



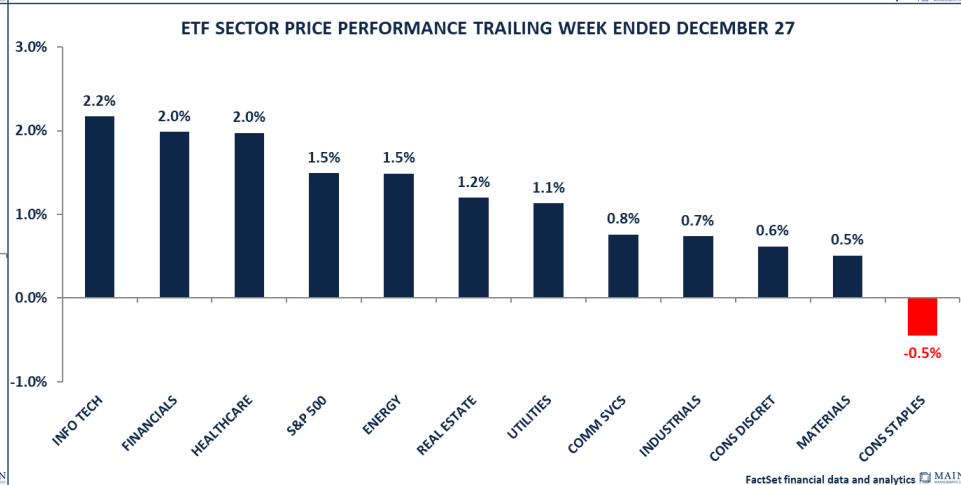
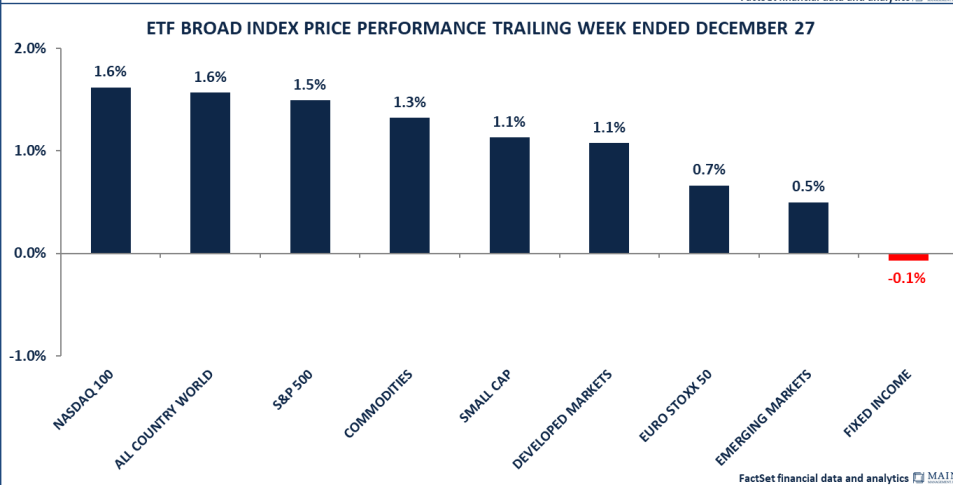
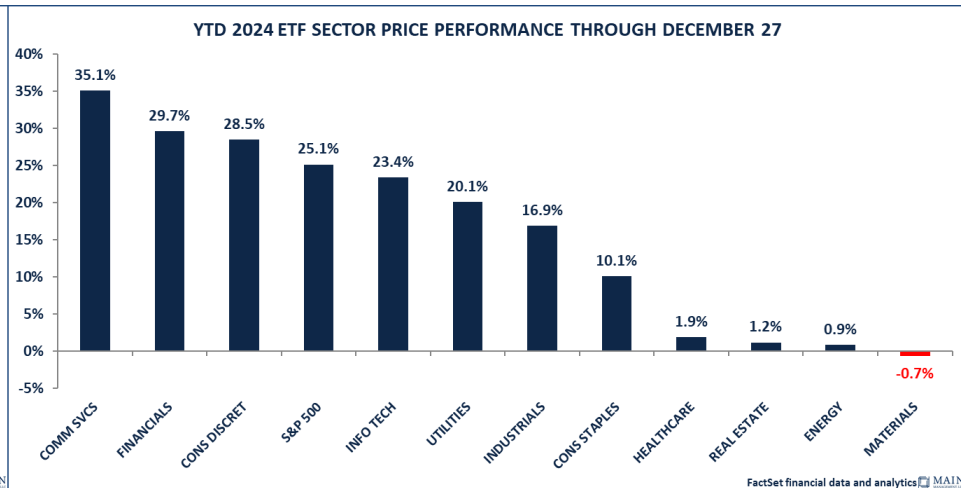
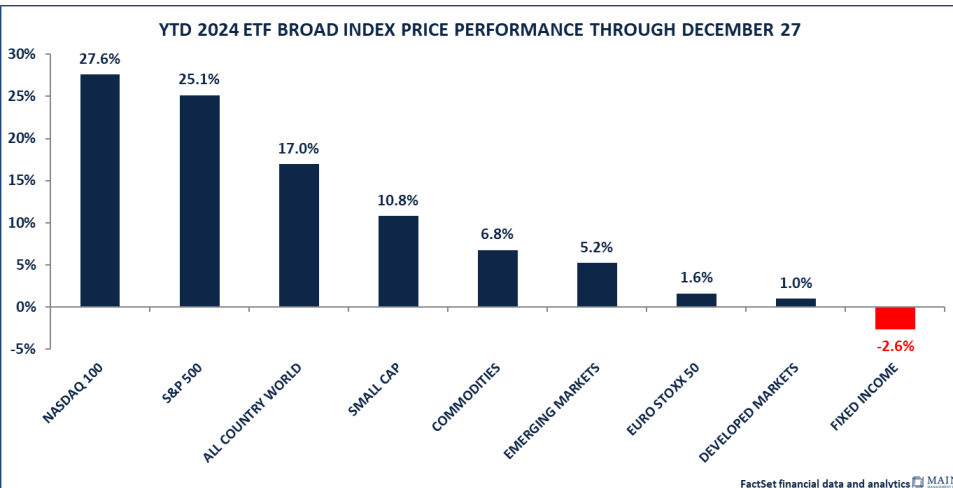
MAIN
MANAGEMENT, LLC

MAIN MANAGEMENT MARKET NOTE: **December 27, 2024**

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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	↑	↑	↔	↔	↑	↔	↑	↔	↔
DEC 2024	↔	↑	↔*	↔	↑	↓	↓	↑	↑
LAST CHANGE	GREEN DEC '24	BLUE DEC '24	RED MAR '23	GREEN DEC '24	BLUE DEC '24	BLUE SEP '23	BLUE SEP '22	BLUE JUN '23	BLUE DEC '24

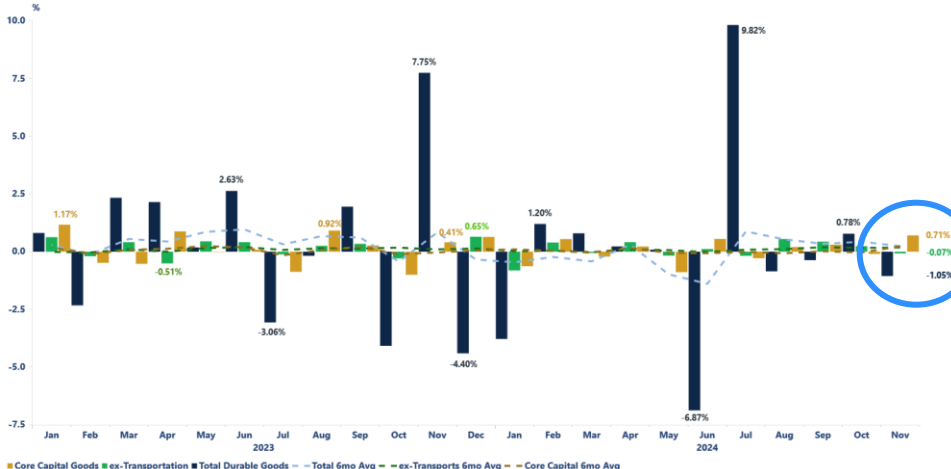
↑ Positive
↔ Neutral
↓ Negative

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.

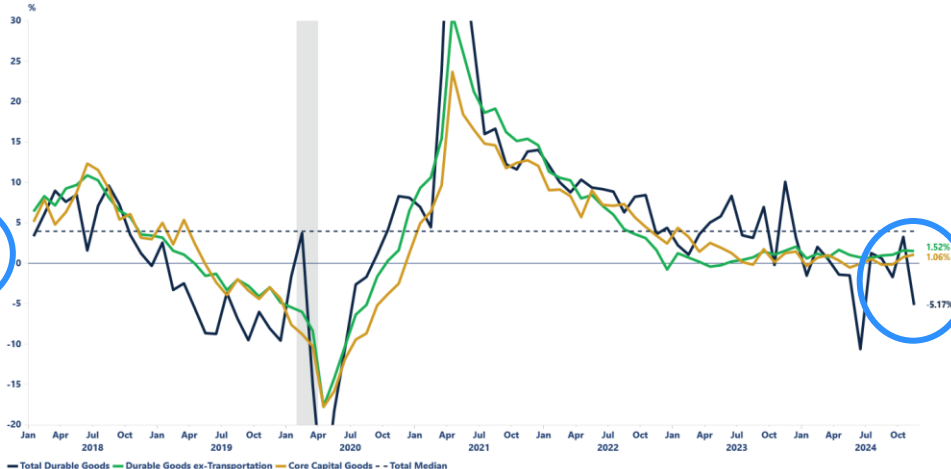
Durable Goods Orders

Durable Goods Orders were down -1.05% M/M (left) in November, well below forecasts for a +0.4% reading. They were dragged down by Transportation which fell -2.9%. Orders ex-Transports were down just -0.07% M/M. Core Capital Goods jumped +0.71% M/M, their biggest rise since Aug. 2023! Core Orders are a proxy for business spending plans so that's a good development inside this otherwise lackluster report. On a Y/Y basis (right), Total Durable Goods dropped to -5.17%. Orders ex-Transports were unchanged at +1.52% while Core accelerated to +1.06%.

DURABLE GOODS ORDERS M/M



DURABLE GOODS ORDERS Y/Y

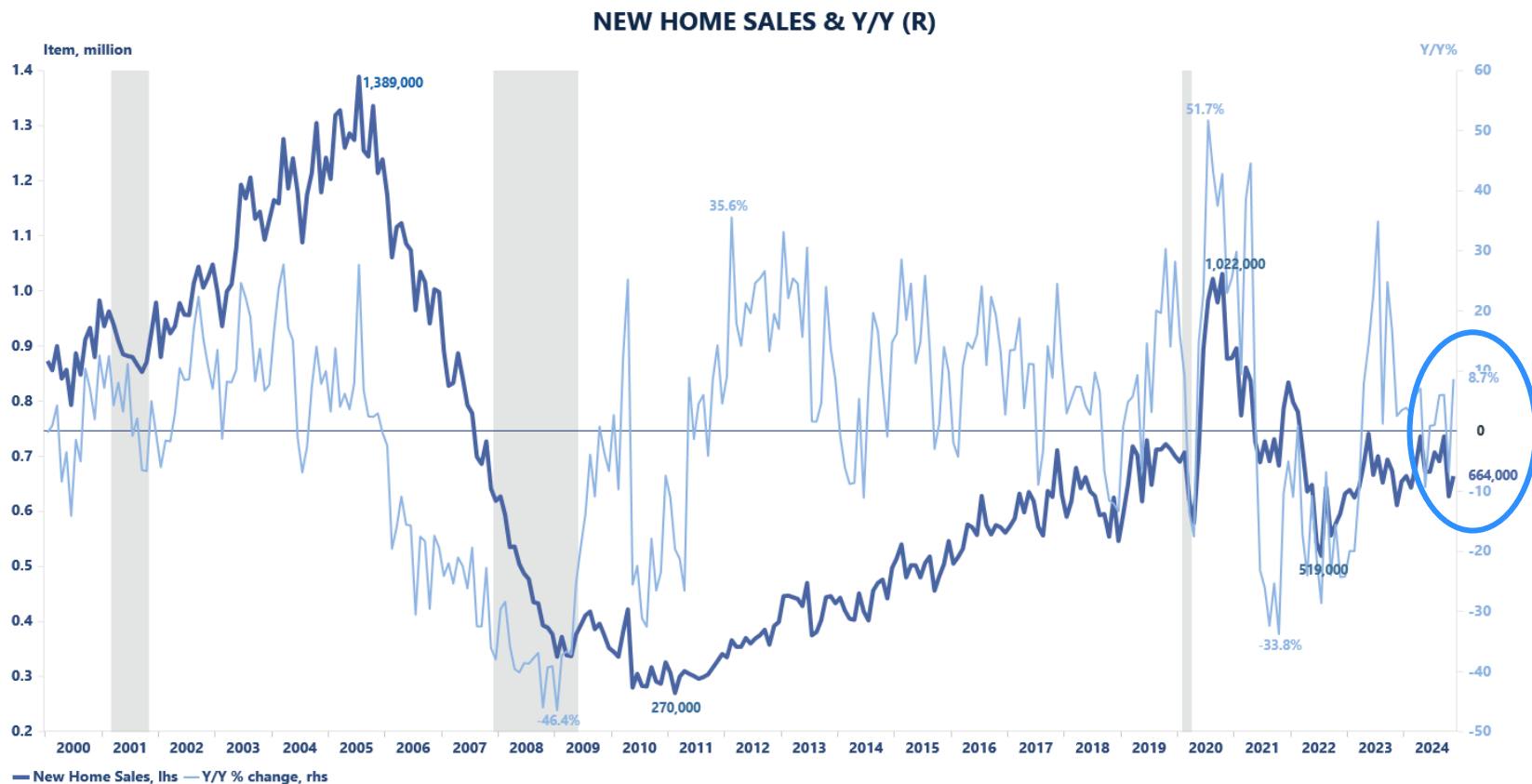


Source: Main Management, USCB, Macrobond. Data last updated: 12/23/2024

Source: Main Management, USCB, Macrobond. Data last updated: 12/23/2024

New Home Sales

New Home Sales rose to 664k units in November, above forecasts for a 650k reading and reversing the prior months' decline. On a year-over-year basis, they accelerated to +8.7%, the biggest rise since October 2023!

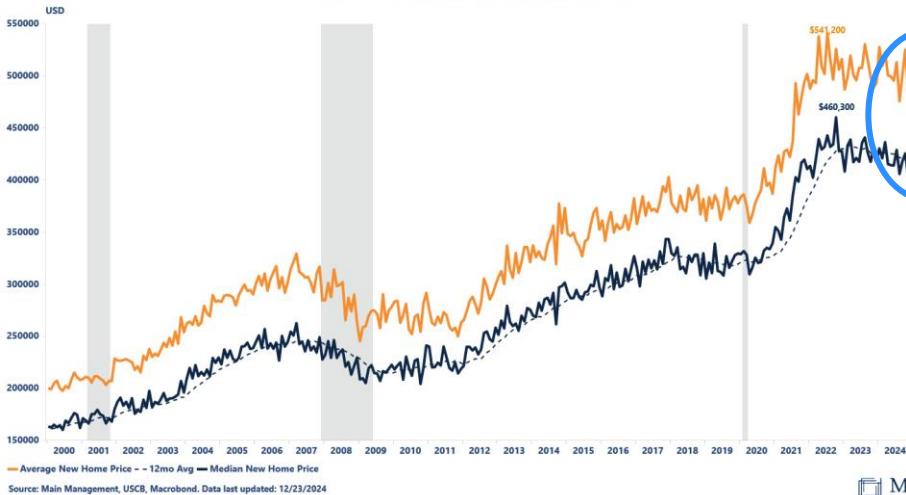


Source: Main Management, USCB, Macrobond. Data last updated: 12/23/2024

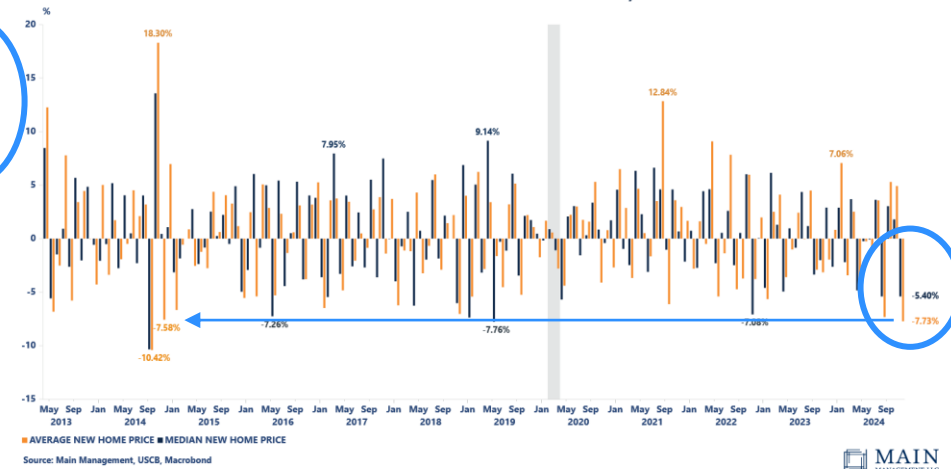
New Home Prices

Median and Average New Home Prices (left) both declined in November and have been trending choppily lower of late. The Average Price is down to \$484,800, -10.4% off the peak, while the Median Price fell to \$402,600, -12.5% off its peak and the lowest since February 2022. On a M/M basis (right), the Median Price fell -5.4% in November, repeating October's decline. Meanwhile, the Average Price dropped -7.7% M/M, the biggest monthly decline since September 2014!! These declining prices should help bring buyers back into the market as they ease affordability which has been an issue for quite some time.

MEDIAN & AVERAGE NEW HOME PRICE

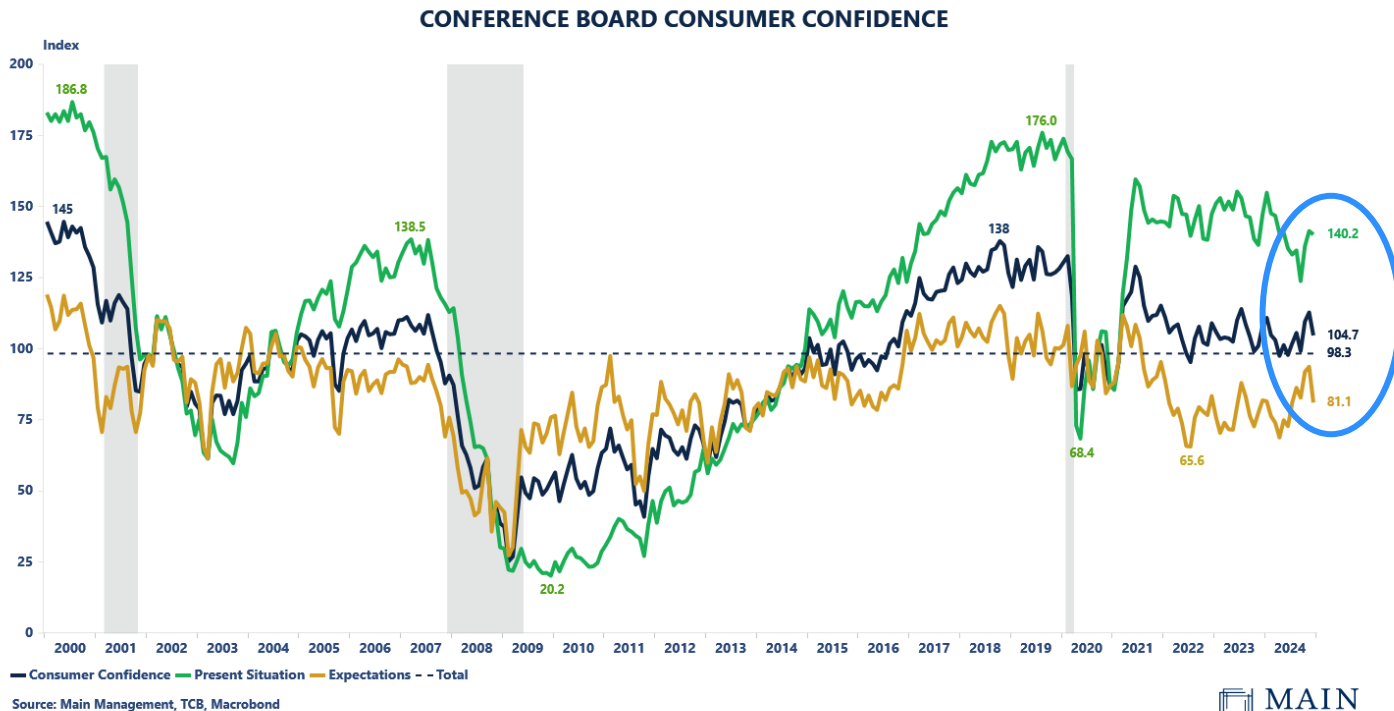


AVERAGE & MEDIAN NEW HOME PRICE M/M



Consumer Confidence

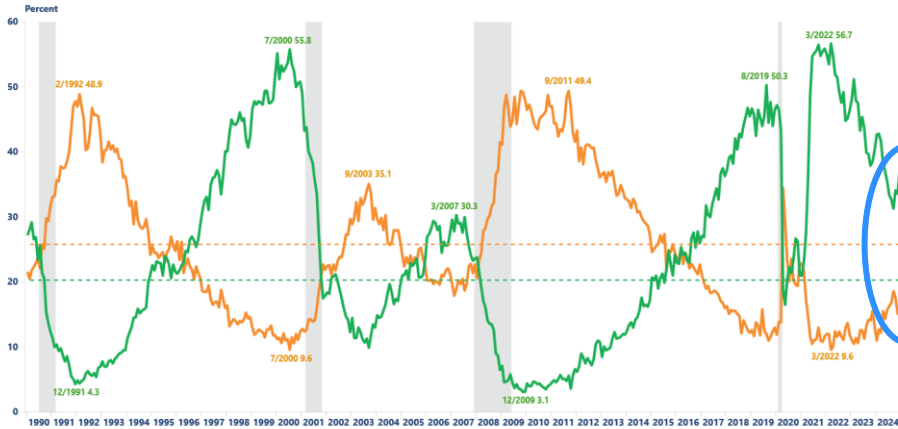
The Conference Board Consumer Confidence reading for November declined to 104.7. The Present Situation Index ticked down to 140.2 while Expectations fell hard to 81.1, just above the 80-level which has been indicative of a recession in the past. However, it's worth a reminder that Expectations have been depressed for the last few years and no recession has materialized (yet). The -12.6-point drop in the Expectations index was the biggest since November 2020 and the -8.1-point drop in the Headline was the biggest since August 2021!



Finding a Job

However, inside the tough Conference Board report was an improvement in the Jobs Plentiful vs. Jobs Hard to Get picture (left). Jobs Plentiful moved up to 37.0, the highest since May, while Jobs Hard to Get declined to 14.8, the lowest since May. That brought the delta to +22 from the trough of +12.7 in September (right).

CONFERENCE BOARD EMPLOYMENT SITUATION: JOBS PLENTIFUL vs HARD TO GET



Source: Main Management, TCB, Macrobond



Conference Board Labor Market Differential: 'Jobs Plentiful' - 'Jobs Hard to Get'

Calculated by subtracting 'Jobs Hard to Get' responses from 'Jobs Plentiful' responses in the Consumer Confidence Survey. Positive values suggest a stronger perceived labor market.



Source: Main Management, TCB, Macrobond. Data last updated: 12/23/2024



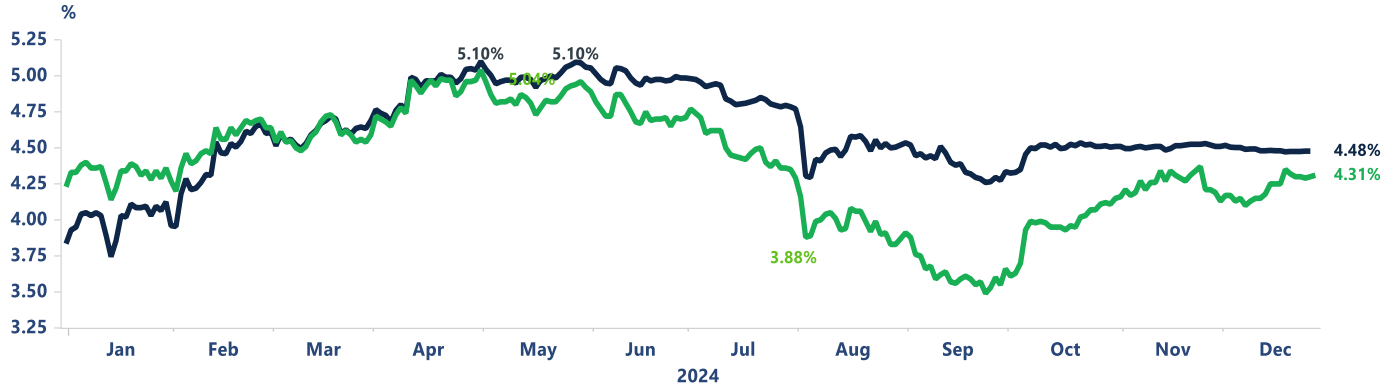
Summary

- Durable Goods Orders missed forecasts in November, declining -1.05% M/M, dragged down by Transports. However, Core Capital Goods (a proxy for business spending plans) jumped +0.71% M/M, their biggest rise since Aug. 2023!
- New Home Sales improved in November and are now up +8.7% Y/Y, the biggest rise since October 2023. Prices have been choppily declining which will hopefully bring more buyers to the table.
- The Conference Board's Consumer Confidence reading dipped in November but the spread between Jobs Plentiful and Jobs Hard to Get improved, a good sign for the labor market.
- Upcoming key data to watch:
 - Pending Home Sales (Monday)
 - Manufacturing PMIs (Thursday/Friday)

Appendix

Yields & Futures

FED FUNDS FUTURES & 2-YEAR TREASURY YIELD

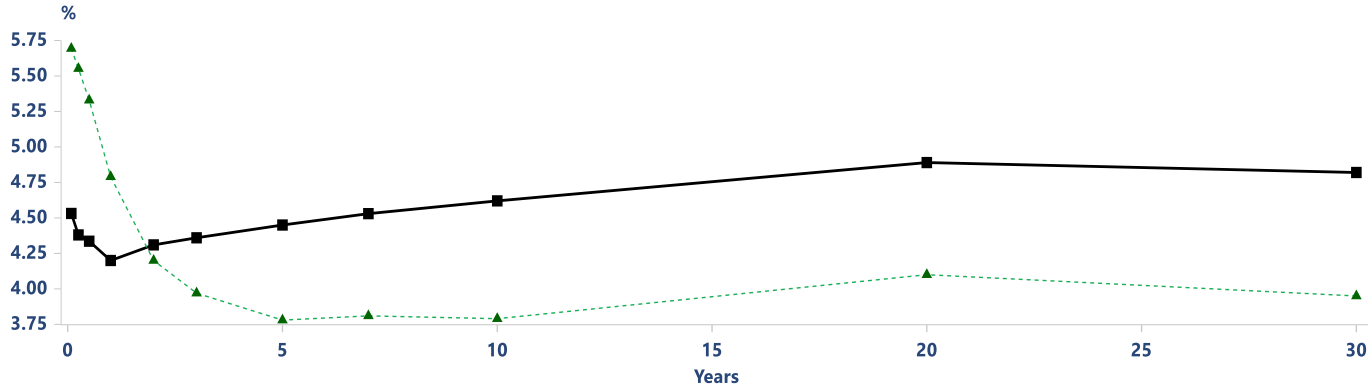


— Fed Funds Futures Dec '24 — 2yr Treasury Yield

Source: Main Management, CME Group, U.S. Treasury, Macrobond. Data last updated: 12/27/2024



US TREASURY YIELD CURVE



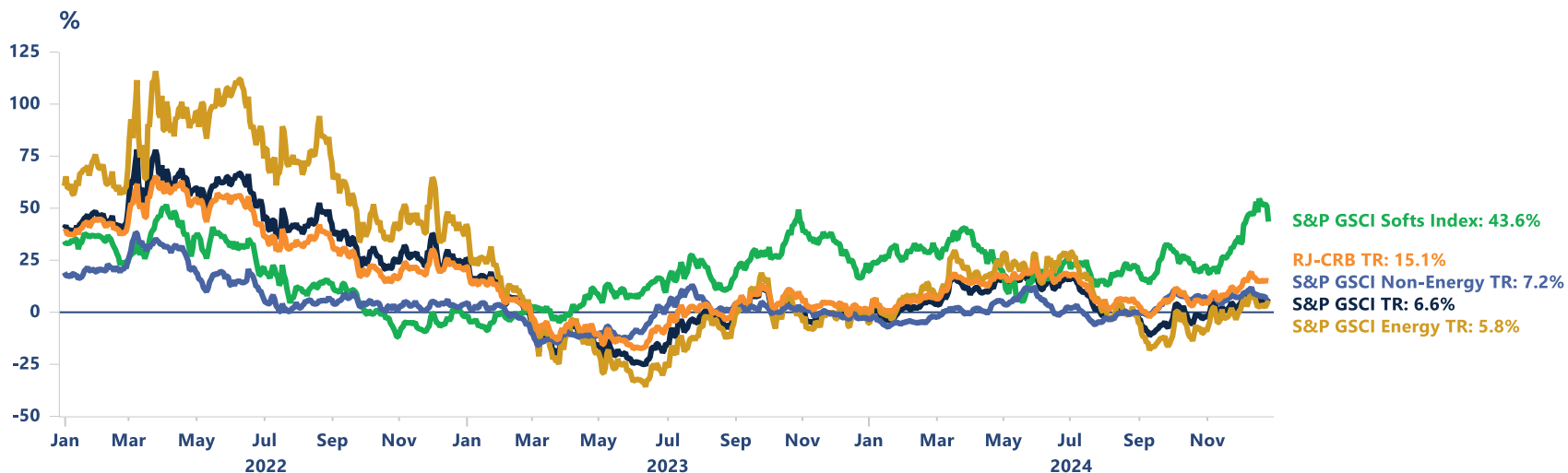
■ Now ▲ 12 months ago

Source: Main Management, U.S. Treasury, Macrobond. Data last updated: 12/27/2024



Inflation Watch

MAJOR COMMODITY INDICES Y/Y



Source: Main Management, S&P Global, CoreCommodity Management, LME, EIA, LBMA, Macrobond, LPPM, NRCAN, ICCO, ICO, USDA, MIA, TREA, TMX, Macrobond. Data last updated: 12/27/2024

Commodity	1 Month	3 Months	YTD ↓	1 Year
Bitcoin	0.2%	55.8%	134.4%	124.9%
Coffee	10.0	24.6	74.5	69.7
Natural Gas	18.2	51.0	57.0	53.4
Gold	-2.0	-0.5	26.8	27.9
Silver	-3.0	-2.6	25.7	23.3
S&P GSCI	0.3	2.0	7.6	6.1
US Dollar (DXY)	1.1	7.2	6.7	6.2
Lumber	-4.1	8.5	5.5	1.9
Copper	-0.6	-6.1	4.6	3.9
BBG Commodity Index	-0.7	-0.9	-0.4	-0.8
Crude Oil	-0.2	-0.8	-2.4	-5.4
Corn	5.1	8.5	-4.8	-5.1
Gasoline	-4.9	-1.6	-6.8	-9.2
Cotton	-0.6	-4.1	-15.1	-13.1
Soybeans	-0.3	-6.2	-24.6	-24.8

Source: Main Management, S&P Global, CME Group, ICE, LME, Macrobond. Data last updated: 12/26/2024

Disclosures

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