



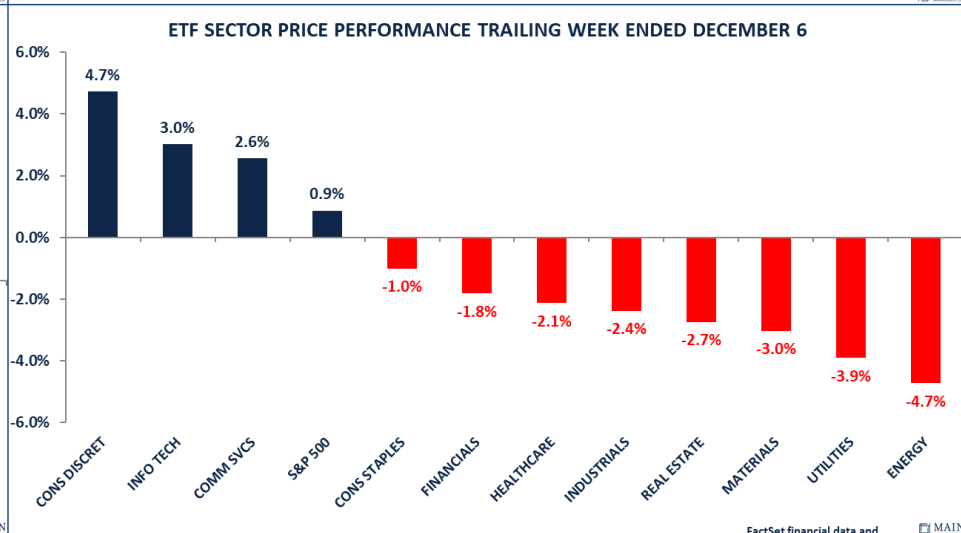
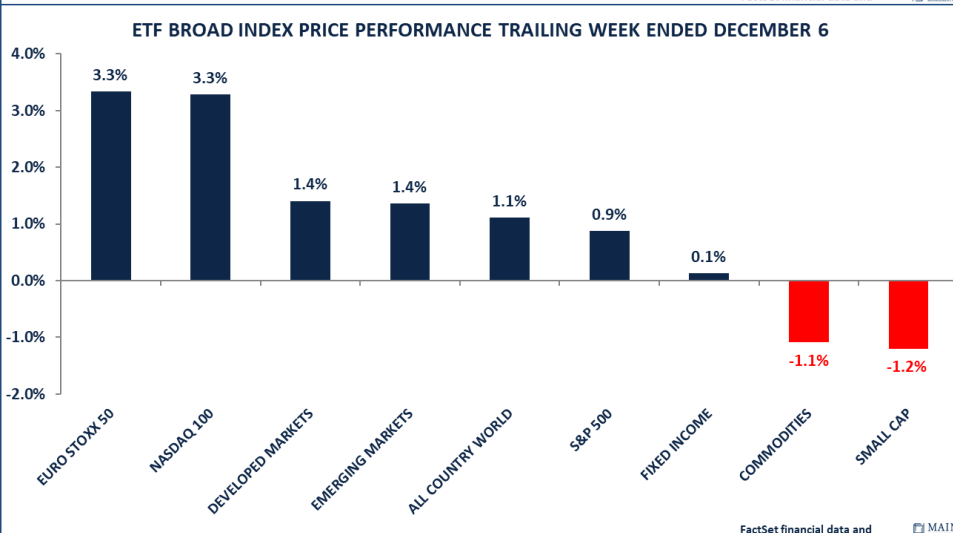
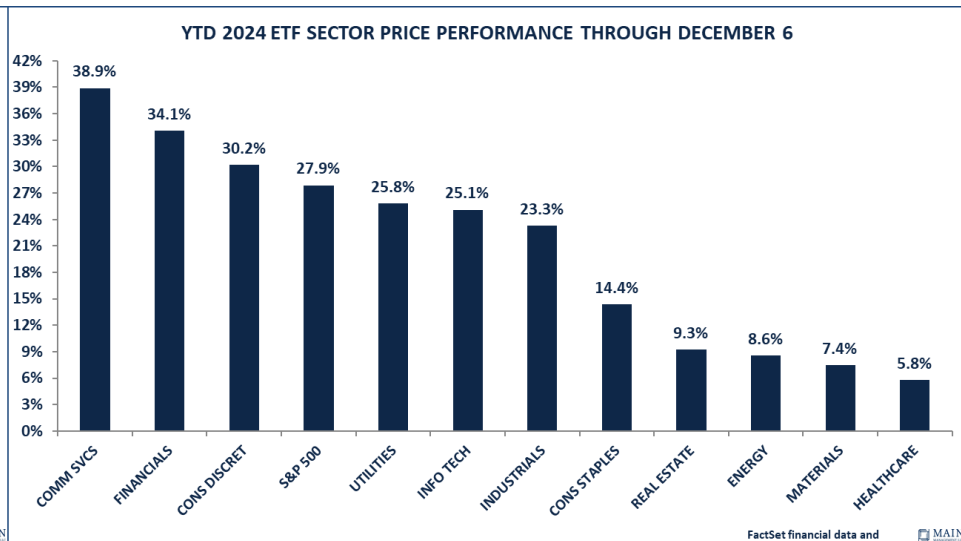
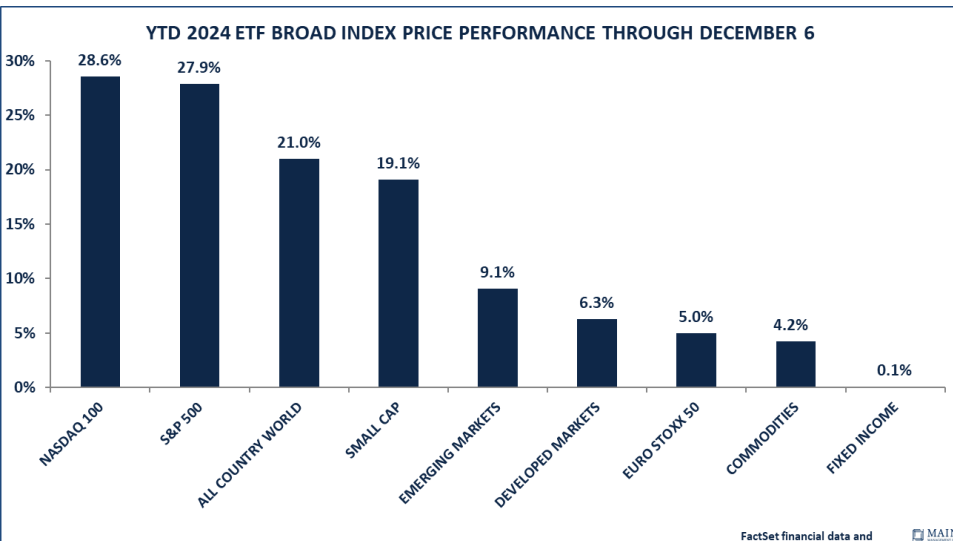
MAIN
MANAGEMENT, LLC

MAIN MANAGEMENT MARKET NOTE: **December 6, 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	↑	↑	↔	↔	↑	↔	↑	↔	↔
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.

NonFarm Payrolls

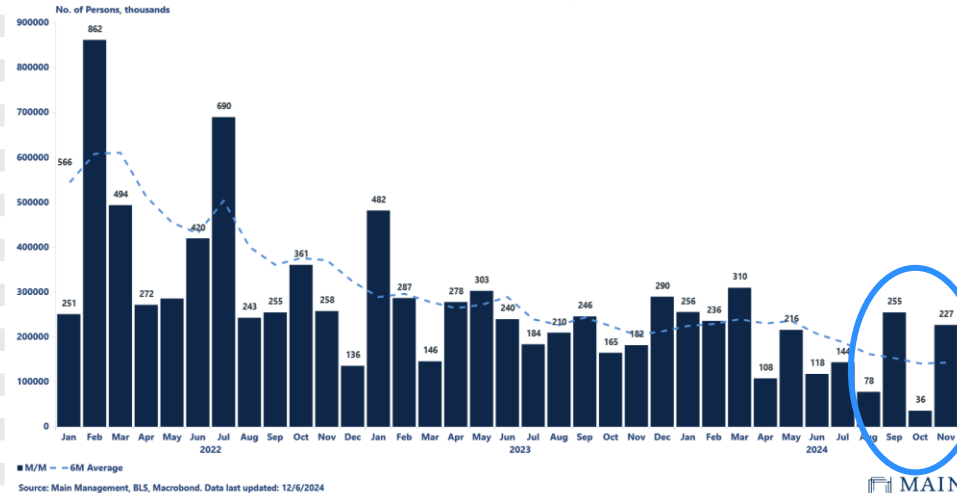
The November NonFarm Payrolls figure came in at +227k, above forecasts for a 220k reading. October's dismal 12k reading was revised up to 36k. However, the Unemployment Rate ticked up to 4.2% while the Participation Rate declined to 62.5%. Wages posted a +0.37% M/M gain but slowed on a Y/Y basis to +4.03%.

US Employment

(All population/employment figures in 000s)

	November 2024	Last Month	12 Months Ago	Y/Y	M/M
Total Nonfarm Employment	159,288	159,061	157,014	1.4%	0.1%
Total Nonfarm Employment (Δ From Prior Period)	227	36	182		
Civilian Non-Institutional Population	269,463	269,289	267,822	0.6%	0.1%
Civilian Non-Institutional Population (Δ From Prior Period)	174	209	180		
Civilian Labor Force	168,286	168,479	168,127	0.1%	-0.1%
Civilian Labor Force (Δ From Prior Period)	-193	-220	404		
Participation Rate	62.5%	62.6%	62.8%	-0.5%	-0.2%
Employed (Household data)	161,141	161,496	161,866	-0.4%	-0.2%
Employed (Household data) (Δ From Prior Period)	-355	-368	586		
Employed / Population	59.8%	60.0%	60.4%	-1.1%	-0.3%
Unemployed	7,145	6,984	6,262	14.1%	2.3%
Unemployed (Δ From Prior Period)	161	150	-181		
Unemployment Rate (U3)	4.2%	4.1%	3.7%	13.5%	2.4%
Unemployment Rate (U6)	7.8%	7.7%	7.0%	11.4%	1.3%
Part-time for Economic Reasons	4,457	4,557	3,994	11.6%	-2.2%
Want A Job Now (Δ From Prior Period)	-197	-261	-31		
Not in Labor Force	101,177	100,809	99,695	1.5%	0.4%
Not in Labor Force (Δ From Prior Period)	368	428	-224		
Not In Labor Force / Population	37.5%	37.4%	37.2%	0.9%	0.3%
Δ in NFPs Less Those Leaving the Labor Force	-141	-392	406		
Average Hourly Earnings	\$35.61	\$35.48	\$34.23	4.0%	0.4%
Average Hourly Earnings (Y/Y change)	4.03%	4.05%	4.26%		
Private Weekly Hours Worked	34.3	34.2	34.4	-0.3%	0.3%
Manufacturing Weekly Hours Worked	40.0	39.9	39.9	0.3%	0.3%
Total Private Diffusion Index (256 Industries, 1 Month Span)	56.2	53.2	52.4	7.3%	5.6%
Manufacturing Diffusion Index (74 Industries, 1 Month Span)	47.9	46.5	42.4	13.0%	3.0%

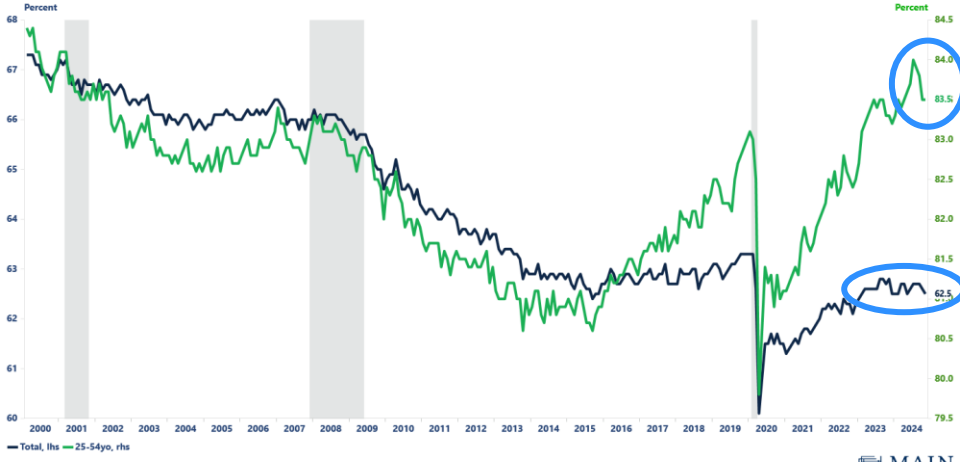
NONFARM PAYROLLS M/M



Participation

Despite the solid headline jobs figure, one area of concern is the Labor Force which has shrunk by -413k in the last 2 months and as such has seen the Participation Rates (left) decline. The 25-54yo cohort has shrunk by -516k in the last 4 months! The Participation Rate for the 25-54yo cohort was unchanged at 83.5% but was up at 84.0% in July while the Headline Participation Rate declined to 62.5%, tied for the lowest since January 2024. Meanwhile, those Not in the Labor Force (right) has risen to 101mil, the highest since May 2020, and is up +1.49% Y/Y, the most since March 2021. Hopefully these two trends start moving the other way soon...

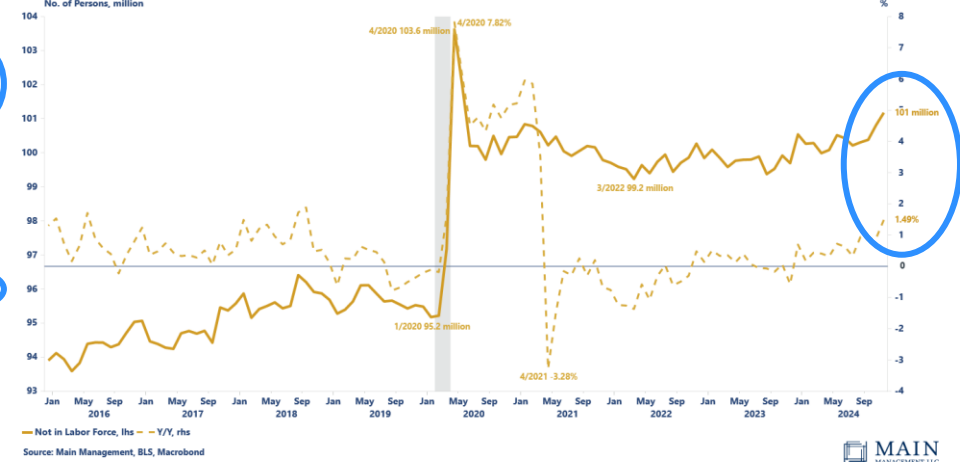
LABOR FORCE PARTICIPATION RATE
TOTAL & 25-54yo (R)



Source: Main Management, BLS, Macrobond. Data last updated: 12/6/2024



NOT IN LABOR FORCE & Y/Y (R)



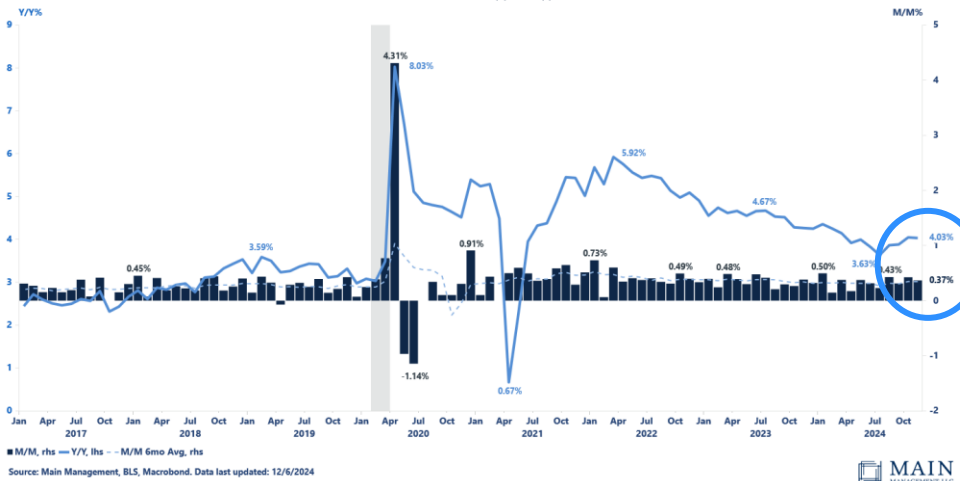
Source: Main Management, BLS, Macrobond



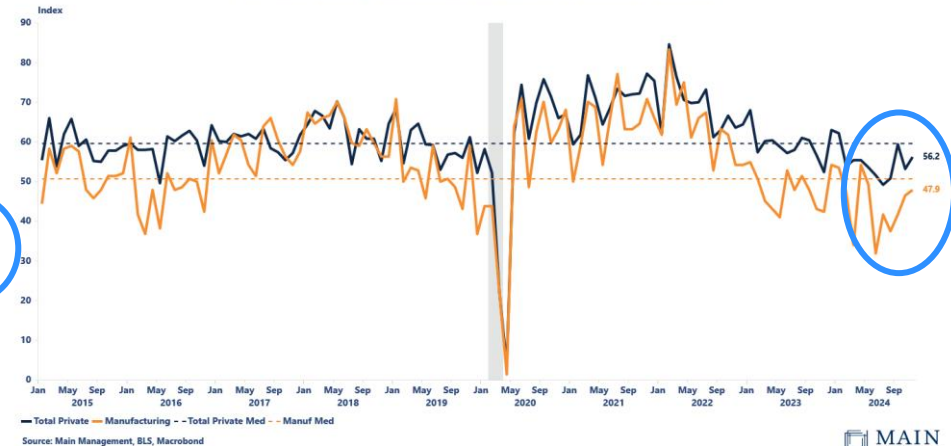
Wages & Diffusion

Still, Wages (left) posted a solid +0.37% M/M gain, ahead of forecasts for a +0.3% rise. The year-over-year figure ticked down to +4.03% but has been trending higher since the recent trough and continues to be solidly above inflation, meaning workers are seeing gains in real purchasing power. On the right, we saw both the Total Private and Manufacturing Diffusion Indices improve, indicating that more industries are seeing increasing vs. decreasing employment. It would be good to see that Manufacturing Index tick above 50 soon, which would mean outright expansion for that sector as a whole.

TOTAL PRIVATE AVERAGE HOURLY EARNINGS
M/M & 6MO AVG (R) & Y/Y (L)

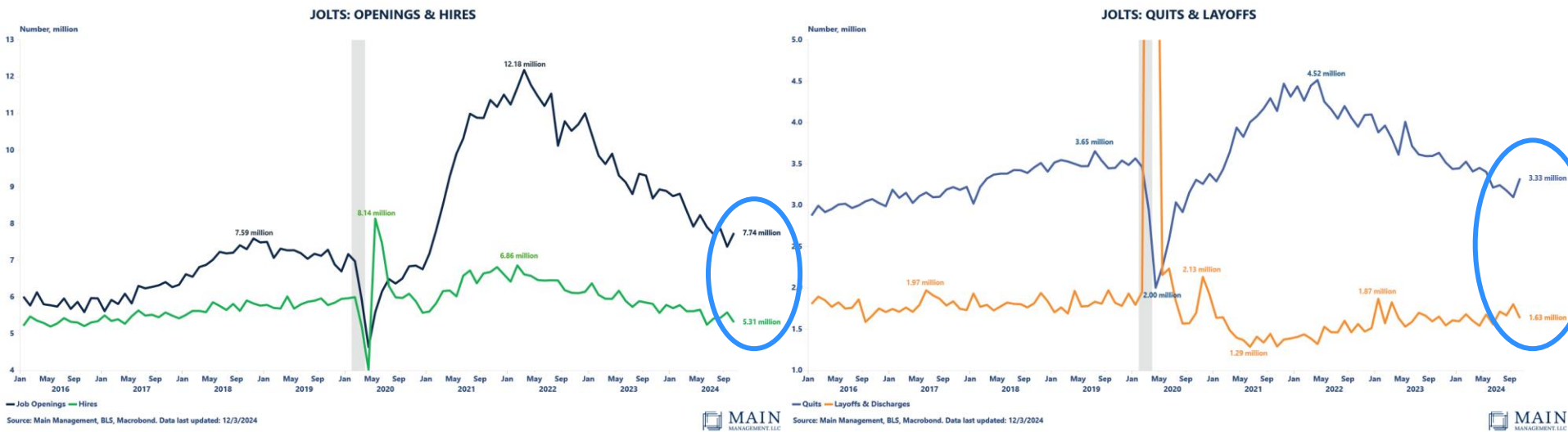


BLS TOTAL PRIVATE & MANUFACTURING DIFFUSION INDICES
50% = EQUAL BALANCE BETWEEN INDUSTRIES WITH INCREASING AND DECREASING EMPLOYMENT



JOLTS

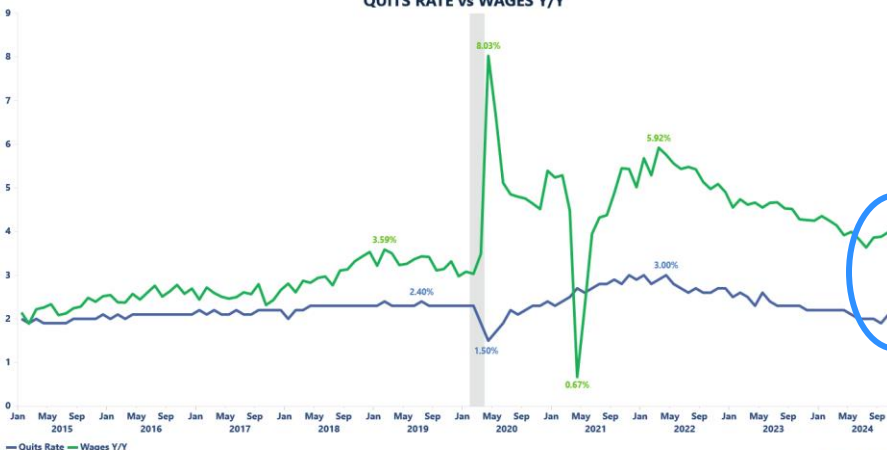
Job Openings ticked up to 7.74 million in October, beating forecasts for 7.48m while September was revised down to 7.37m from 7.44m. Hires declined to 5.31m from an upwardly revised 5.58m. Meanwhile, Quits jumped to 3.33m, a 5mo high and saw September revised up to 3.10m from 3.07m. Layoffs declined to 1.63m from 1.80m in September, which was revised down from 1.83m.



JOLTS

On the left, we've seen the Y/Y Wage figures (green line) start to accelerate over the last few months and now are seeing Quits (blue line) rise. This dynamic makes sense given workers are more likely to quit when they're more confident in finding a new (higher paying) job. The ratio of openings to unemployment persons (right, green line) now stands at 1.11x, down from the peak of 2.03x a couple years ago but still nearly double the historical median of 0.60x.

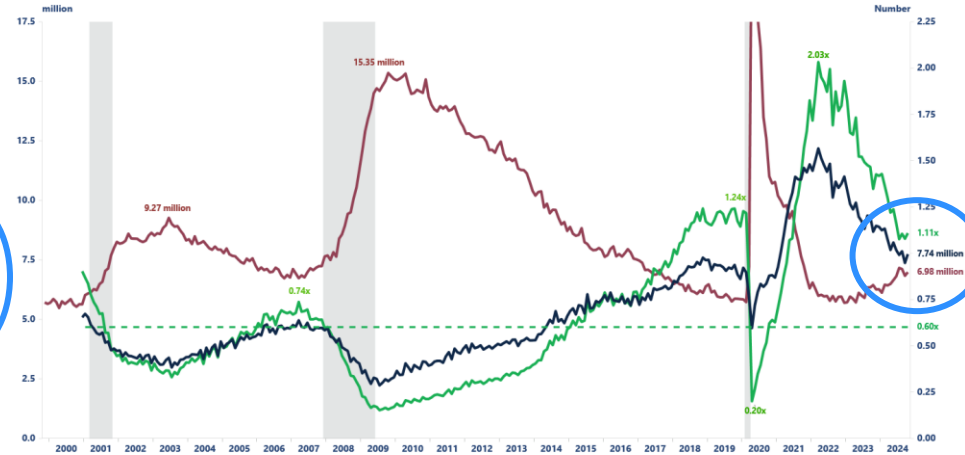
QUITS RATE vs WAGES Y/Y



Source: Main Management, BLS, Macrobond



JOB OPENINGS, UNEMPLOYED PERSONS & OPENINGS PER PERSON (R)

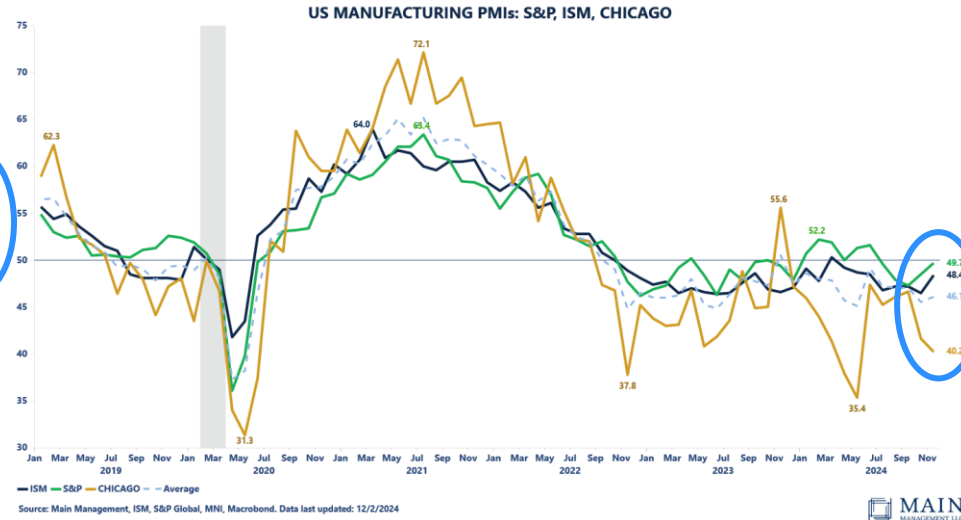
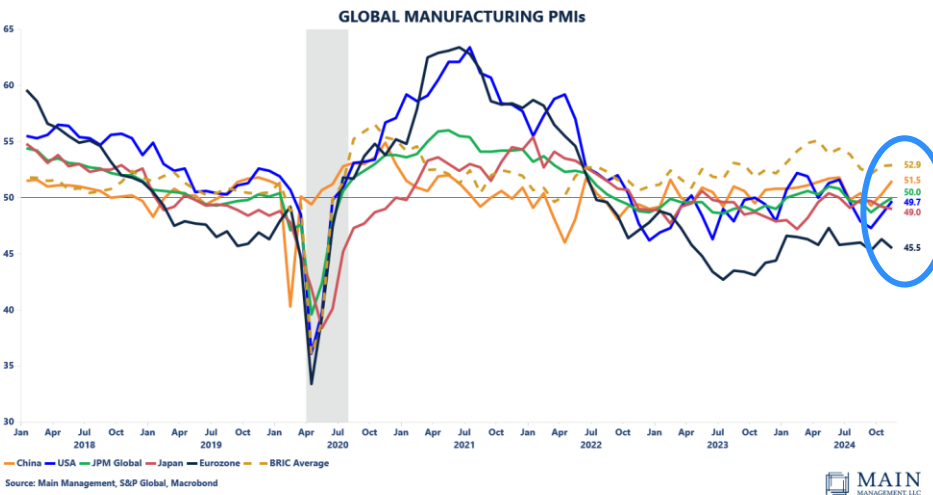


Source: Main Management, BLS, Macrobond. Data last updated: 12/3/2024



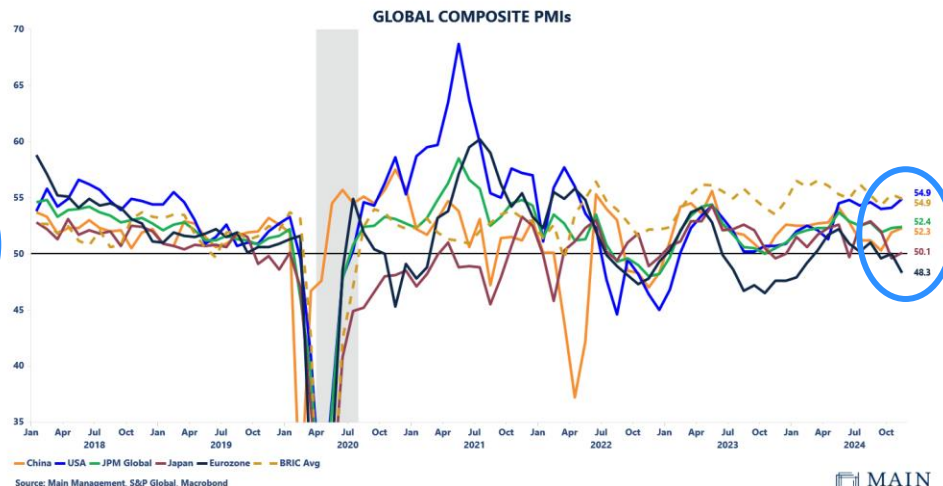
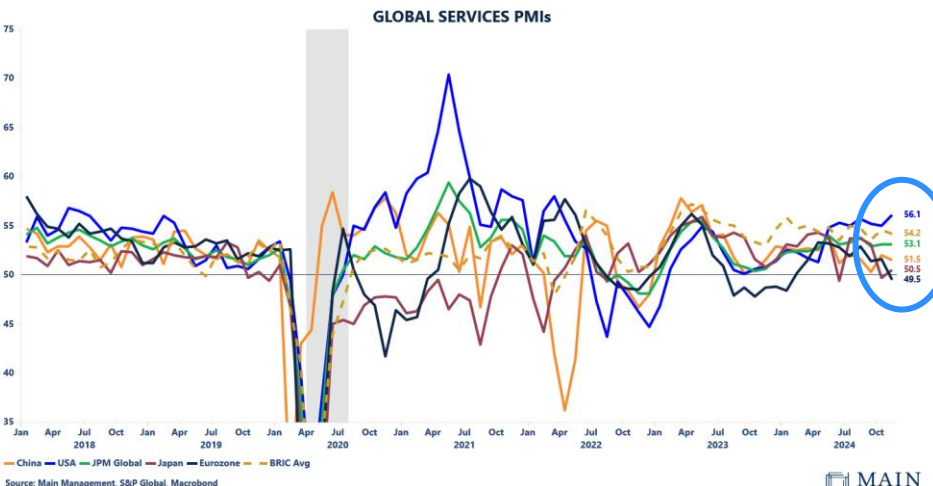
Manufacturing PMIs

November Manufacturing PMIs were out earlier this week. The U.S. improved to 49.7, revised up from 48.8 but still in contraction. China ticked up to 51.5, its best since June. The JPM Global Index rose to 50.0, neither in contraction nor expansion. Japan declined to 49.0 and the Eurozone moved lower to 45.5 while the BRIC average ticked up to 52.9. We also got the U.S. ISM figure, which improved to 48.4, the best since June and above forecasts for a 47.5 reading.



Service & Composite PMIs

As for the Service PMIs (left), the U.S. is the strongest of the major global players, rising to 56.1, its best since March 2022! China ticked down to 51.5 as Europe fell to 49.5, into contraction and the lowest since Jan. 2024. The JPM Global Index was unchanged at 53.1. Japan ticked up to 50.5 while the BRIC average ticked lower to 54.2. The Composite PMIs looked similar to the Service figures, with the U.S. and the BRICs leading the way up at 54.9, the best reading for the U.S. since April 2022! China and the JPM Global Index both inched up to 52.3 and 52.4, respectively. Japan rose to 50.1, barely back into expansion. The Eurozone was again the laggard falling to 48.3, its worst since Jan. 2024.



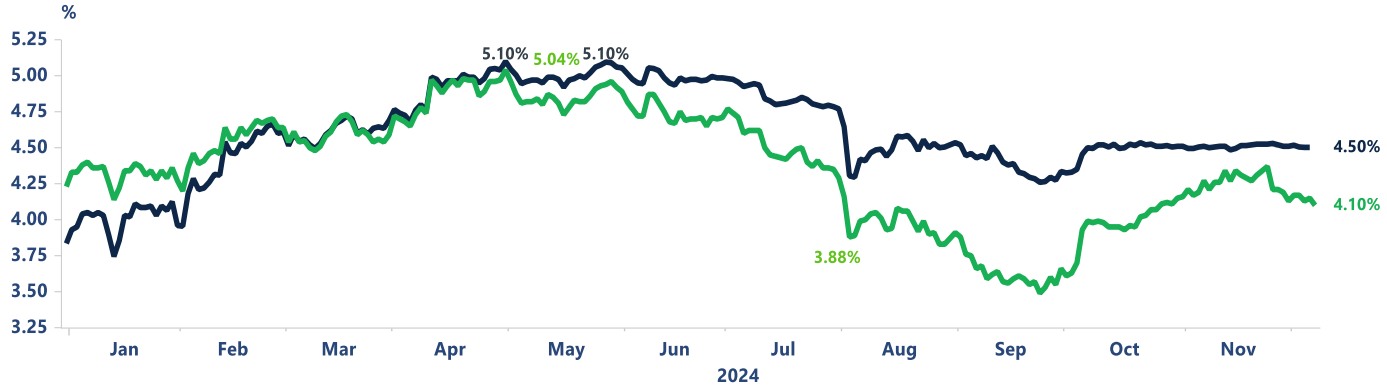
SUMMARY

- NonFarm Payrolls beat expectations at 227k as did Wages at +0.37% M/M. However, the Participation picture softened while the overall diffusion indices moved higher, indicating more increasing than decreasing employment.
- JOLTS saw Openings more than forecasted to 7.74mil while Hires declined to 5.31m. Quits jumped as Wage gains have accelerated in recent months, while Layoffs declined and saw September's figure revised lower as well.
- Manufacturing PMIs were mixed. The U.S. remains in contraction but is improving. On the Services and Composite side, the U.S. is up at the top of the pile hitting its best levels in more than 2 years. Europe continues to be a laggard.
- Upcoming key data to watch:
 - Productivity & Unit Labor Costs (Tuesday)
 - CPI (Wednesday)
 - PPI (Thursday)

APPENDIX

YIELDS & FUTURES

FED FUNDS FUTURES & 2-YEAR TREASURY YIELD

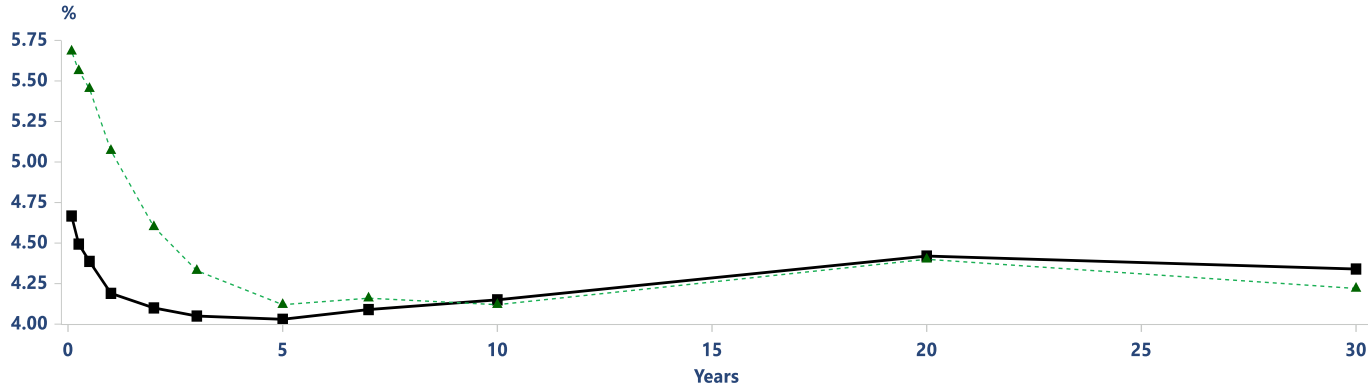


— Fed Funds Futures Dec '24 — 2yr Treasury Yield

Source: Main Management, CME Group, U.S. Treasury, Macrobond. Data last updated: 12/6/2024



US TREASURY YIELD CURVE



■ Now ▲ 12 months ago

Source: Main Management, U.S. Treasury, Macrobond. Data last updated: 12/6/2024



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, X, TREA, TMX, Macrobond. Data last updated: 12/6/2024

Commodity	1 Month	3 Months	YTD ↓	1 Year
Bitcoin	42.4%	66.6%	129.4%	130.1%
Coffee	28.4	28.6	67.7	67.2
Silver	-4.1	10.5	30.5	26.8
Gold	-3.8	5.5	27.6	29.7
Natural Gas	10.7	43.5	22.5	14.3
Lumber	2.3	19.9	6.3	10.2
Copper	-6.5	1.3	5.7	7.1
S&P GSCI	-1.7	3.4	5.6	4.5
US Dollar (DXY)	1.8	4.3	4.3	1.9
BBG Commodity Index	-1.5	2.6	-1.3	-2.6
Crude Oil	-4.3	-0.9	-4.8	-6.6
Gasoline	-4.3	-1.5	-8.1	-9.5
Corn	2.4	9.2	-9.5	-7.3
Cotton	3.5	3.6	-10.6	-6.8
Soybeans	0.7	-1.2	-23.2	-23.9

Source: Main Management, S&P Global, CME Group, ICE, LME, Macrobond. Data last updated: 12/5/2024

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