



MAIN
MANAGEMENT, LLC

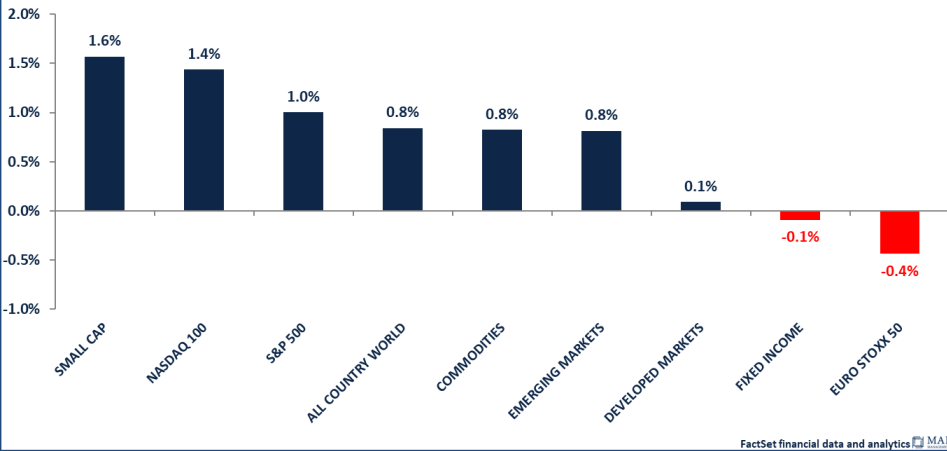
MAIN MANAGEMENT MARKET NOTE: **January 3, 2025**

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Performance

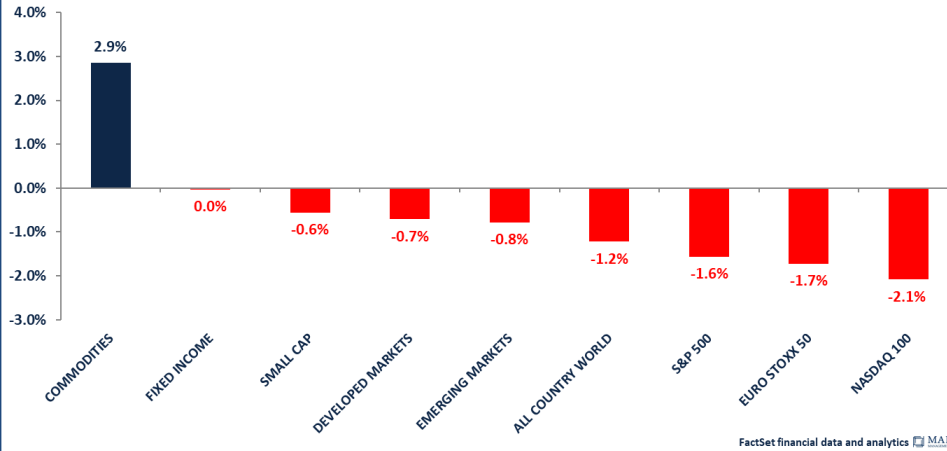
YTD 2025 ETF BROAD INDEX PRICE PERFORMANCE THROUGH JANUARY 3



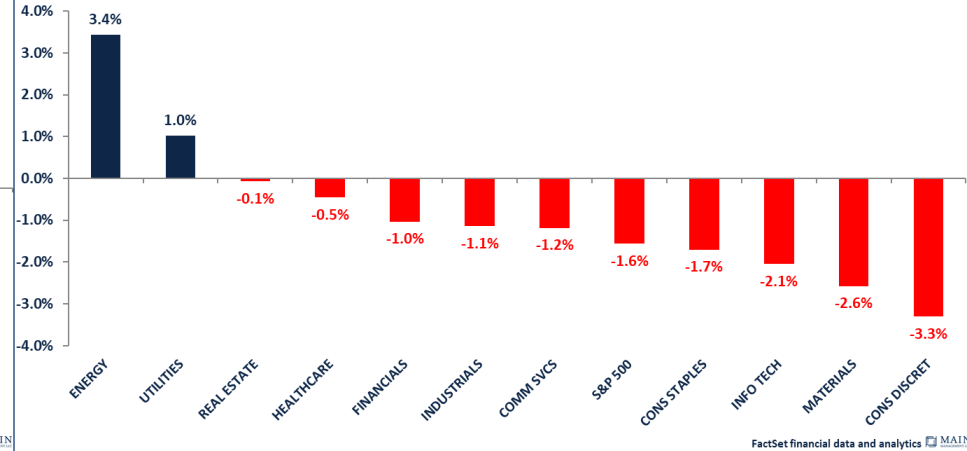
YTD 2025 ETF SECTOR PRICE PERFORMANCE THROUGH JANUARY 3



ETF BROAD INDEX PRICE PERFORMANCE TRAILING WEEK ENDED JANUARY 3



ETF SECTOR PRICE PERFORMANCE TRAILING WEEK ENDED JANUARY 3



Recession Dashboard

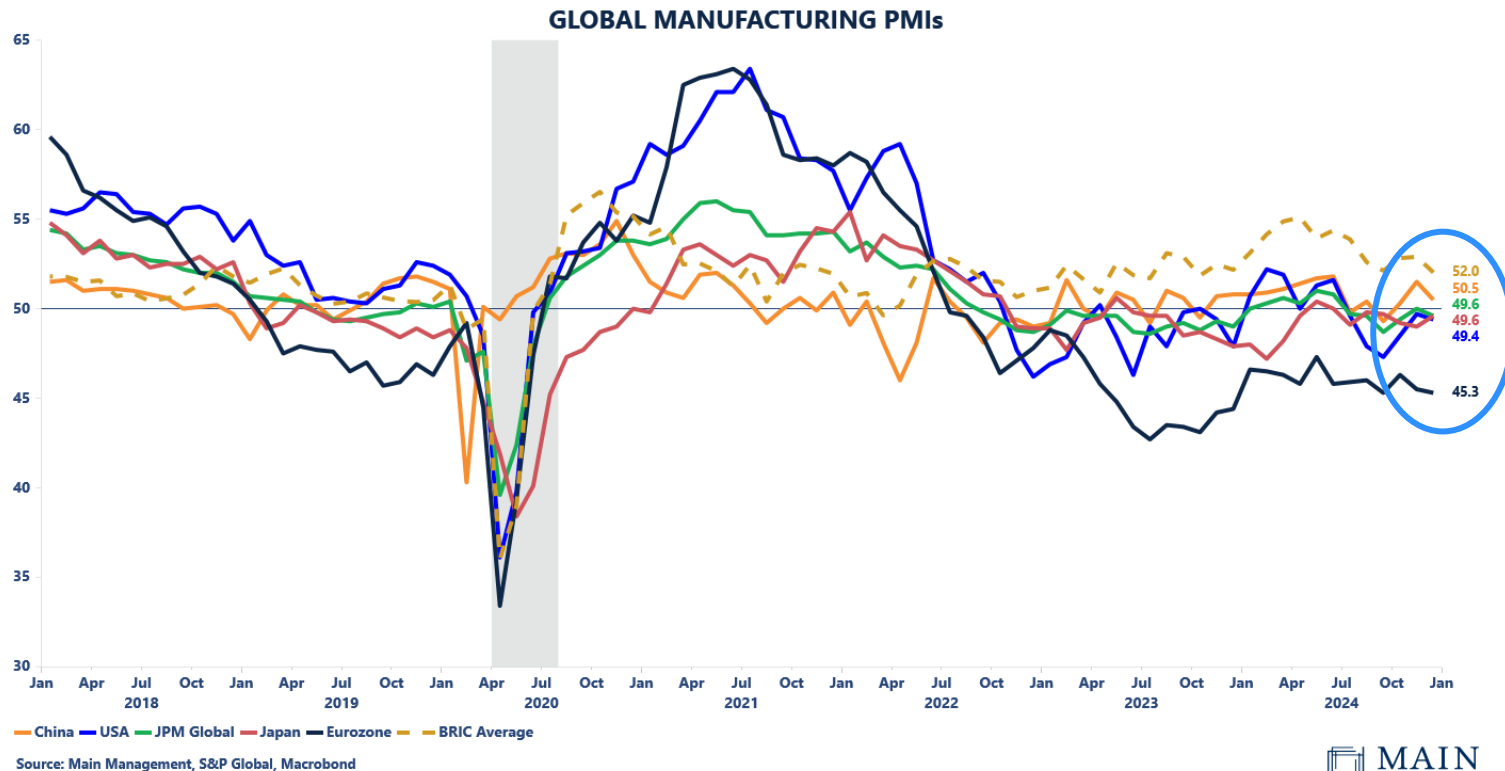
| RECESSION START | INFLATION | CONSUMER | YIELD CURVE | HOUSING | SENTIMENT | AUTOS | EMPLOYMENT | PMI | RETAIL SALES |
|-----------------|------------------|-----------------|----------------|------------------|-----------------|----------------|-----------------|-----------------|-----------------|
| 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.

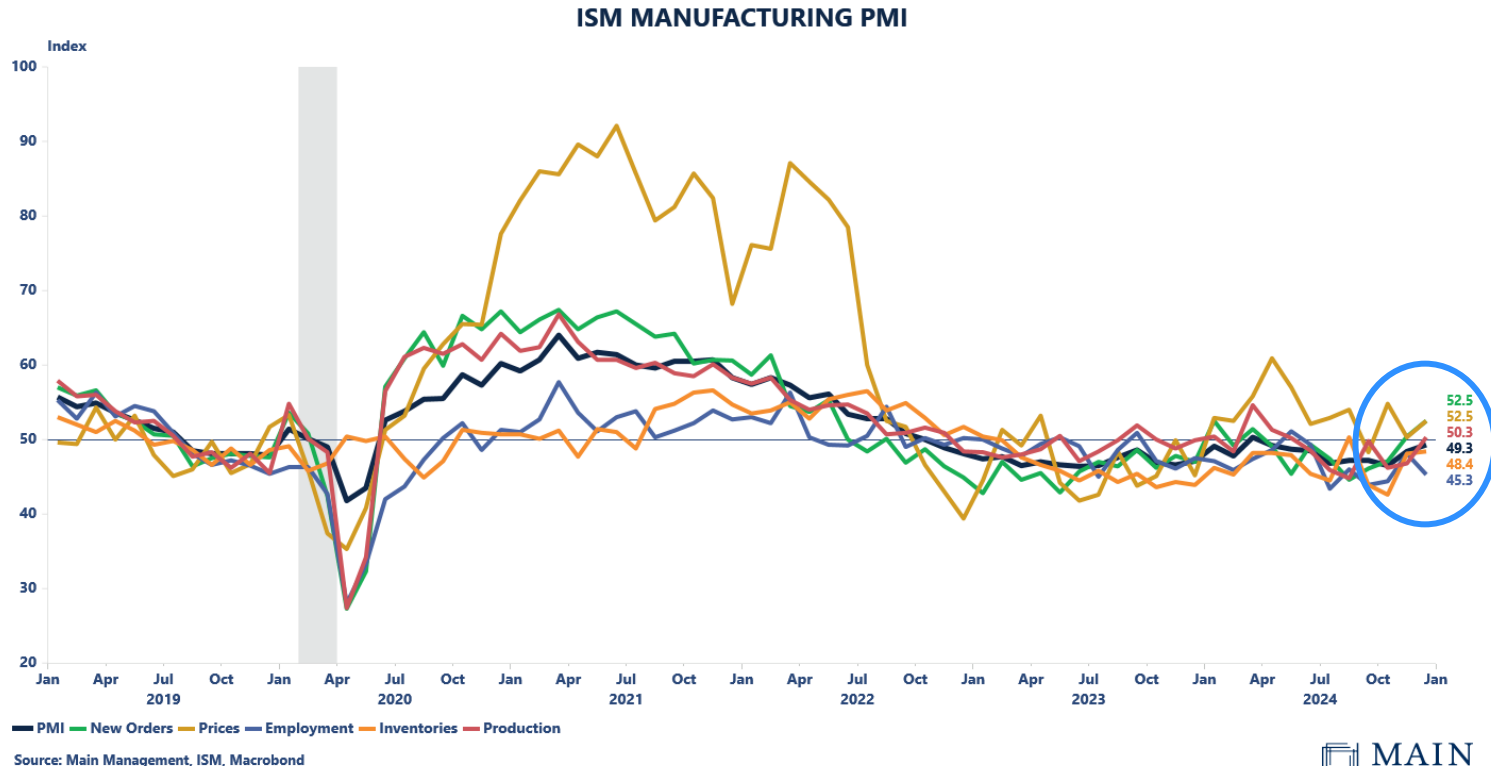
Manufacturing PMIs

Global Manufacturing PMIs were mostly lower in December. The U.S. moved down to 49.4 but that was revised up from the flash 48.3. China declined to 50.5. The JPM Global Index moved lower to 49.6. Japan bucked the trend, rising to 49.6. The Eurozone ticked down to 45.3 and the BRIC average moved lower to 52.0.



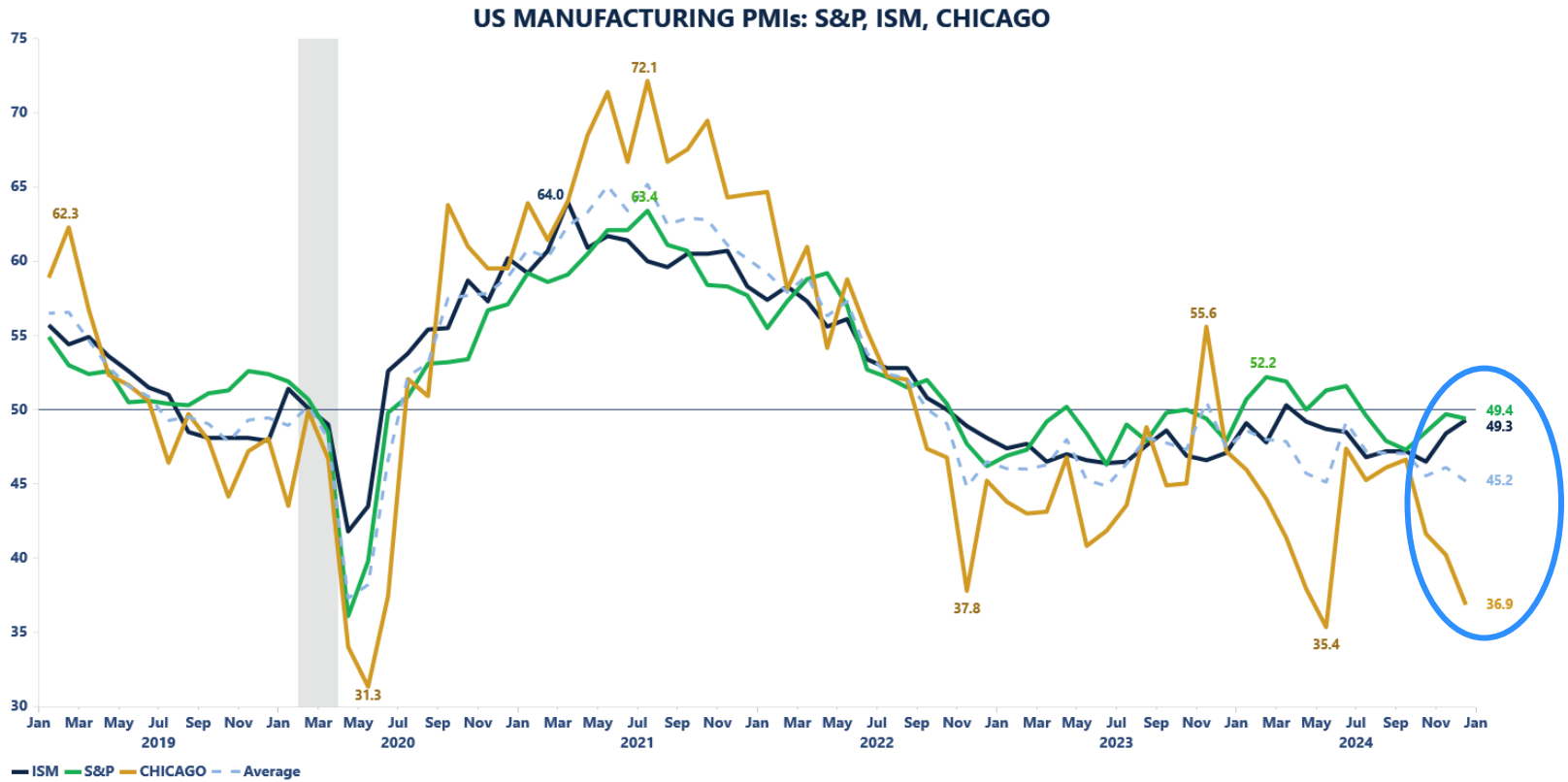
U.S. ISM Manufacturing

Within the U.S., the ISM Manufacturing PMI rose to 49.3, beating forecasts for a 48.4 reading and the best since March. Only Employment declined while New Orders hit 52.5, tied (with Jan. 2024) for their best reading since May 2022! Production ticked backed into expansion at 50.3, its best since April 2024.



U.S. Manufacturing PMIs

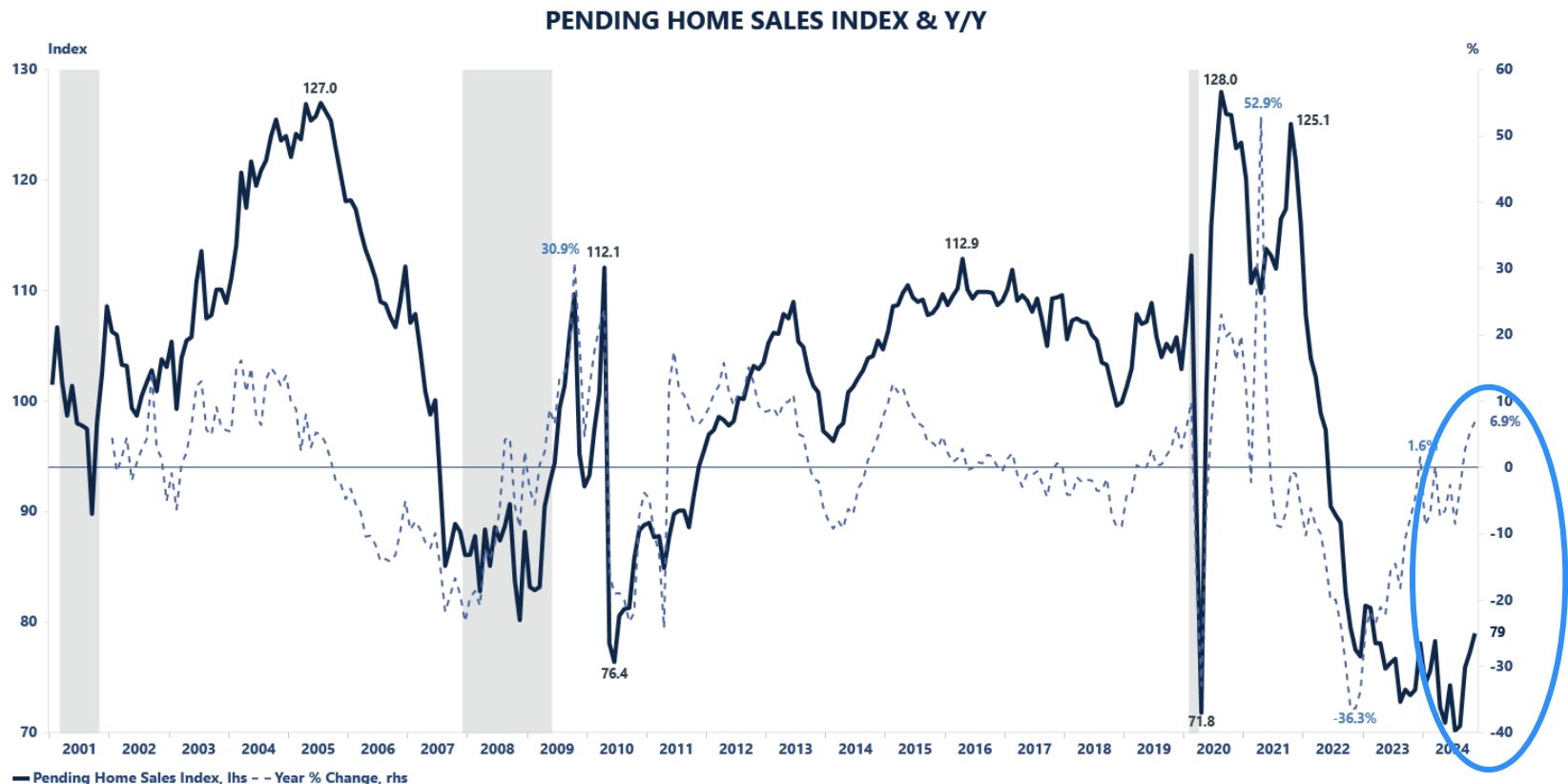
Looking at all 3 of the U.S. Manufacturing PMIs, we see that Chicago is clearly the weakest. But it's also the narrowest in scope, covering only the Chicago region. The ISM and S&P Indices are national. ISM covers fewer, but larger firms, than S&P and surveys only purchasing officers/executives while S&P includes a wider range of titles.



Source: Main Management, ISM, S&P Global, MNI, Macrobond. Data last updated: 1/3/2025

Pending Home Sales

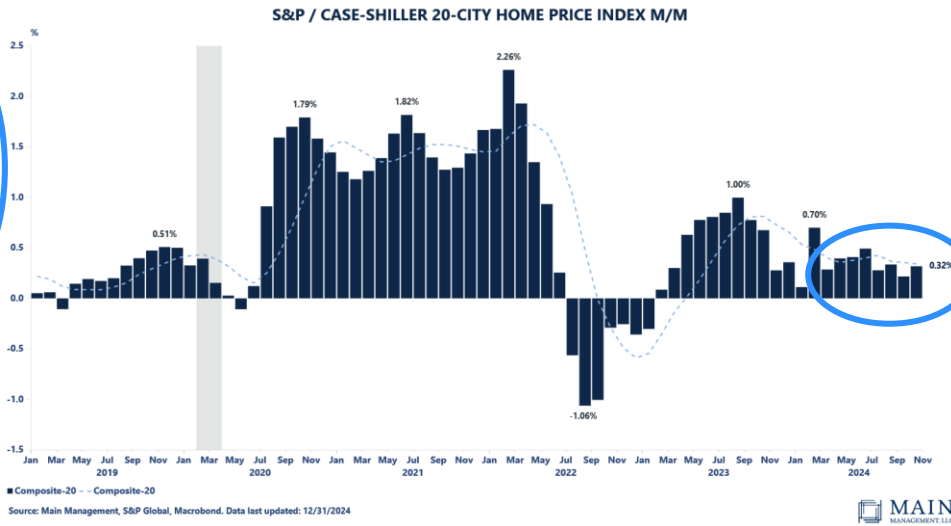
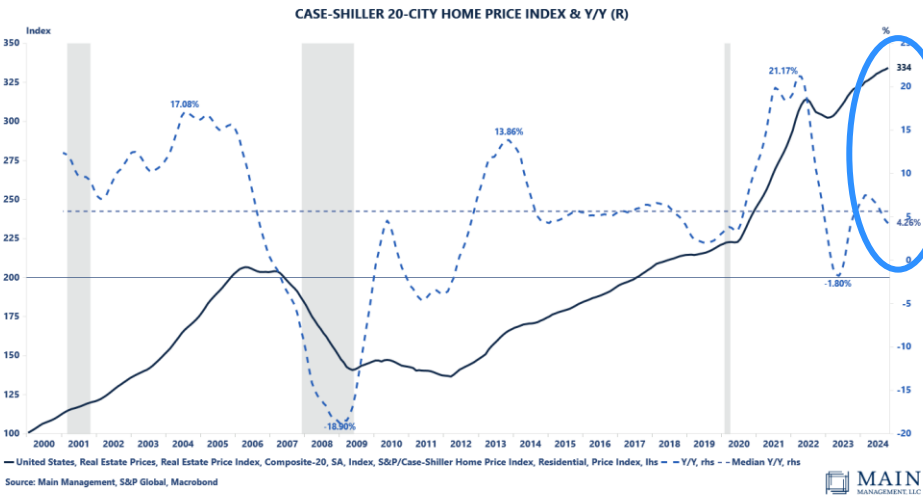
The Pending Home Sales Index rose to 79.0 in November, solidly ahead of forecasts and the highest since February 2023! The index accelerated to +6.9% from a year ago, the biggest rise since May 2021!!



Source: Main Management, NAR, Macrobond. Data last updated: 12/30/2024

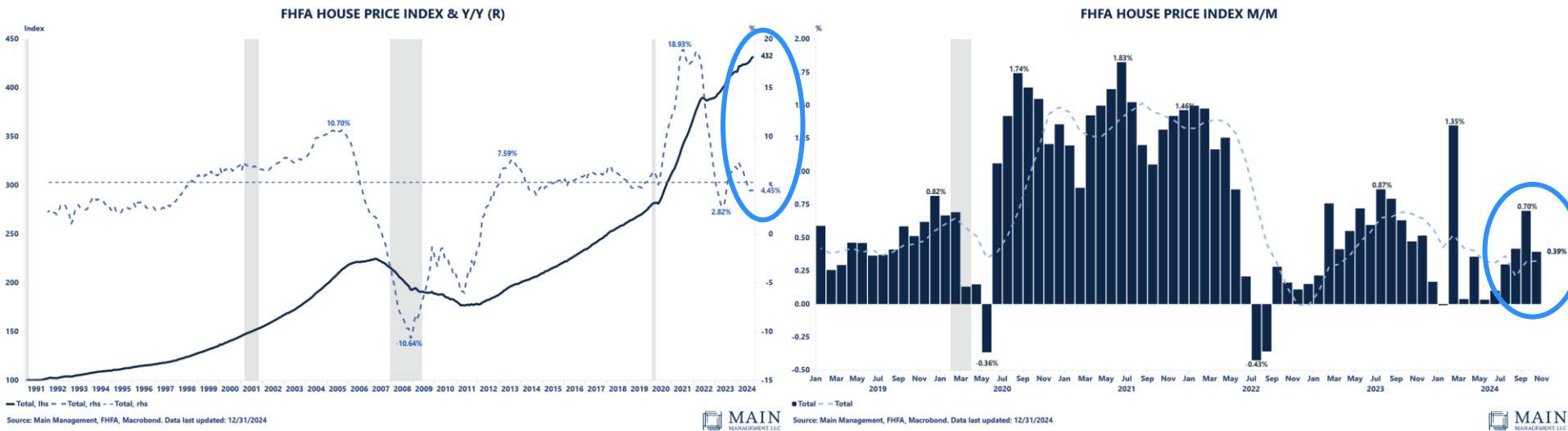
Case-Shiller Home Prices

The S&P / Case-Shiller 20-City Home Price Index rose to 334 in October, yet another all-time high and up +4.26% from a year ago. The Index has risen for 21 straight months, gaining +0.32% M/M in October. These rising prices continue to pose problems for buyers who are also facing mortgage rates that are elevated relative to the prior 15+ years.



FHFA House Prices

The FHFA House Price Index rose to 432 in October, also another all-time high and up +4.45% Y/Y, similar to the Case-Shiller Index. The Index has been up 25 out of the last 26 months and the +0.39% M/M gain was the 9th in a row.



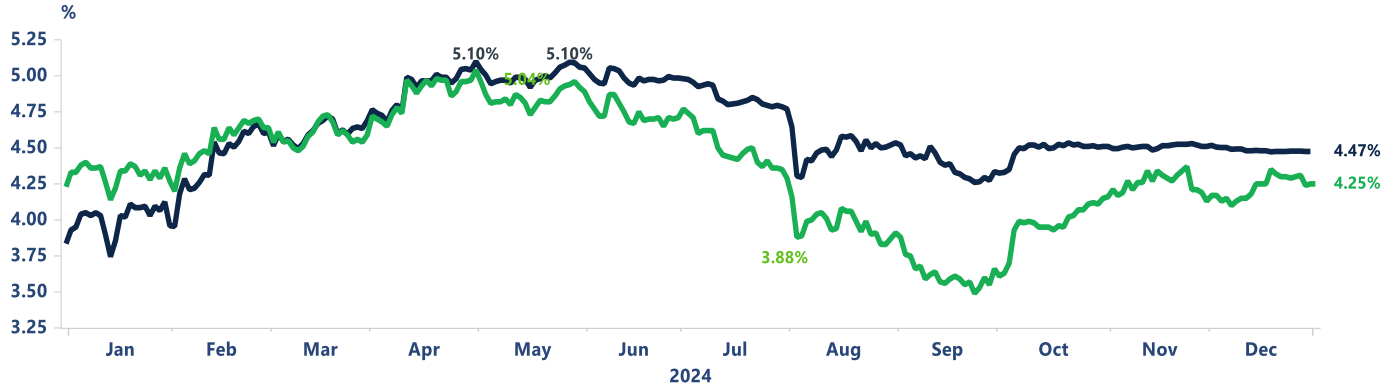
Summary

- Manufacturing PMIs were mostly lower in December. For the U.S. the Chicago and S&P PMIs declined while the ISM figure beat forecasts, rising to an 8mo high.
- The Pending Home Sales Index beat expectations, rising to its highest level since Feb. 2023 and accelerating to +6.9% Y/Y, the biggest rise since May 2021!
- Home Price Indices continued to new highs in October with almost no decreases in the last couple years. These high prices pose challenges for buyers who are also dealing with elevated mortgage rates relative to the last 15 years.
- Upcoming key data to watch:
 - JOLTS (Tuesday)
 - Job Cuts (Thursday)
 - NonFarm Payrolls (Friday)

Appendix

Yields & Futures

FED FUNDS FUTURES & 2-YEAR TREASURY YIELD

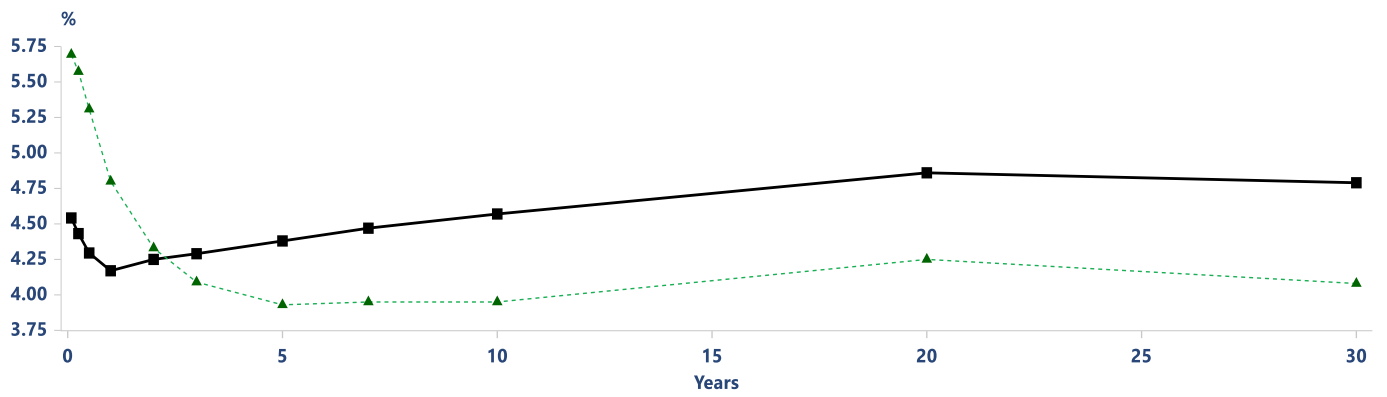


— Fed Funds Futures Dec '24 — 2yr Treasury Yield

Source: Main Management, CME Group, U.S. Treasury, Macrobond. Data last updated: 1/2/2025



US TREASURY YIELD CURVE



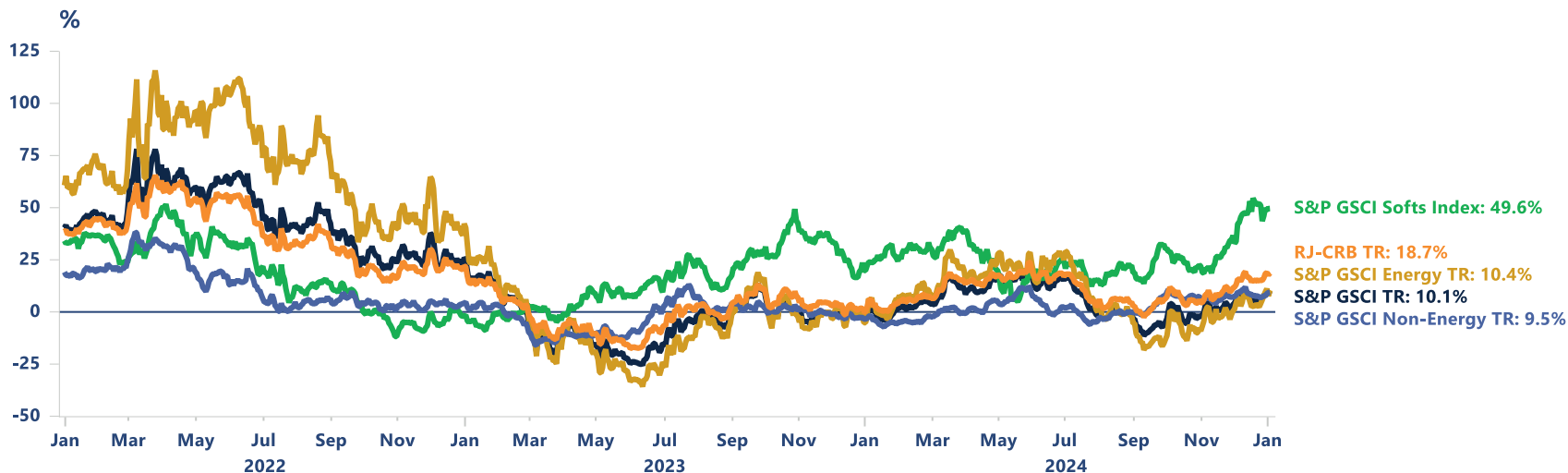
■ Now ▲ 12 months ago

Source: Main Management, U.S. Treasury, Macrobond. Data last updated: 1/2/2025



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: 1/3/2025

| Commodity | 1 Month | 3 Months | YTD ↓ | 1 Year |
|---------------------|---------|----------|-------|--------|
| Bitcoin | -0.6% | 59.3% | 3.7% | 130.1% |
| Gasoline | 5.6 | 4.3 | 2.5 | -2.4 |
| Silver | -3.5 | -5.8 | 2.4 | 24.2 |
| Coffee | 1.6 | 23.7 | 2.2 | 73.6 |
| Gold | 0.3 | -0.2 | 2.0 | 28.8 |
| Crude Oil | 6.7 | 3.1 | 1.7 | 1.5 |
| S&P GSCI | 4.4 | 3.4 | 1.1 | 10.5 |
| BBG Commodity Index | 1.5 | -1.7 | 0.9 | 1.0 |
| US Dollar (DXY) | 3.5 | 8.1 | 0.8 | 7.9 |
| Natural Gas | 8.8 | 26.4 | 0.7 | 45.6 |
| Copper | -2.3 | -11.7 | 0.4 | 2.6 |
| Cotton | -6.5 | -6.1 | 0.2 | -15.3 |
| Corn | 8.6 | 7.1 | 0.2 | -2.5 |
| Soybeans | 1.0 | -5.5 | 0.1 | -22.7 |
| Lumber | -8.2 | 3.5 | -1.8 | -0.6 |

Source: Main Management, S&P Global, CME Group, ICE, LME, Macrobond. Data last updated: 1/3/2025

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.

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