



MAIN
MANAGEMENT, LLC

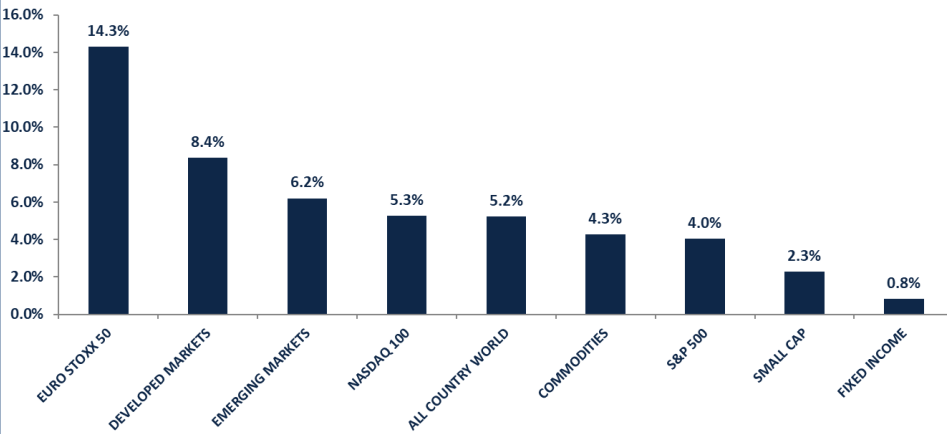
MAIN MANAGEMENT MARKET NOTE: February 14, 2025

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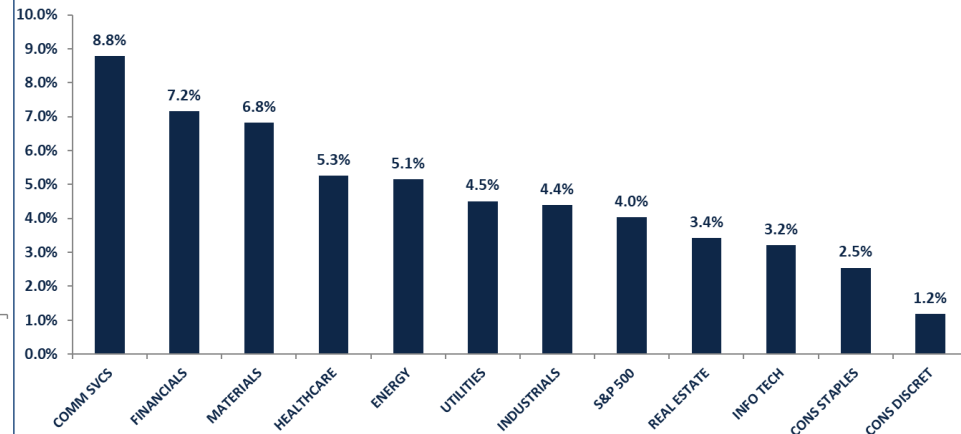
Performance

YTD 2025 ETF BROAD INDEX PRICE PERFORMANCE THROUGH FEBRUARY 14



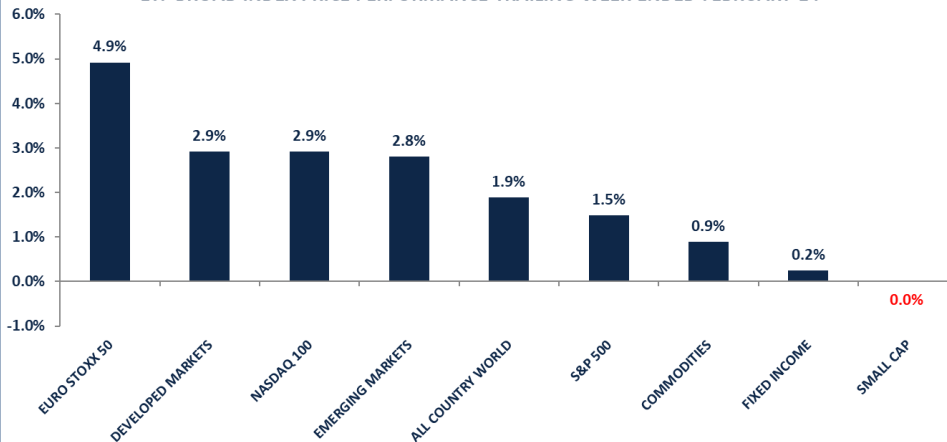
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YTD 2025 ETF SECTOR PRICE PERFORMANCE THROUGH FEBRUARY 14



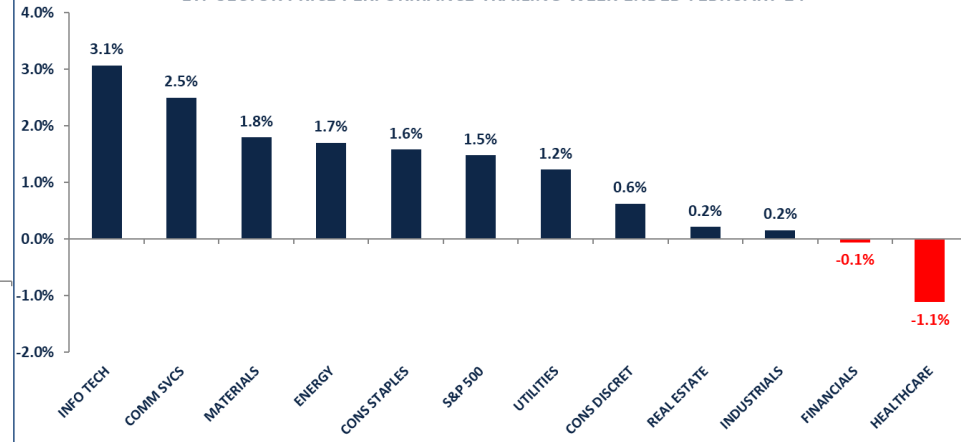
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ETF BROAD INDEX PRICE PERFORMANCE TRAILING WEEK ENDED FEBRUARY 14



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ETF SECTOR PRICE PERFORMANCE TRAILING WEEK ENDED FEBRUARY 14



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Recession Dashboard

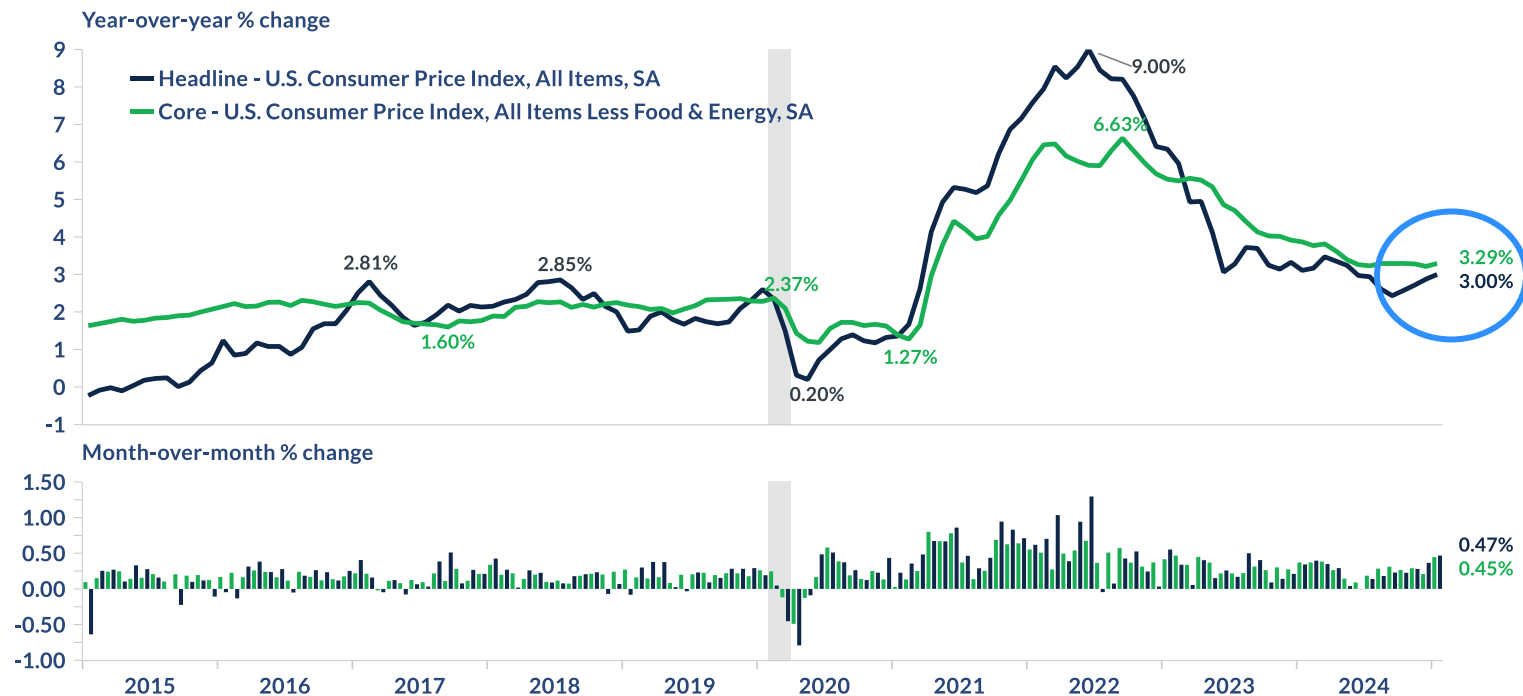
RECESSION START	INFLATION	CONSUMER	YIELD CURVE	HOUSING	SENTIMENT	AUTOS	EMPLOYMENT	PMI	RETAIL SALES
NOV 1973	↓	—	—	↓	—	—	↓	↓	—
JAN 1980	↓	↓	↓	↓	↔	↓	↓	↓	—
JUL 1981	↓	↓	↓	↓	↔	↓	↓	↓	—
JUL 1990	↓	↓	↓	↓	↔	↓	↓	↔	—
MAR 2001	↔	↓	↓	↔	↔	↔	↓	↓	↔
DEC 2007	↓	↓	↓	↓	↔	↓	↓	↓	↓
DEC 2019	↑	↑	↔	↔	↑	↔	↑	↔	↔
FEB 2025	↔	↑	↔*	↔	↑	↔	↓	↑	↑
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.

Headline inflation ticked up to 3.0% Y/Y, slightly above expectations. The 0.47% M/M increase was the hottest print since August 2023. Fed Chairman Jerome Powell acknowledged the reading, reiterating the need for inflation to come down before the FOMC considers additional rate cuts.

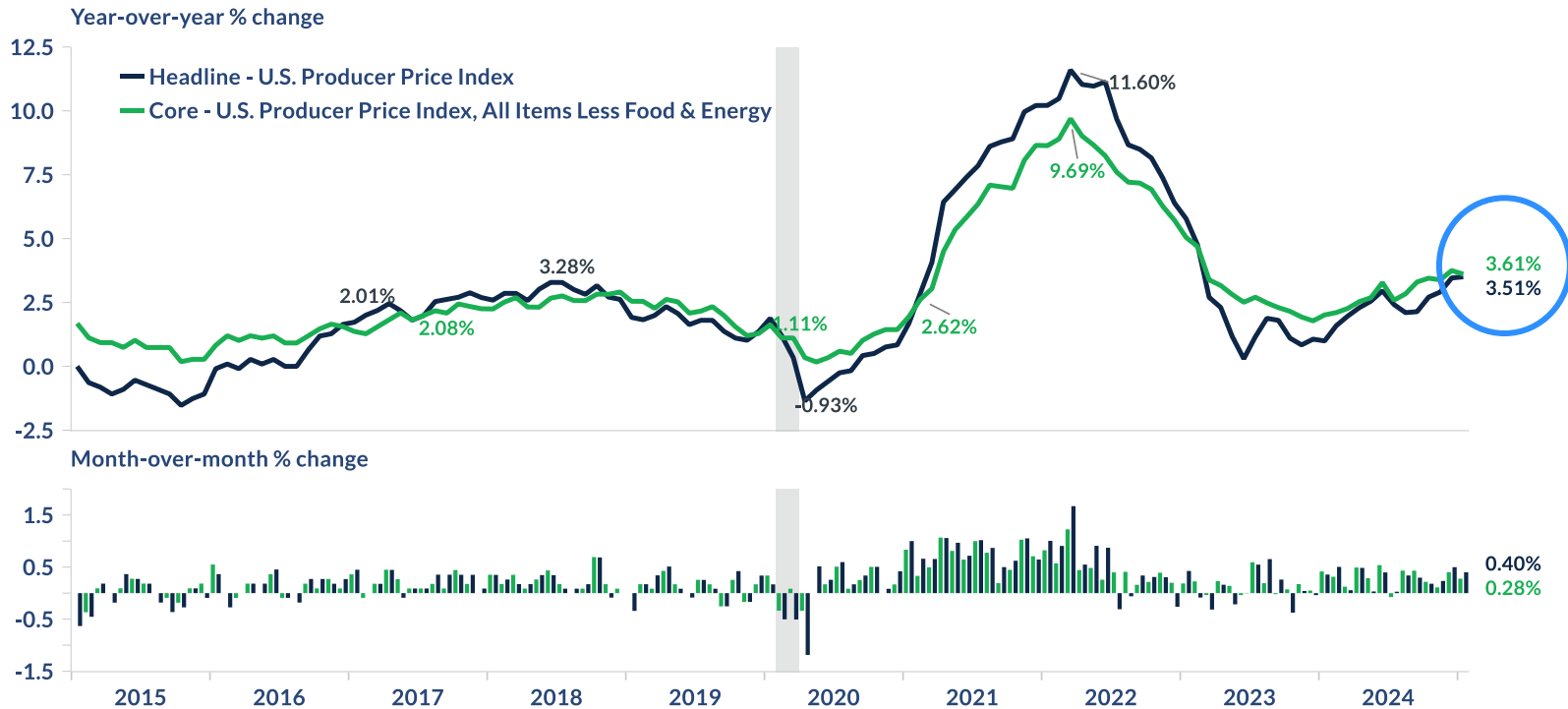
CPI Inflation



Source: Main Management, BLS, Macrobond. Data last updated: 2/12/2025

PPI also posted a 3.51% Y/Y increase on Thursday, though the M/M increase wasn't quite as significant as CPI. Additionally, some of the components that feed into Core PCE (the Fed's preferred inflation measure) were softer than expected.

PPI Inflation

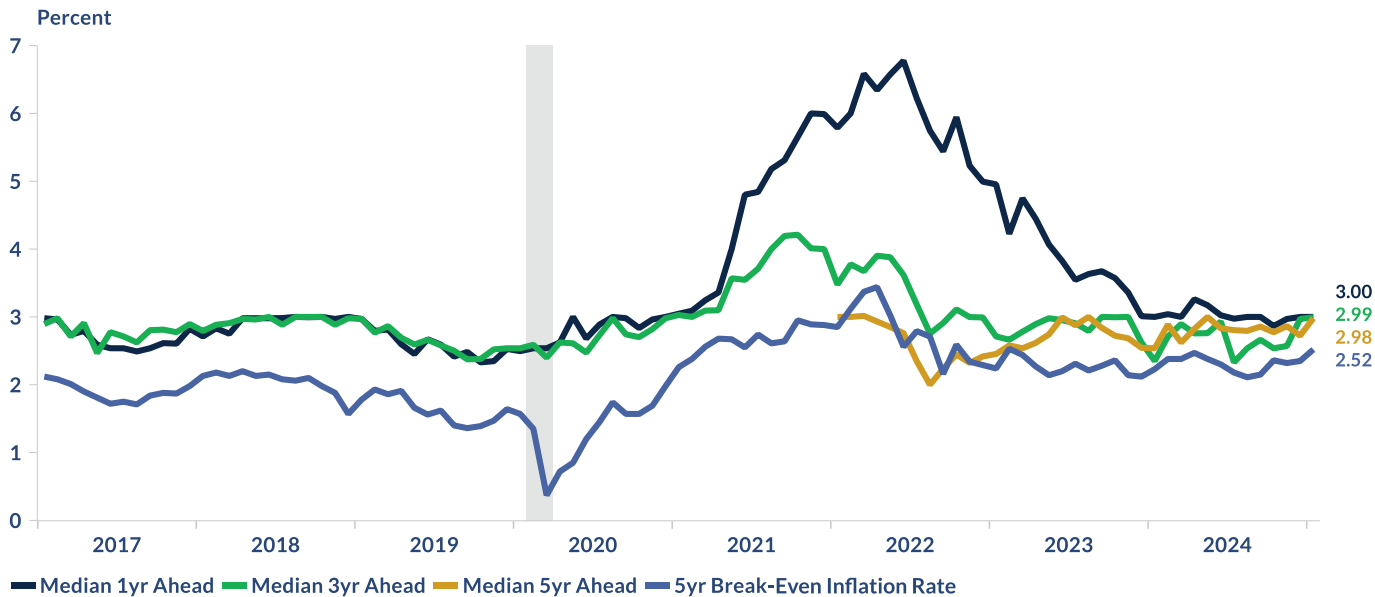


Source: Main Management, BLS, Macrobond. Data last updated: 2/13/2025

Inflation Expectations

Last week, the UMich Consumer Sentiment survey reported a jump in inflation expectations off the back of potential tariff impacts. In contrast, this week the NY Fed Survey held steady at 3% inflation expectations for the next year. While it's important to consider both surveys, the NY Fed survey is generally viewed as more reliable—suggesting that any negative impact from tariffs on inflation expectations is likely muted.

NY Fed Survey of Consumer Inflation Expectations



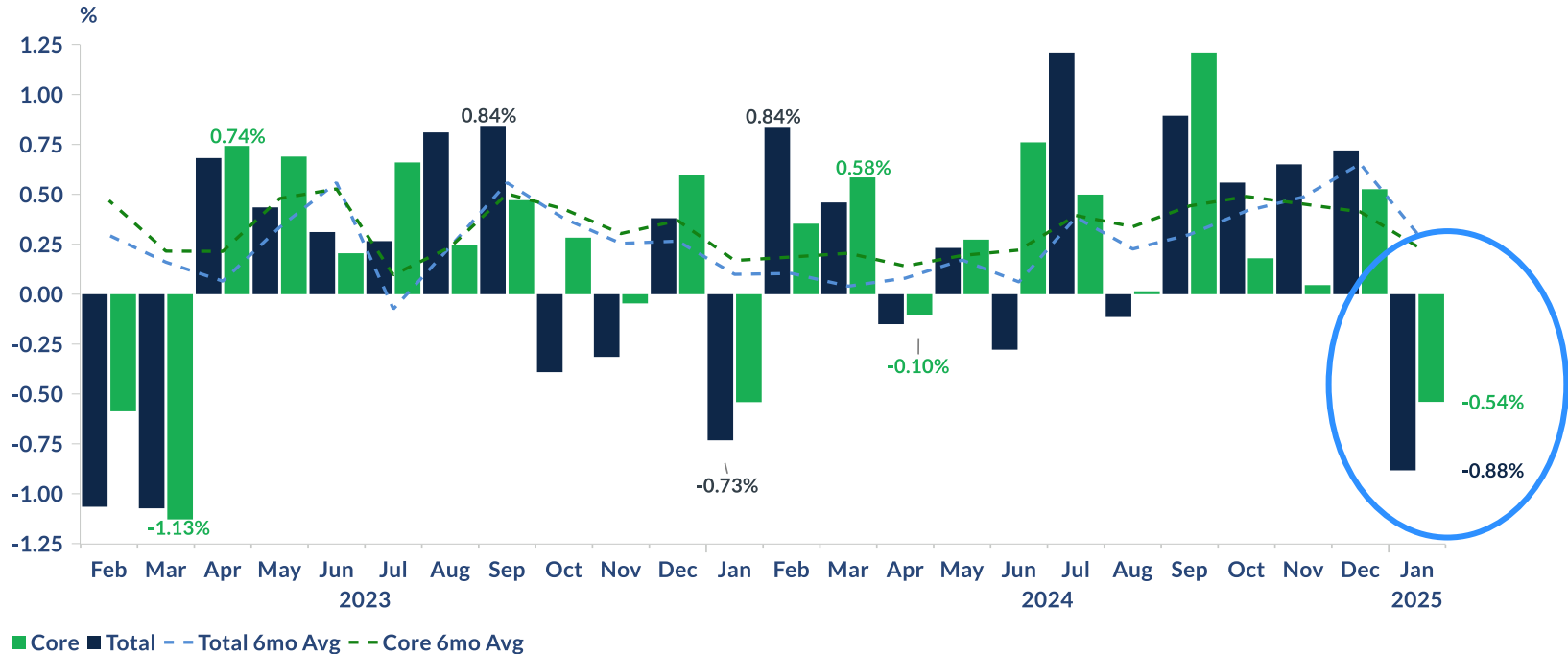
Source: Main Management, New York Fed, U.S. Treasury, Macrobond

Retail Sales

Retail Sales came in far weaker than expected at -0.9% M/M, compared to forecasts of -0.1% M/M. This month's reading constitutes the largest M/M decline since March 2023.

RETAIL SALES M/M

Total and Core (ex Motor Vehicles/Parts & Gas Stations) Month-over-Month % Change

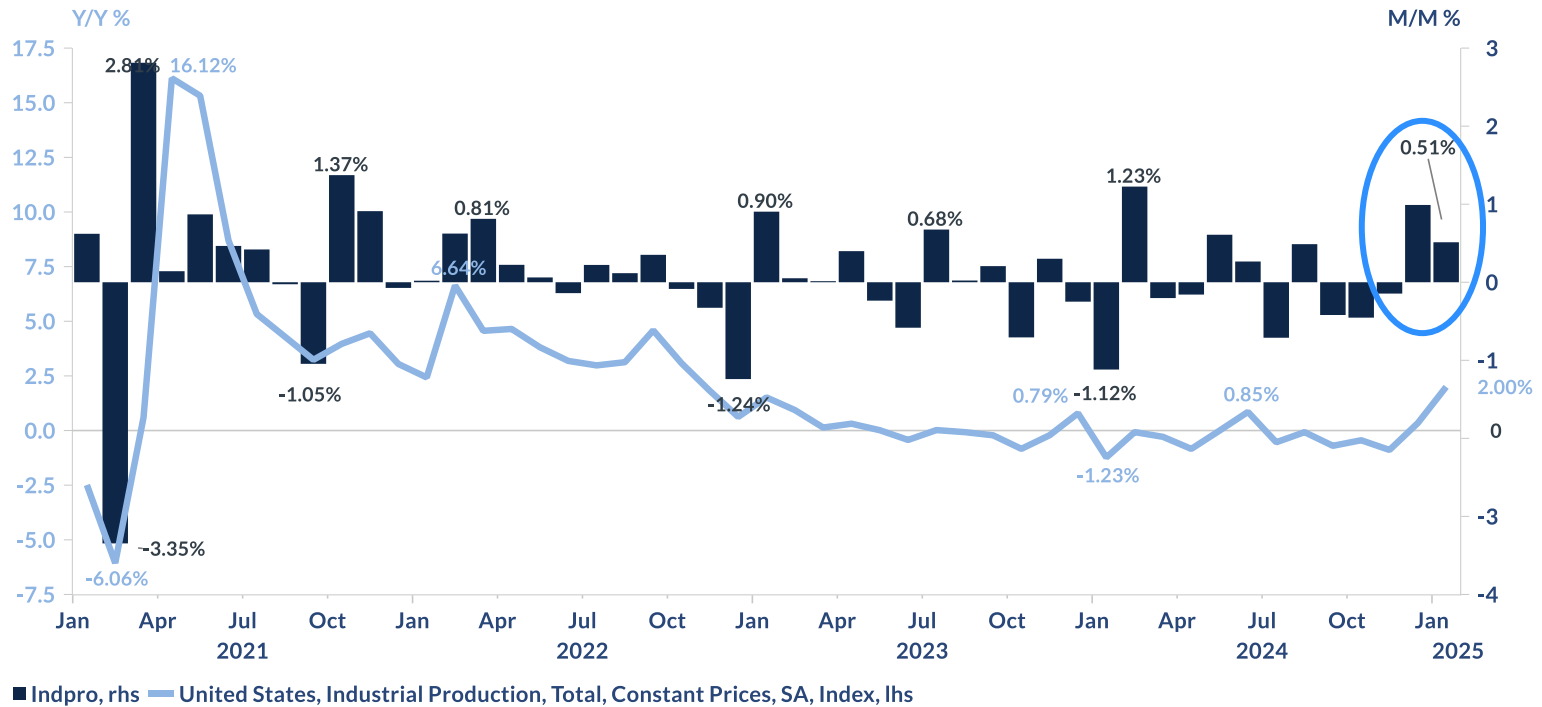


Source: Main Management, USCB, Macrobond. Data last updated: 2/14/2025

Industrial Production

Industrial Production increased 0.5% in January, slightly above expectations and marking the second straight month of increased production. The Y/Y reading was up 2%, the strongest increase since October 2022.

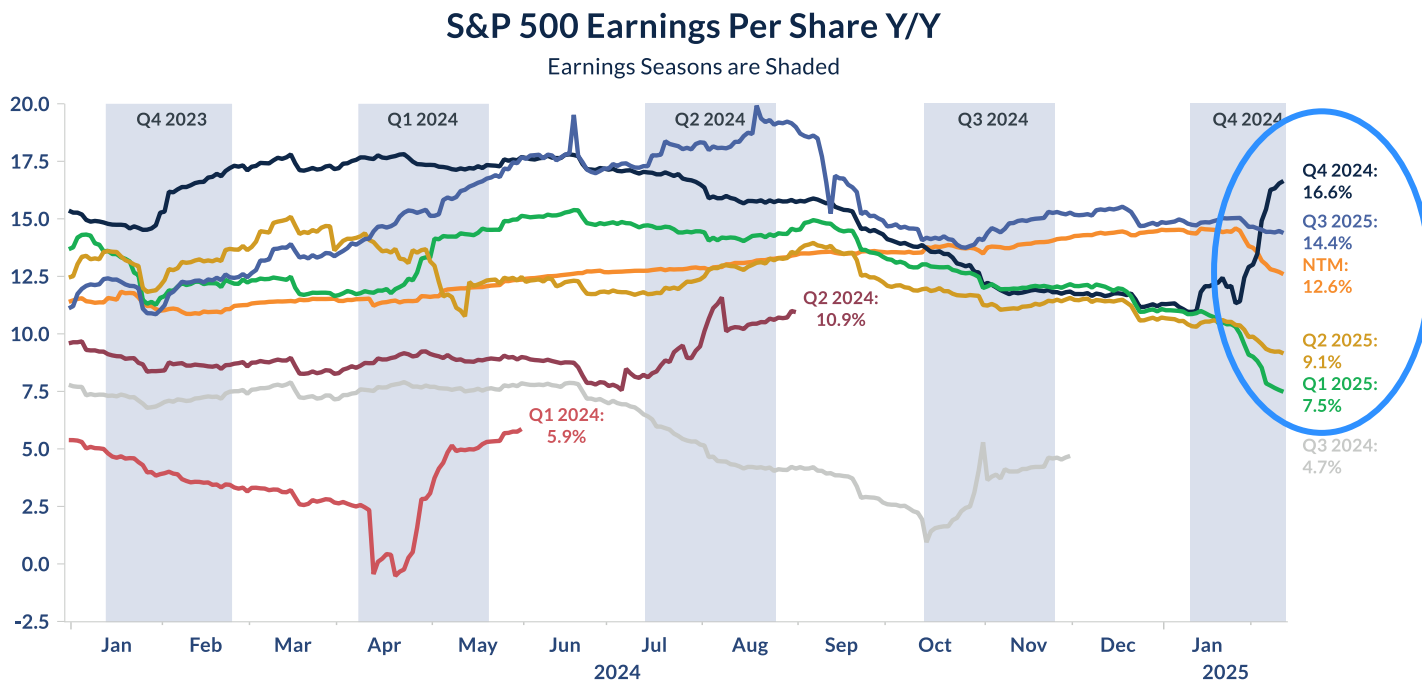
INDUSTRIAL PRODUCTION Y/Y & M/M (R)



Source: Main Management, Fed, Macrobond. Data last updated: 2/14/2025

Q4 Earnings Season

Q4 earnings season has progressed with much stronger results than expected, with earnings now growing 16.6% Y/Y versus ~11% expected before companies began reporting. However, forward guidance was weaker than expected, and as a result, future quarters have been revised lower.



Source: Main Management, FactSet, Macrobond. Data last updated: 2/12/2025

Summary

- Headline CPI came in at 3% Y/Y, above expectations. The M/M reading of 0.49% was the largest M/M increase since August 2023. Core CPI was also hot 3.29% Y/Y and 0.45% M/M.
- PPI came in at 3.51% Y/Y, though the implications were mixed as there were certain subcomponents shared with Core PCE that showed signs of moderating.
- Retail Sales saw a substantial M/M decrease at -0.9%, far below expectations of a -0.1% decrease.
- Industrial Production came in slightly stronger than expected, with the M/M reading at 0.5%, and the Y/Y number coming in at a 2% increase.
- Upcoming key data to watch:
 - NAHB Survey (Tuesday)
 - Housing Starts (Wednesday)
 - Manufacturing and Services PMI (Friday)
 - Existing Home Sales (Friday)

Appendix

Yields & Futures

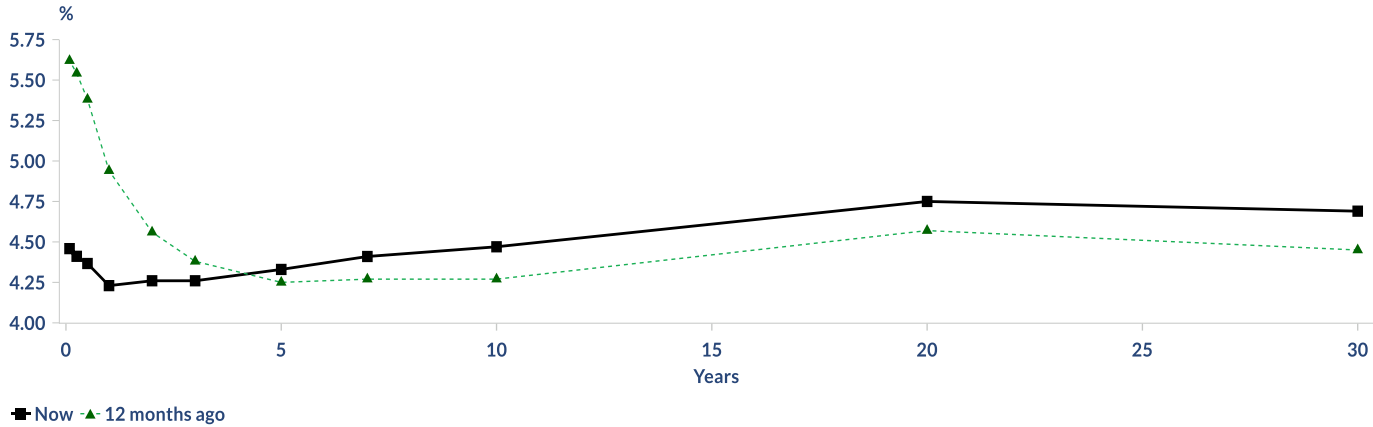
FED FUNDS FUTURES & 2-YEAR TREASURY YIELD



Source: Main Management, CME Group, U.S. Treasury, Macrobond. Data last updated: 2/14/2025



US TREASURY YIELD CURVE

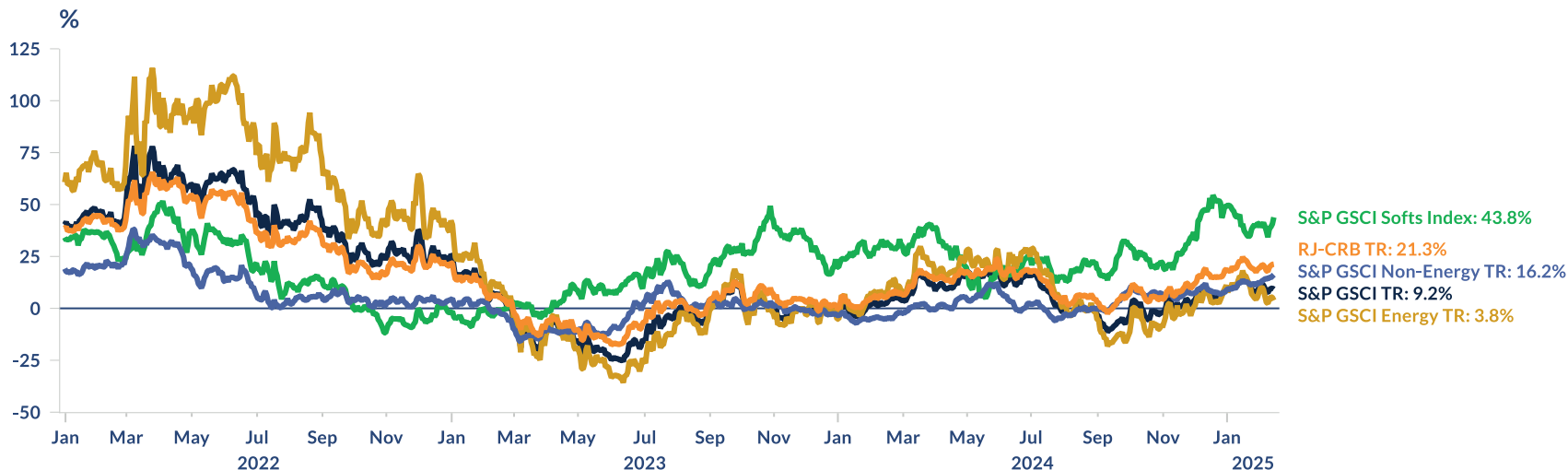


Source: Main Management, U.S. Treasury, Macrobond. Data last updated: 2/14/2025



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: 2/14/2025

Commodity	1 Month	3 Months	YTD ↓	1 Year
Coffee	35.5	66.5	37.3	124.4
Silver	5.0	6.4	12.8	43.8
Gold	8.9	12.7	12.4	45.0
Lumber	9.7	5.8	10.4	10.0
Copper	4.9	4.7	8.8	15.9
Corn	4.9	15.2	7.6	14.6
BBG Commodity Index	3.3	9.4	7.2	9.5
Gasoline	1.7	7.5	5.5	-10.8
S&P GSCI	0.4	9.3	4.7	8.8
Bitcoin	2.0%	9.9%	3.4%	93.4%
Soybeans	1.6	2.6	3.2	-13.7
Natural Gas	-9.0	24.8	-0.1	105.2
Crude Oil	-7.6	5.0	-0.4	-7.3
US Dollar (DXY)	-2.1	1.2	-1.1	3.0
Cotton	-0.3	-2.8	-2.3	-26.2

Source: Main Management, S&P Global, CME Group, ICE, LME, Macrobond. Data last updated: 2/13/2025

Disclosures

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