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MANAGEMENT, LLC

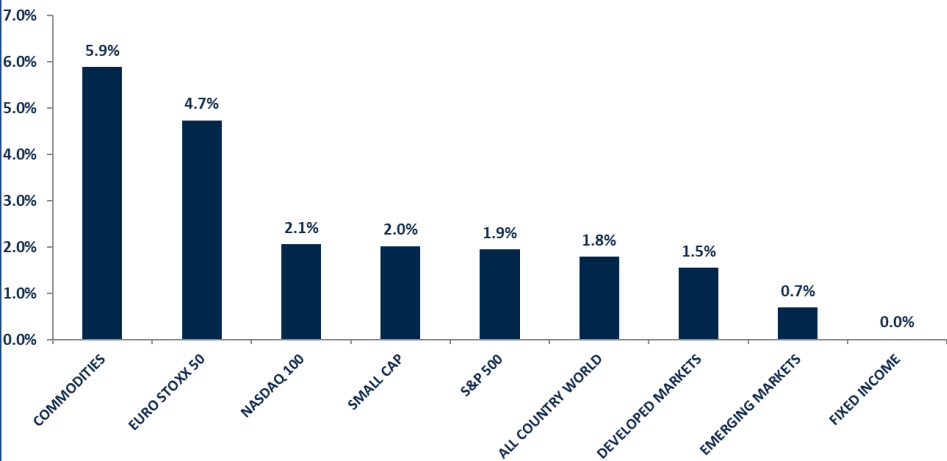
MAIN MANAGEMENT MARKET NOTE: **January 17, 2025**

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Performance

YTD 2025 ETF BROAD INDEX PRICE PERFORMANCE THROUGH JANUARY 17



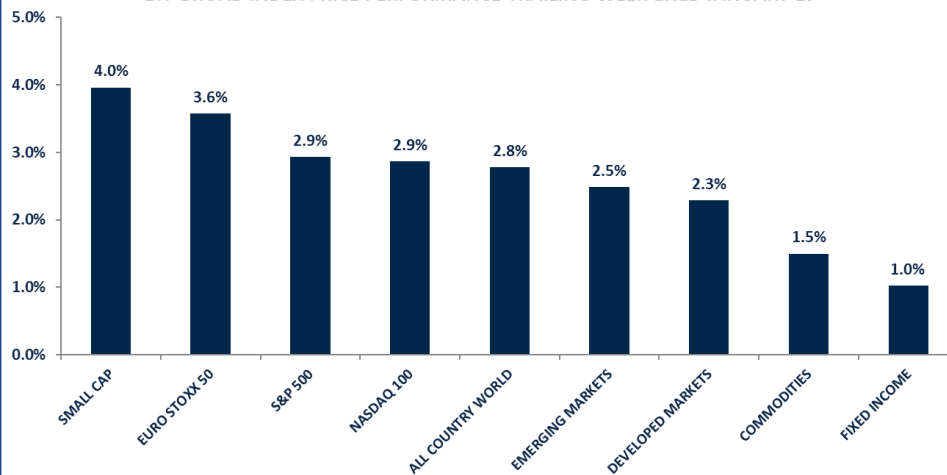
FactSet financial data and MAIN

YTD 2025 ETF SECTOR PRICE PERFORMANCE THROUGH JANUARY 17



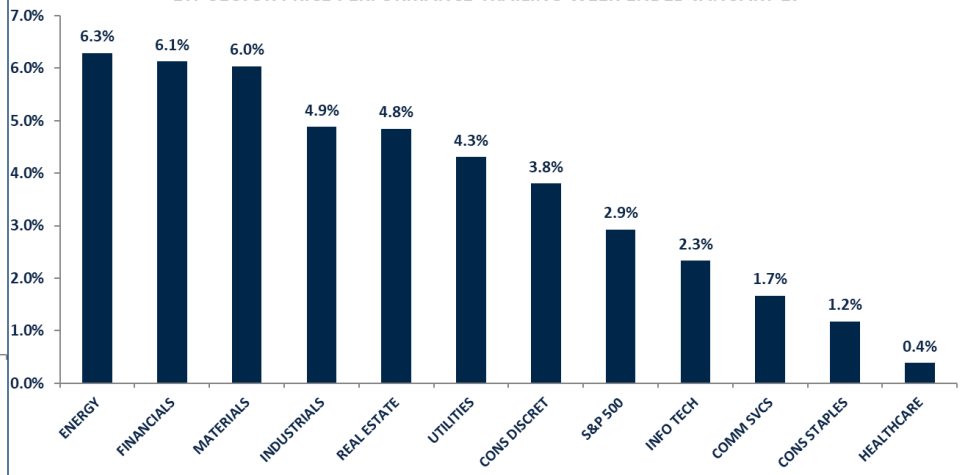
FactSet financial data and MAIN

ETF BROAD INDEX PRICE PERFORMANCE TRAILING WEEK ENDED JANUARY 17



FactSet financial data and MAIN

ETF SECTOR PRICE PERFORMANCE TRAILING WEEK ENDED JANUARY 17



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Recession Dashboard

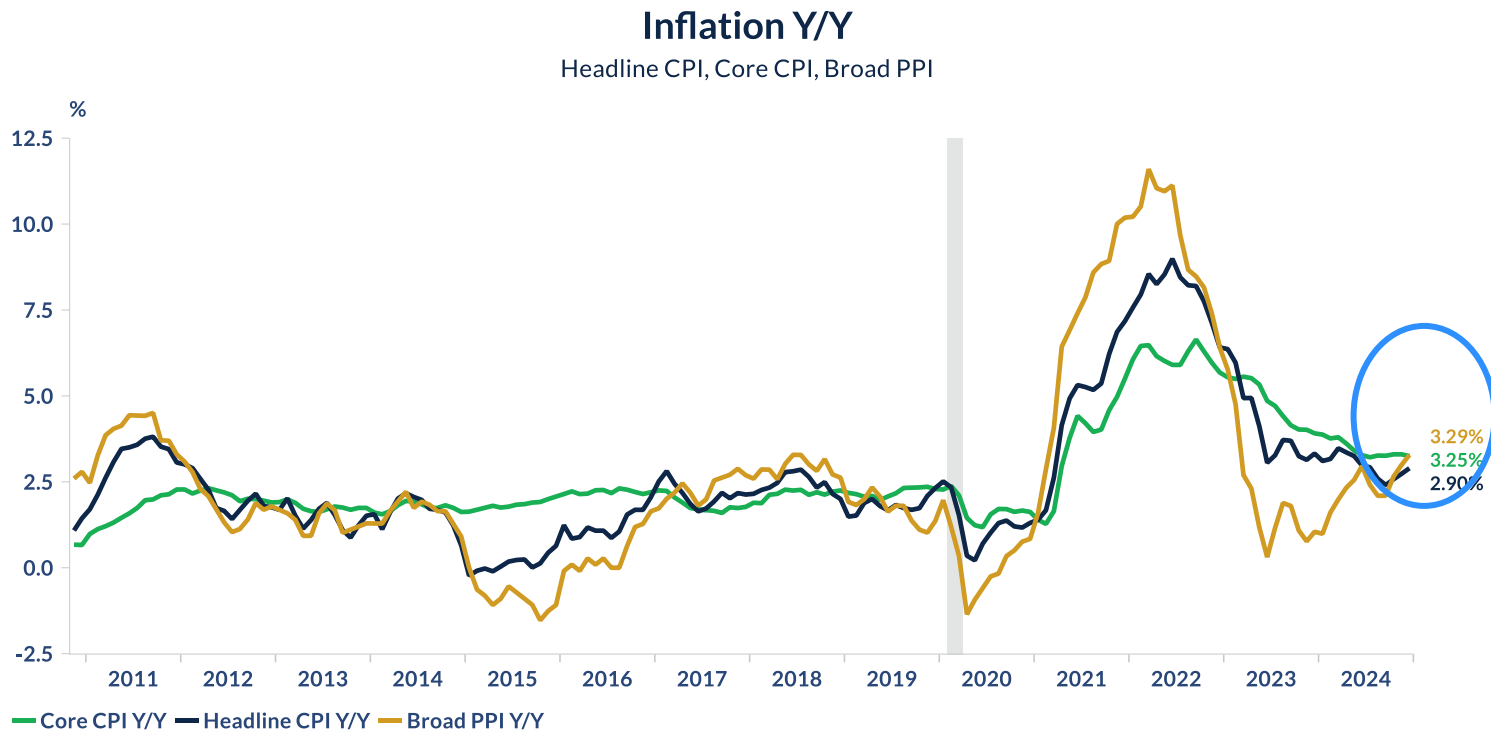
RECESSION START	INFLATION	CONSUMER	YIELD CURVE	HOUSING	SENTIMENT	AUTOS	EMPLOYMENT	PMI	RETAIL SALES
NOV 1973	↓	—	—	↓	—	—	↓	↓	—
JAN 1980	↓	↓	↓	↓	↔	↓	↓	↓	—
JUL 1981	↓	↓	↓	↓	↔	↓	↓	↓	—
JUL 1990	↓	↓	↓	↓	↔	↓	↓	↔	—
MAR 2001	↔	↓	↓	↔	↔	↔	↓	↓	↔
DEC 2007	↓	↓	↓	↓	↔	↓	↓	↓	↓
DEC 2019	↑	↑	↔	↔	↑	↔	↑	↔	↔
JAN 2025	↔	↑	↔*	↔	↑	↔	↓	↑	↑
LAST CHANGE	GREEN DEC '24	BLUE DEC '24	RED MAR '23	GREEN DEC '24	BLUE DEC '24	RED JAN '25	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.

Inflation

Inflation was the big topic this week as both Core CPI and Headline PPI inflation came in cooler than expected. While there's been some recent volatility, we believe these were indicative of a continuing moderation, tamping down fears over the past month that inflation is flaring back up.

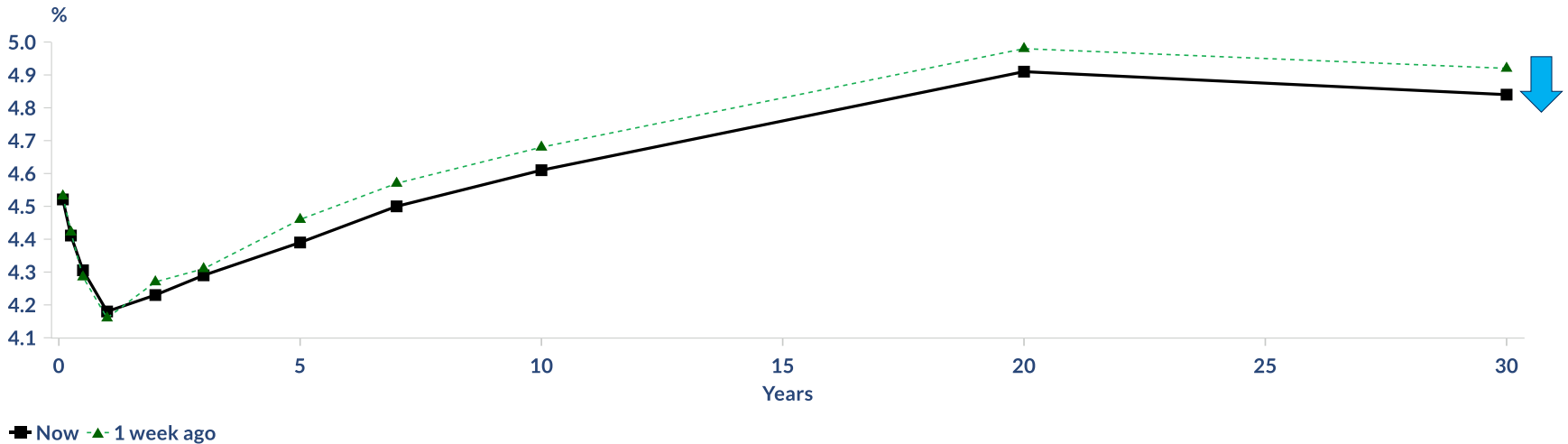


Source: Main Management, BLS, Macrobond. Data last updated: 1/15/2025

Yield Curve

After the lower-than-feared inflation prints, Treasury yields backed off a bit after rising aggressively over the past month. These inflation readings, combined with the stronger-than-expected jobs report last Friday, painted a ‘goldilocks’ environment entering the new year.

US TREASURY YIELD CURVE



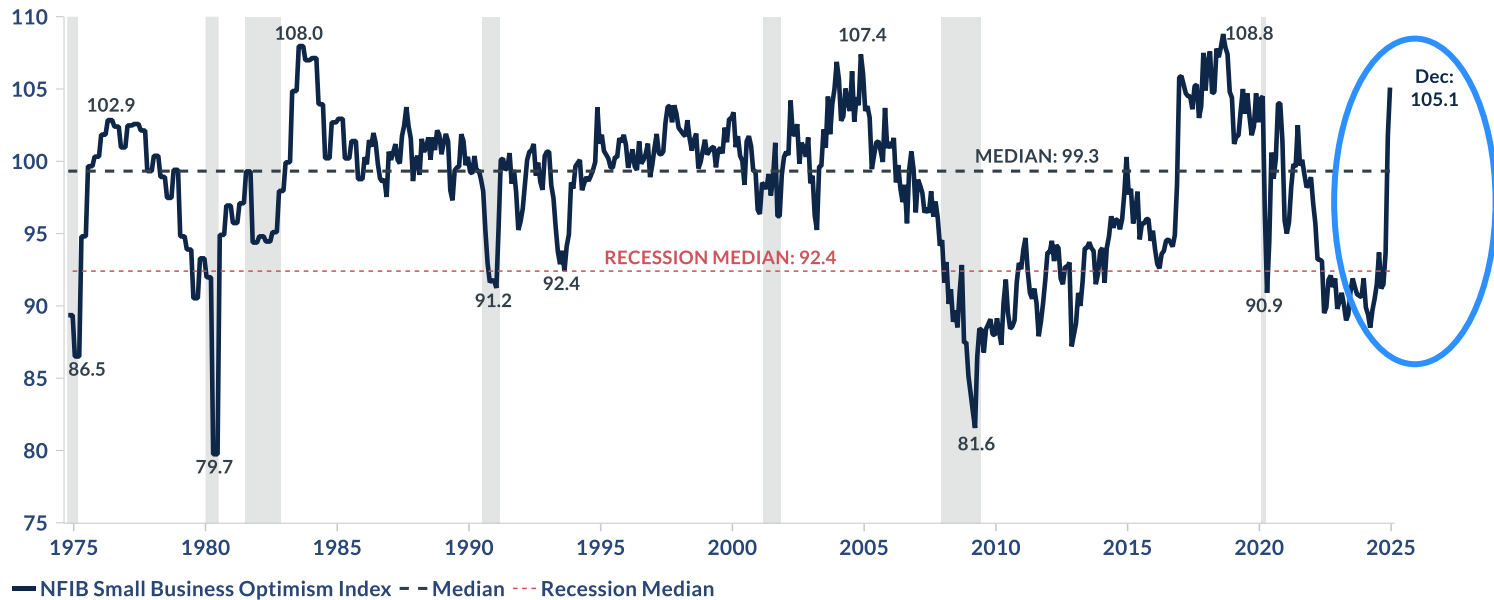
Source: Main Management, U.S. Treasury, Macrobond. Data last updated: 1/16/2025

Small Business Optimism

On the small business side of things, the NFIB Optimism Index shot up to its highest level since before the pandemic, reminiscent of the surge that occurred after Trump was elected in 2016. As a reminder, small businesses are responsible for nearly half of US employment – so their outlook on the economy is inherently important

Small Business Optimism

The NFIB Small Business Optimism Index tracks the sentiment of small business owners regarding economic conditions, business plans, and operational challenges in the United States.

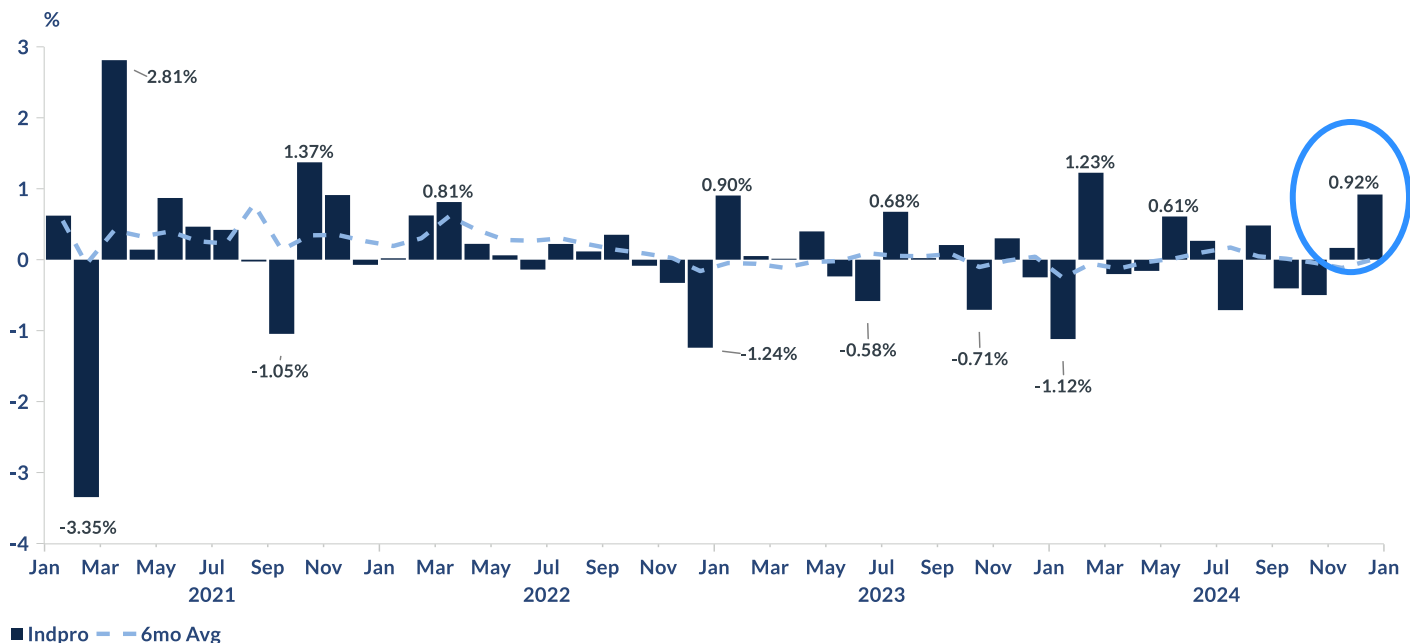


Source: Main Management, NFIB, NBER, Macrobond. Data last updated: 1/14/2025

Industrial Production

Industrial Production was up 0.9% this month, the strongest reading since February and far above market expectations of a 0.3% increase. However, IP remains flat on a year-over-year basis, as the sector has struggled overall. There are green shoots in the details – high-tech industries including Semiconductors/Computers are up a robust 8% y/y due to increased AI/data-center investment this year.

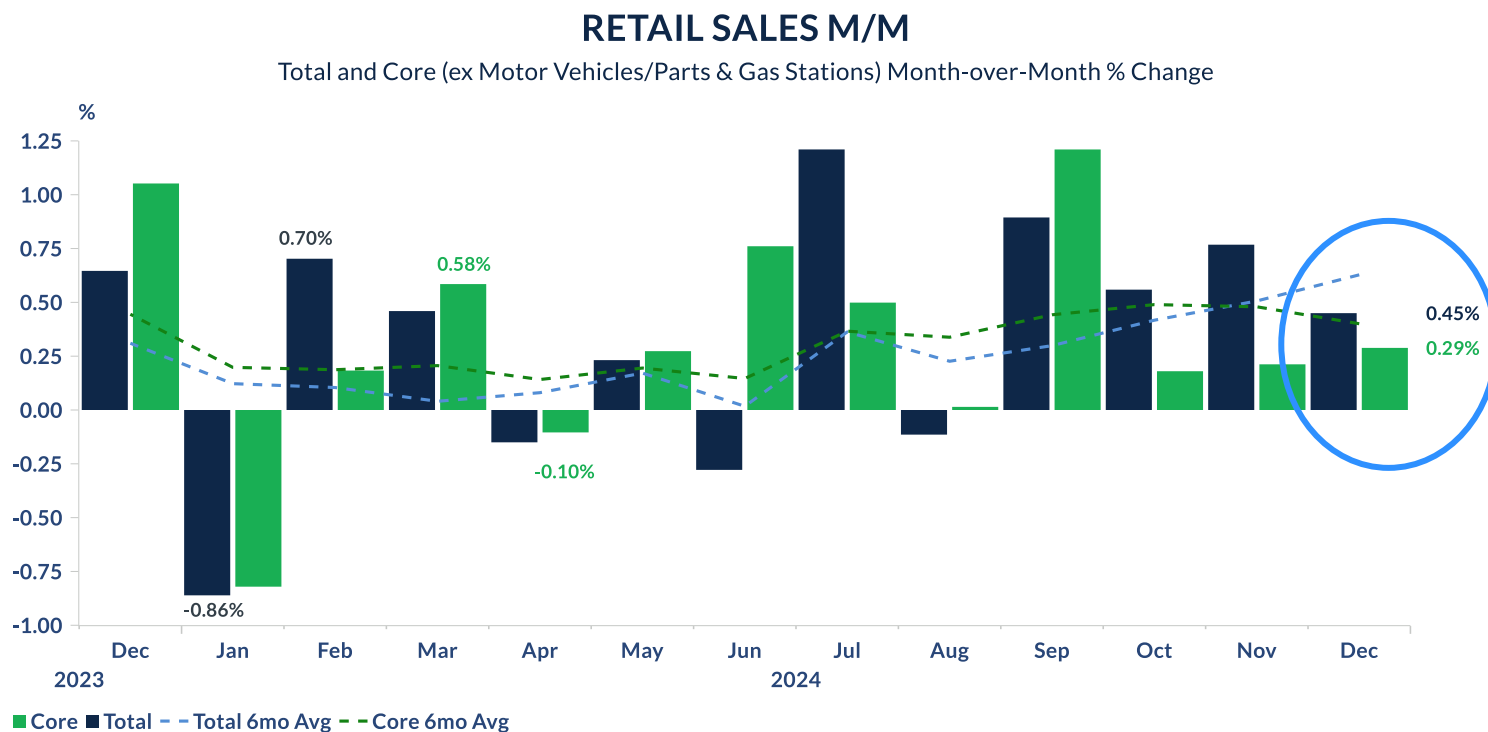
INDUSTRIAL PRODUCTION M/M



Source: Main Management, Fed, Macrobond. Data last updated: 1/17/2025

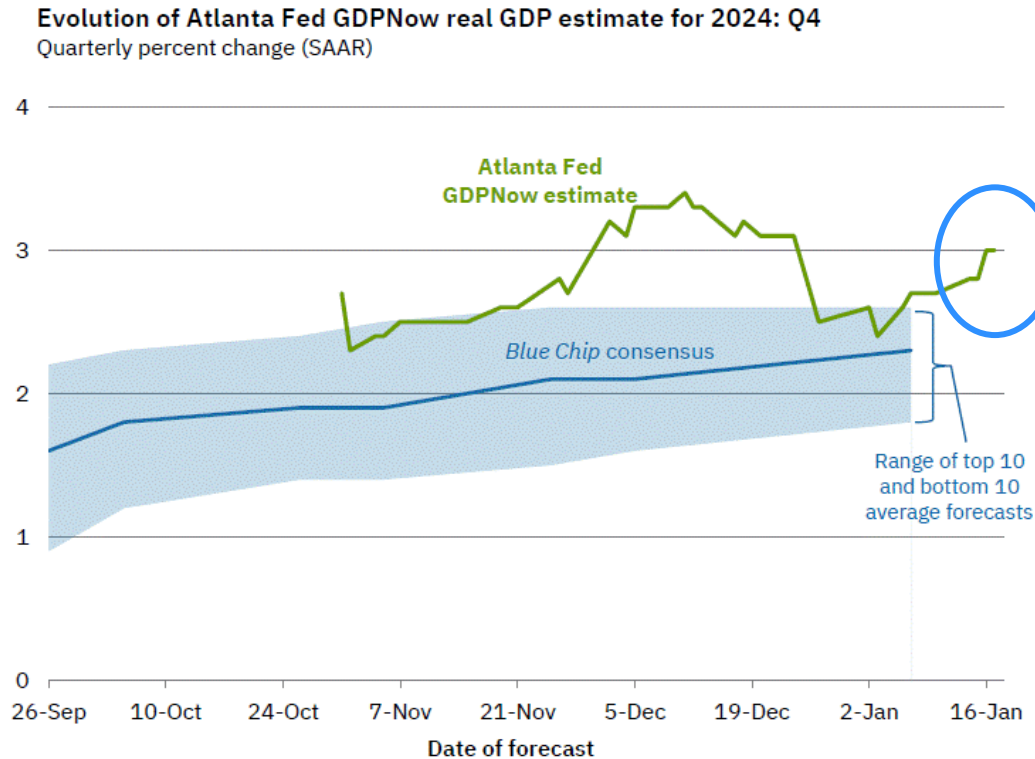
Retail Sales

Consumers continued to spend at a solid pace, as retail sales were up 0.4% M/M, slightly less than the past few months and below a forecast of 0.6%. However, the underlying trend remains strong – supporting the idea of a robust consumer.



Source: Main Management, USCB, Macrobond. Data last updated: 1/16/2025

After the solid retail sales and industrial production readings, the Atlanta Fed's GDPNow model for Q4 moved up to 3%, potentially another very strong reading after Q3's +3.1% growth.



Sources: Blue Chip Economic Indicators and Blue Chip Financial Forecasts

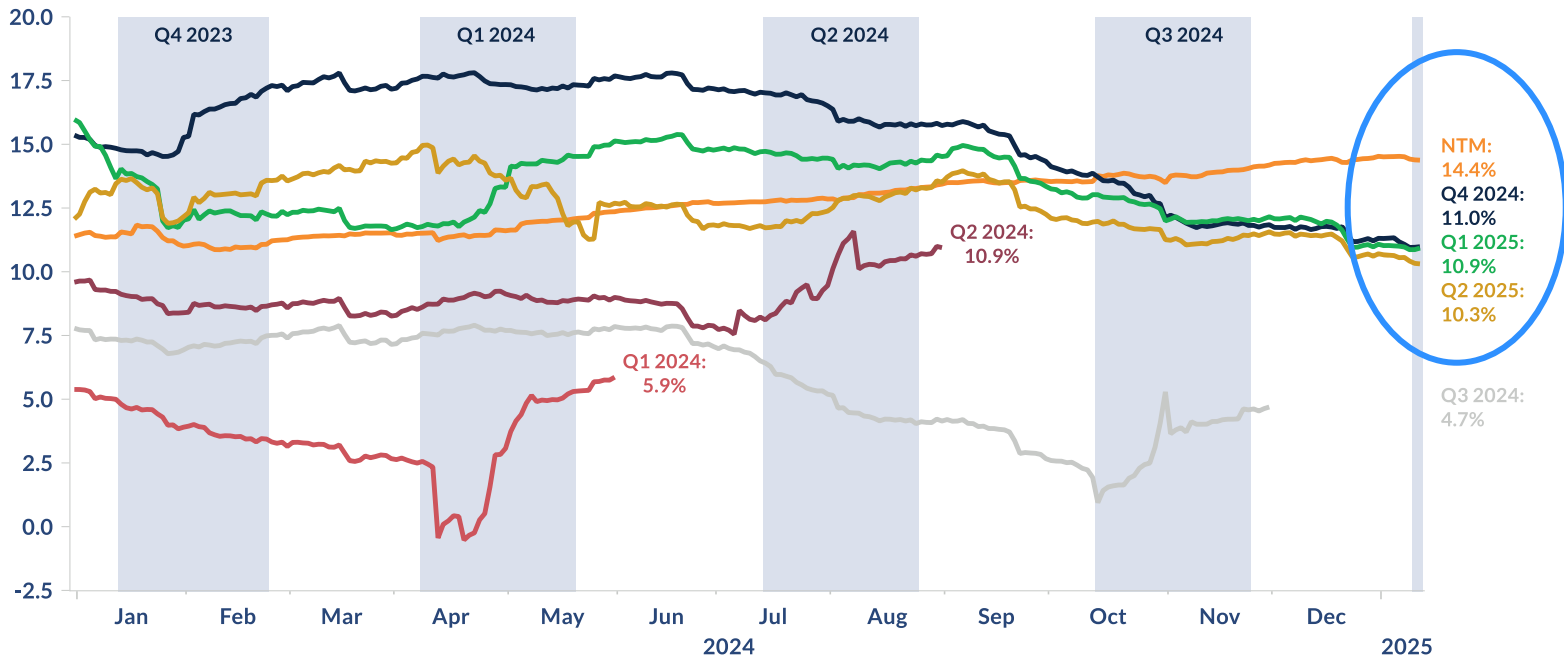
Note: The top (bottom) 10 average forecast is an average of the highest (lowest) 10 forecasts in the Blue Chip survey.

Q4 Earnings

Earnings season began this week with many of the large banks reporting solid results. Earnings for the S&P 500 are expected to grow by 11.0% year-over-year, which would be the strongest quarter for the year. NTM EPS growth also continues to march higher, now expected to be 14.4% y/y.

S&P 500 Earnings Per Share Y/Y

Earnings Seasons are Shaded



Source: Main Management, FactSet, Macrobond. Data last updated: 1/14/2025

Summary

- Core CPI and PPI readings came in cooler than expected at 0.2% M/M, helping alleviate recent inflation concerns and contributing to Treasury yields easing back from their aggressive rise.
- The NFIB Small Business Optimism Index reached 105.1, its highest since pre-pandemic, with notable improvements in business outlook and expansion plans.
- Solid retail sales and strong industrial production numbers helped push the Atlanta Fed's GDPNow model forecast for Q4 to 3.0%.
- Q4 earnings season has begun with S&P 500 Q4 earnings expected to grow 11.0% Y/Y. Next twelve months (NTM) EPS growth expectations have risen to 14.4% Y/Y.
- Upcoming key data to watch:
 - Manufacturing PMI (Friday)
 - Services PMI (Friday)
 - Existing Home Sales (Friday)
 - UMich Consumer Sentiment (Friday)

Appendix

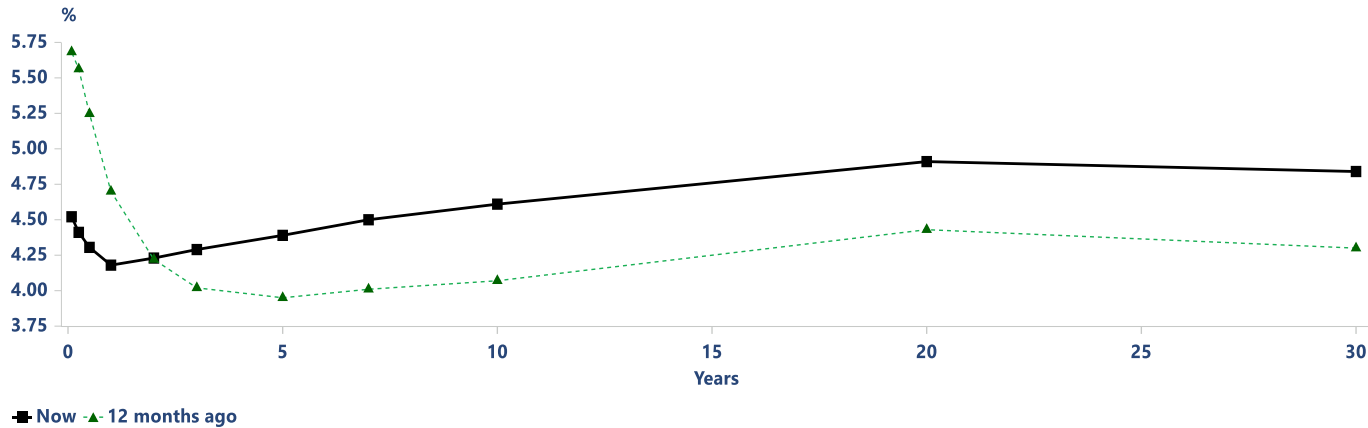
Yields & Futures

FED FUNDS FUTURES & 2-YEAR TREASURY YIELD



Source: Main Management, CME Group, U.S. Treasury, Macrobond. Data last updated: 1/16/2025

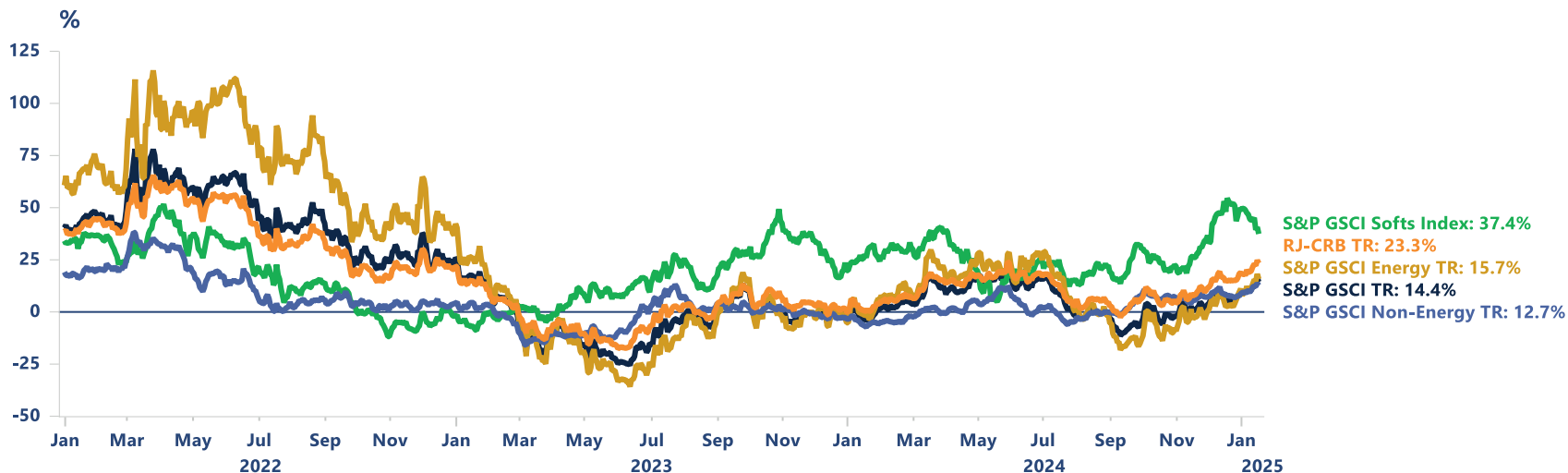
US TREASURY YIELD CURVE



Source: Main Management, U.S. Treasury, Macrobond. Data last updated: 1/16/2025

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: 1/17/2025

Commodity	1 Month	3 Months	YTD ↓	1 Year
Natural Gas	29.8	70.5	17.2	28.5
Lumber	11.1	13.3	9.0	13.6
Silver	2.8	0.0	8.9	36.1
Crude Oil	10.1	10.5	8.8	7.1
Bitcoin	-1.7%	48.8%	6.8%	132.8%
S&P GSCI	7.2	9.6	6.3	15.0
Gasoline	6.1	4.2	6.1	0.1
Copper	2.5	-2.9	5.7	11.2
BBG Commodity Index	5.6	5.9	5.5	6.4
Gold	2.5	1.9	4.2	32.5
Corn	10.3	18.2	3.5	6.1
Coffee	2.0	27.4	2.3	81.8
Soybeans	3.1	2.8	2.1	-15.5
US Dollar (DXY)	1.8	5.5	0.4	6.4
Cotton	-3.7	-5.5	-2.4	-17.9

Source: Main Management, S&P Global, CME Group, ICE, LME, Macrobond. Data last updated: 1/16/2025

Disclosures

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