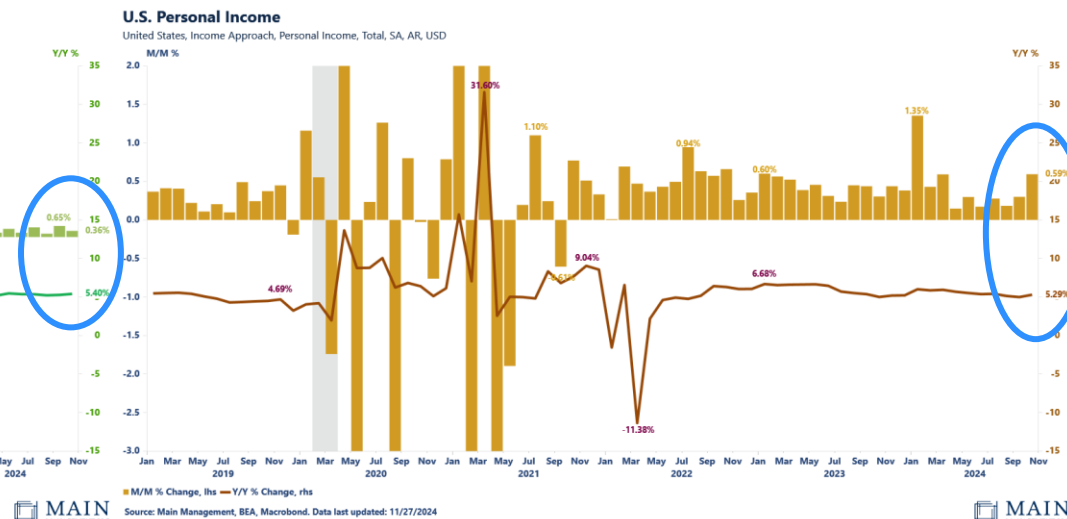
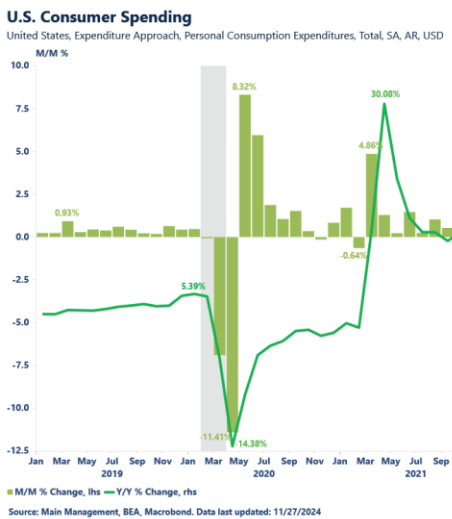


Source: Main Management, BEA, Macrobond. Data last updated: 11/27/2024

Income & Spending

Consumer Spending (left) came in at +0.36% M/M, slightly above forecasts for a 0.3% reading. The Y/Y figure was basically unchanged at 5.40% but that has been steadily increasing from the recent trough of 4.51% back in January 2024.

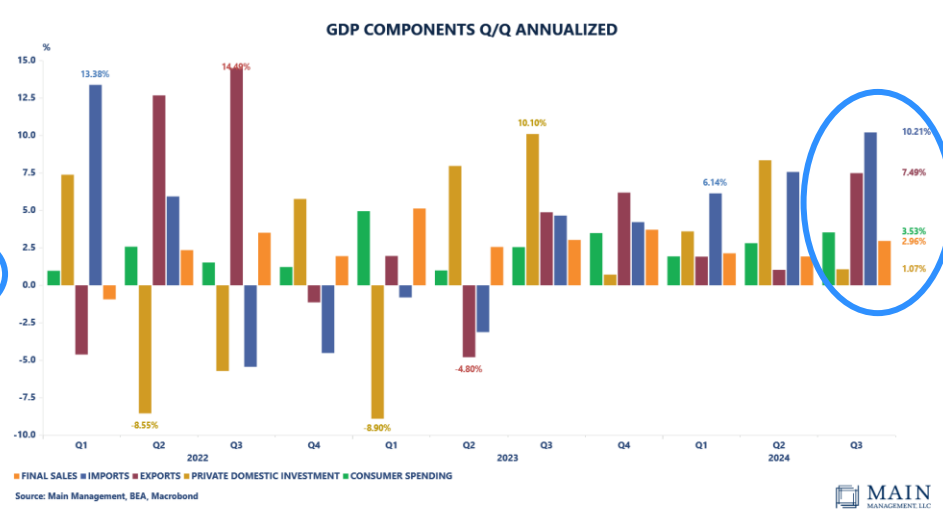
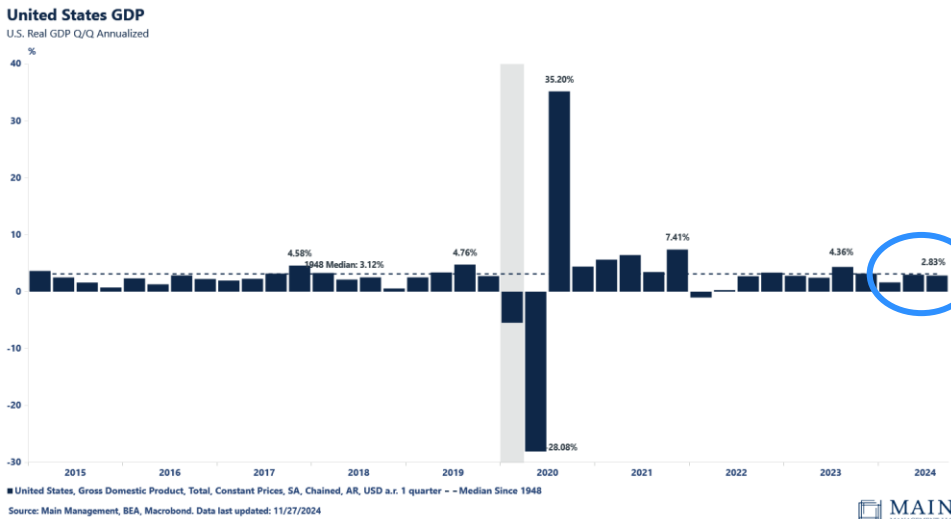
Incomes (right) accelerated to +0.59% M/M, the biggest gain since January and nearly double forecasts for 0.3%. The Y/Y figure ticked up to +5.29%. It's good to see incomes continue to outpace inflation (nearly double) as it means consumers have real spending power.



Q3 2024 U.S. GDP

The 2nd estimate of Q3 2024 U.S. GDP came in at 2.83% Q/Q (left), unchanged from the preliminary reading. There were a few revisions under the covers though.

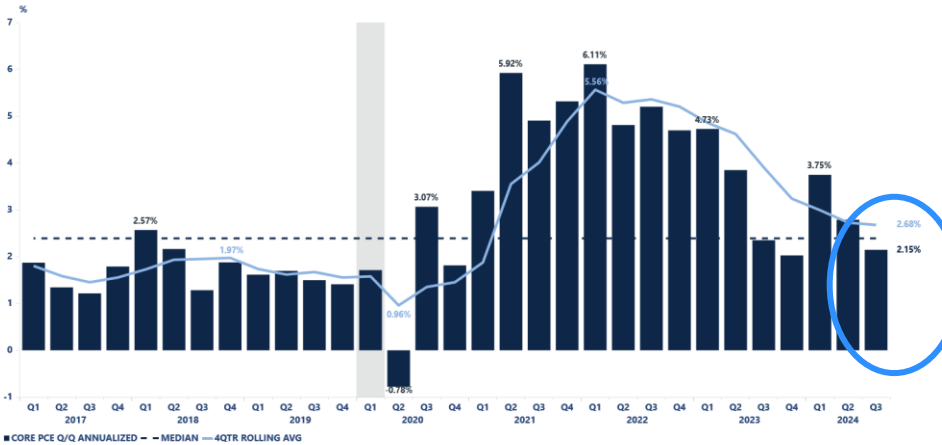
On the right we show the components. Imports posted a robust +10.21% gain (revised down from 11.19%), the biggest since Q1 2022. Exports were also up big at +7.49% (revised down from 8.91%). Final Sales were revised slightly lower to 2.96% from 3.02%, as was Consumer Spending from 3.67% to 3.53%. Investment was revised up to 1.07% from 0.35%.



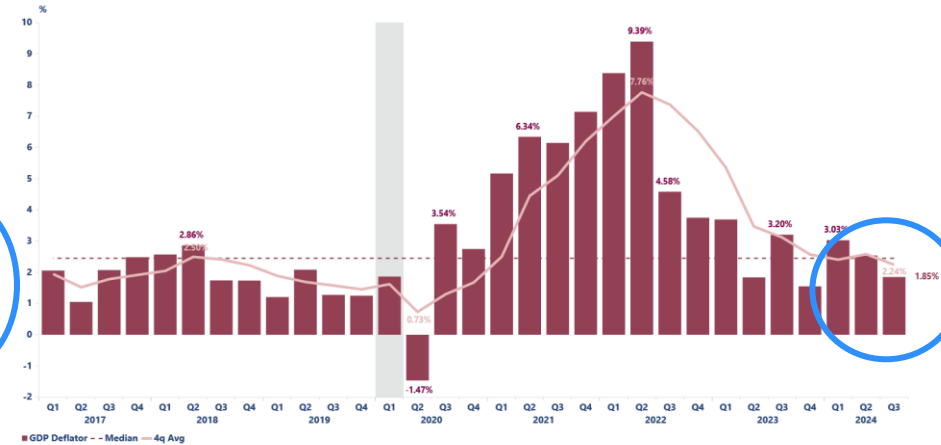
Quarterly Inflation

Within the GDP release, we get a couple different inflation measures as well. The quarterly figure for Real Core Personal Consumption Expenditures (left) was revised slightly lower to 2.15% from 2.16%, and a little below forecasts for a 2.2% reading. The 4qtr rolling average now sits at +2.68%, the lowest since Q1 2021. The GDP Deflator (right) was revised up to 1.85% from 1.80%, though. Still, the 4qtr average slowed to 2.24%, its lowest since Q4 2020!

REAL CORE PERSONAL CONSUMPTION EXPENDITURES



GDP DEFLATOR Q/Q ANNUALIZED



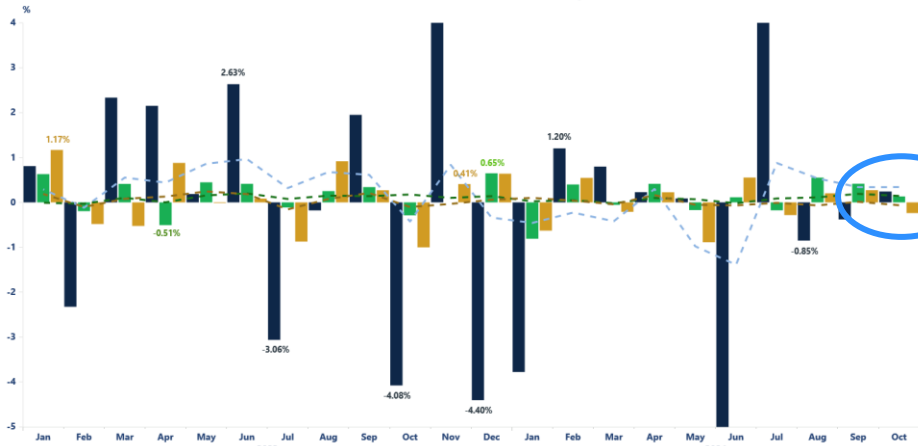
Source: Main Management, BEA, Macrobond

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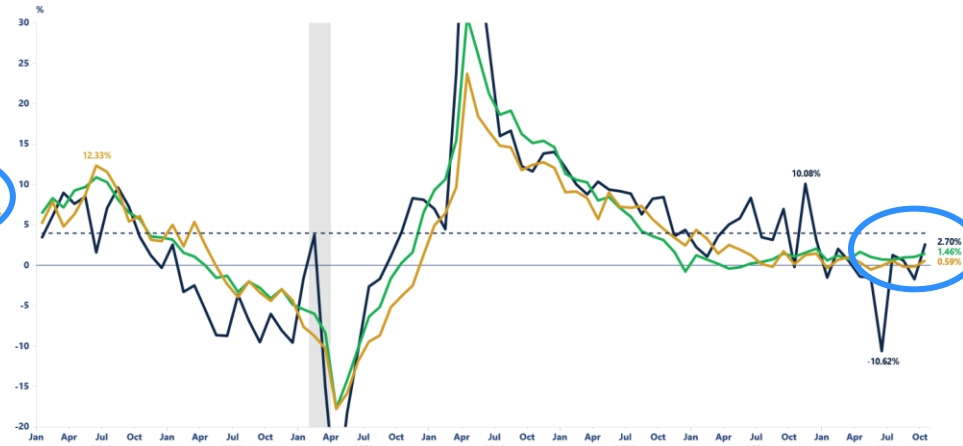
Durable Goods

Durable Goods Orders were up +0.24% M/M (left) in October, falling well short of forecasts for a 0.5% reading. Orders for Core Capital Goods, a business spending proxy, fell -0.24% M/M, the biggest decline since July. Orders ex-Transports were up +0.13% M/M, roughly half of expectations for a 0.2% reading. On a Y/Y basis (right), Total Durable Goods Orders accelerated to +2.70%, the highest since December 2023. Orders Ex-Transports accelerated to +1.46% while Core Capital Goods ticked back into the black at +0.59%.

DURABLE GOODS ORDERS M/M



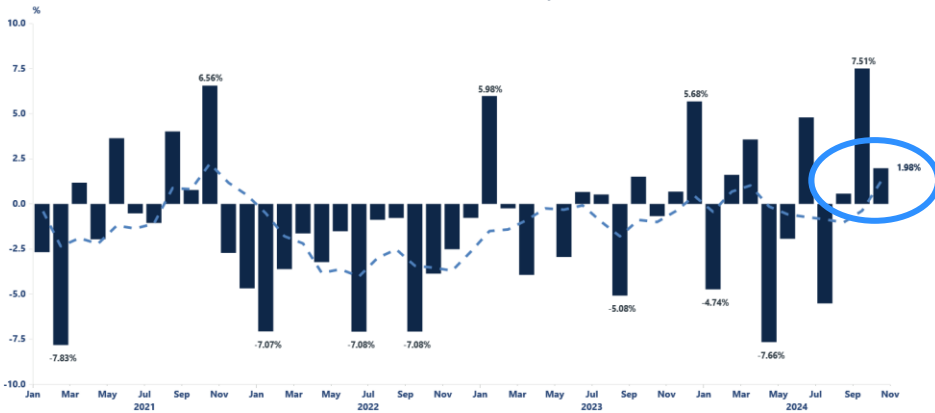
DURABLE GOODS ORDERS Y/Y



Pending Home Sales

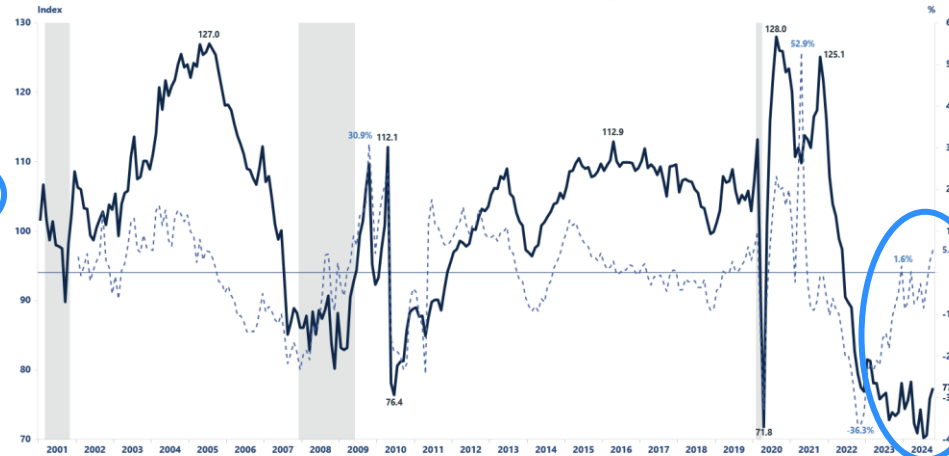
Pending Homes Sales posted a +1.98% M/M gain (left), the 3rd in a row and solidly above forecasts for a -2% drop. It's good to see that 6mo rolling average at its highest level since mid-2021. On the right, you can see how depressed the index remains relative to history. Still, the 77.4 reading is the best since March and it's accelerated to +5.4% Y/Y, the biggest gain since May 2021!

PENDING HOME SALES M/M



■ United States, Real Estate Indicators, Pending Home Sales Index, SA, Index, AR, NAR
 - - - 6m moving average
 Source: Main Management, NAR, Macrobond

PENDING HOME SALES INDEX & Y/Y



— Pending Home Sales Index, lhs - Year % Change, rhs
 Source: Main Management, NAR, Macrobond. Data last updated: 11/27/2024

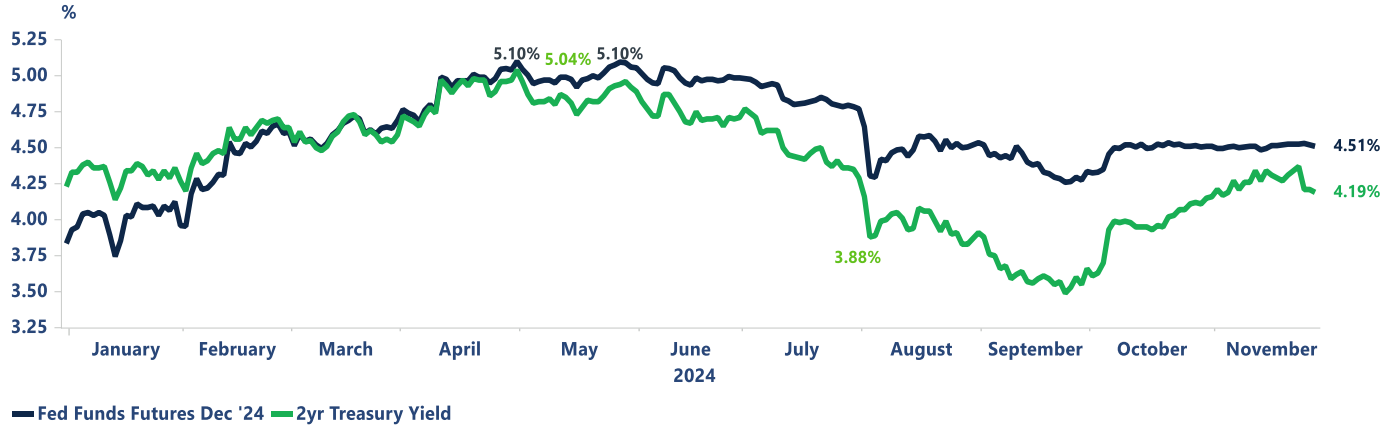
SUMMARY

- Core PCE, the Fed's preferred inflation measure, came in at +0.27% M/M, basically in line with expectations. The Y/Y figure ticked up to +2.80%, the highest since April. But we have some easier comparisons starting in January.
- Consumer Spending beat forecasts, rising +0.36% M/M and +5.40% Y/Y. Incomes jumped +0.59% M/M and are now up +5.29% Y/Y.
- The 2nd estimate for Q3 2024 U.S. GDP unchanged from the preliminary reading at 2.83%. However, most of the components were revised slightly lower with the exception of Investment.
- Durable Goods Orders came in well below forecasts while Pending Home Sales handily beat forecasts but remain depressed relative to history.
- Upcoming key data to watch:
 - JOLTS (Tuesday)
 - PMIs (Monday – Wednesday)
 - NonFarm Payrolls (Friday)

APPENDIX

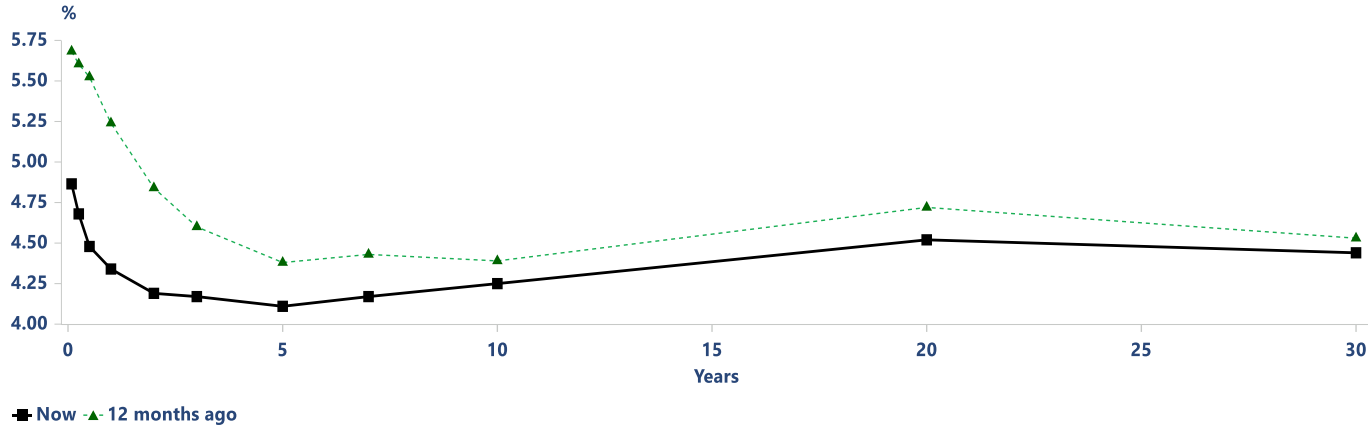
YIELDS & FUTURES

FED FUNDS FUTURES & 2-YEAR TREASURY YIELD



Source: Main Management, CME Group, U.S. Treasury, Macrobond. Data last updated: 11/27/2024

US TREASURY YIELD CURVE



Source: Main Management, U.S. Treasury, Macrobond. Data last updated: 11/27/2024

INFLATION WATCH

MAJOR COMMODITY INDICES Y/Y



Source: Main Management, S&P Global, CoreCommodity Management, LME, EIA, LBMA, Macrobond, LPPM, NRCan, ICCO, ICO, USDA, MIAx, TREA, TMX, Macrobond. Data last updated: 11/29/2024

Commodity	1 Month	3 Months	YTD ↓	1 Year
Bitcoin	43.5%	60.7%	127.2%	156.8%
Coffee	31.3	25.7	73.2	81.5
Gold	-4.0	4.5	27.9	31.0
Natural Gas	27.0	58.5	27.4	12.2
Silver	-10.4	1.1	26.2	23.8
Lumber	11.1	16.3	8.3	6.7
S&P GSCI	-0.8	0.0	6.0	2.8
Copper	-6.3	-4.8	5.0	7.5
US Dollar (DXY)	1.7	5.5	4.6	2.8
BBG Commodity Index	-2.1	1.3	-0.9	-3.6
Crude Oil	0.1	-8.9	-4.1	-8.2
Gasoline	-2.7	-13.6	-6.1	-8.9
Cotton	4.1	5.1	-9.2	-6.4
Corn	-1.4	13.1	-11.8	-10.3
Soybeans	-0.8	3.9	-23.6	-25.7

Source: Main Management, S&P Global, CME Group, ICE, LME, Macrobond. Data last updated: 11/29/2024

DISCLOSURES

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