



MAIN
MANAGEMENT, LLC

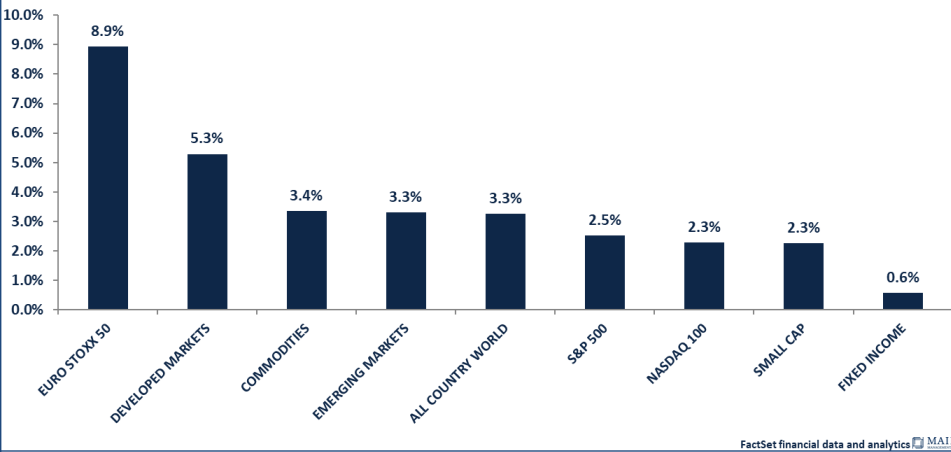
MAIN MANAGEMENT MARKET NOTE: February 7, 2025

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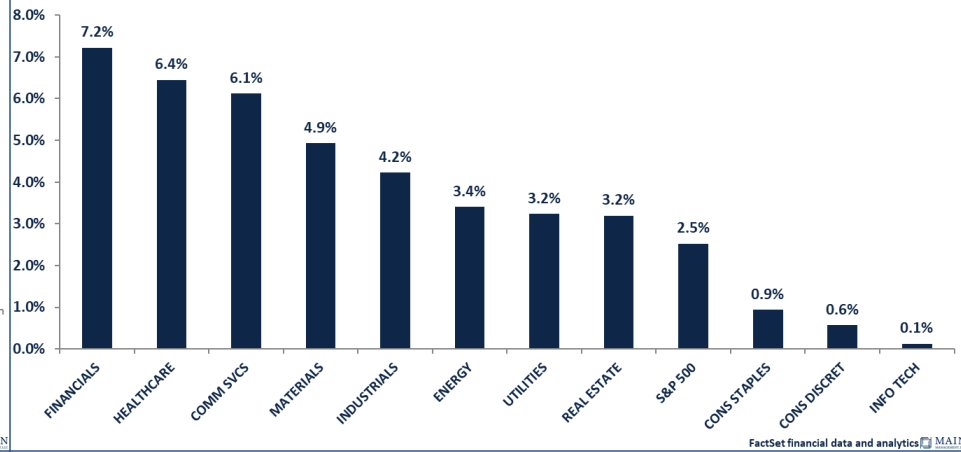
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Performance

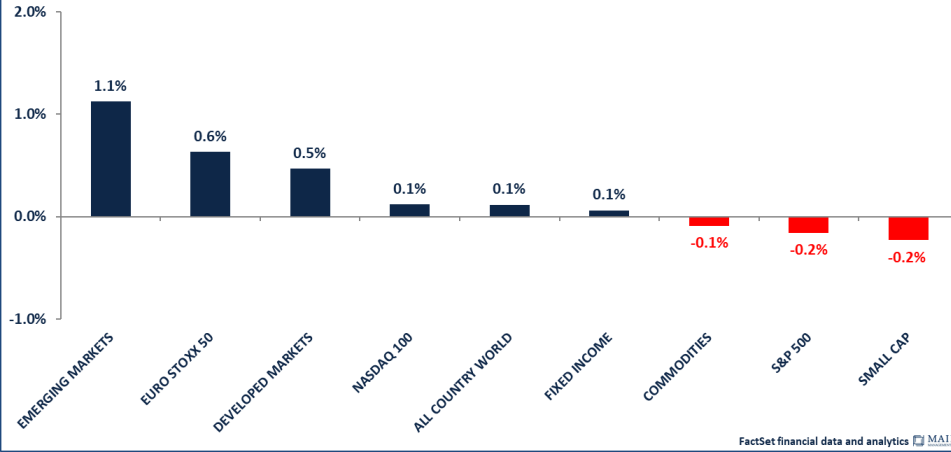
YTD 2025 ETF BROAD INDEX PRICE PERFORMANCE THROUGH FEBRUARY 7



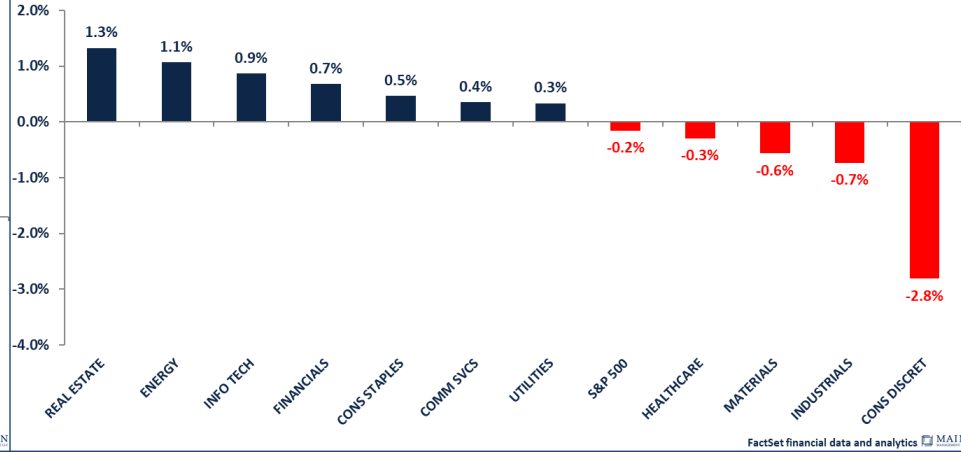
YTD 2025 ETF SECTOR PRICE PERFORMANCE THROUGH FEBRUARY 7



ETF BROAD INDEX PRICE PERFORMANCE TRAILING WEEK ENDED FEBRUARY 7



ETF SECTOR PRICE PERFORMANCE TRAILING WEEK ENDED FEBRUARY 7



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

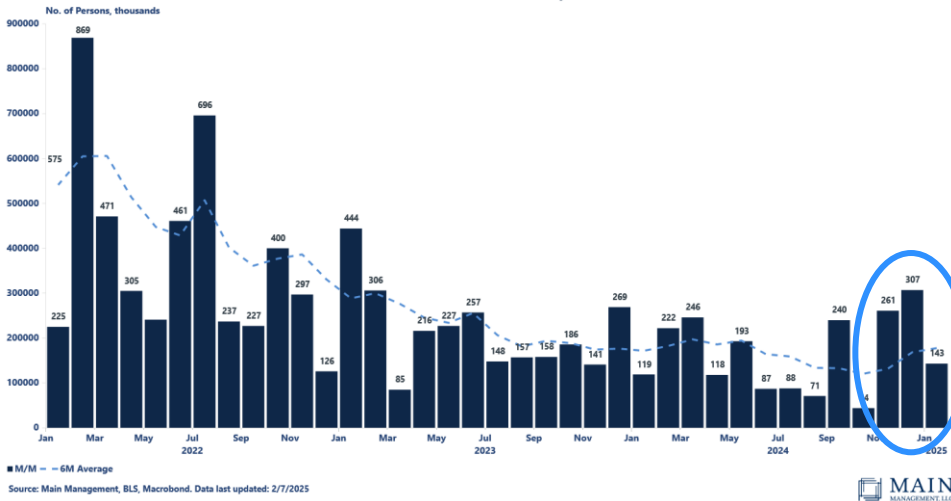
↑ Positive
↔ Neutral
↓ Negative

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, AAI **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.

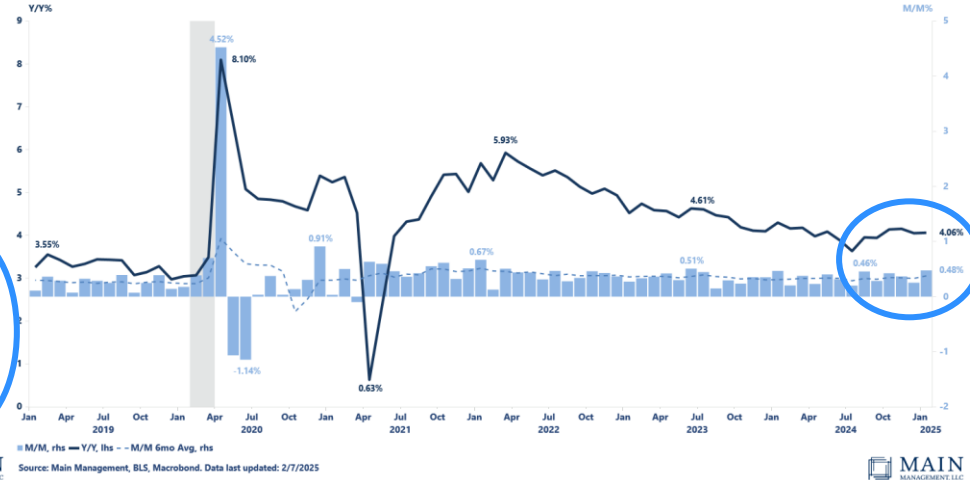
NonFarm Payrolls

January NonFarm Payrolls (left) came in at +143k, solidly below forecasts for a 170k reading. However, December was revised up from 256k to 307k as part of the annual seasonal revision which muddied the waters a bit, so take the reading with a grain of salt. Wages (right) accelerated to +0.48% M/M, the biggest monthly gain since June 2023 while the Y/Y figure was basically unchanged at 4.06%.

NONFARM PAYROLLS M/M

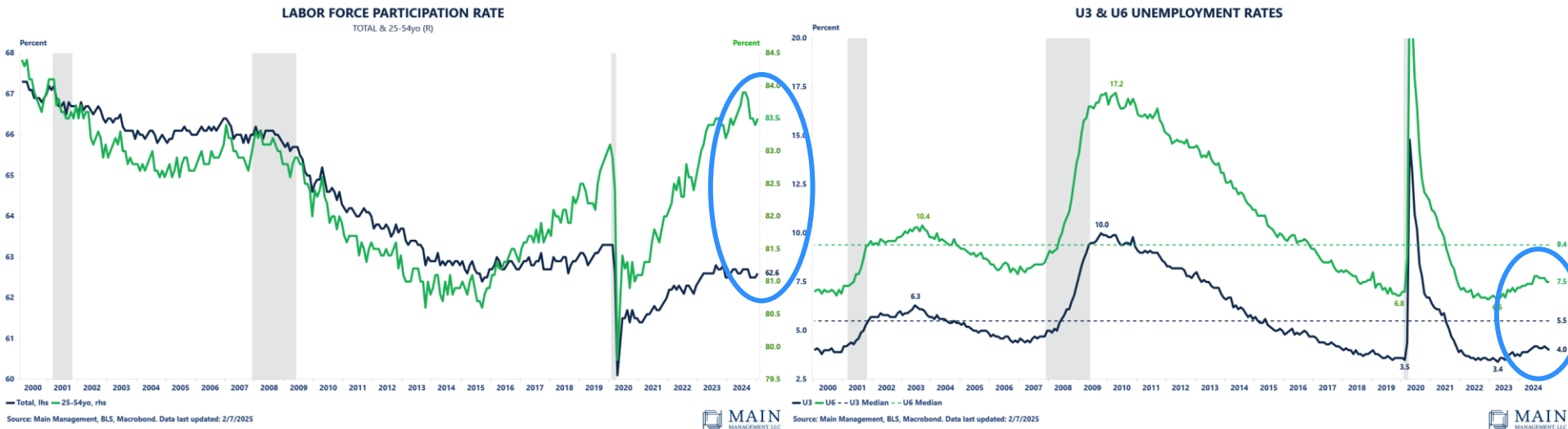


TOTAL PRIVATE AVERAGE HOURLY EARNINGS
M/M & 6MO AVG (R) & Y/Y (L)



NonFarm Payrolls

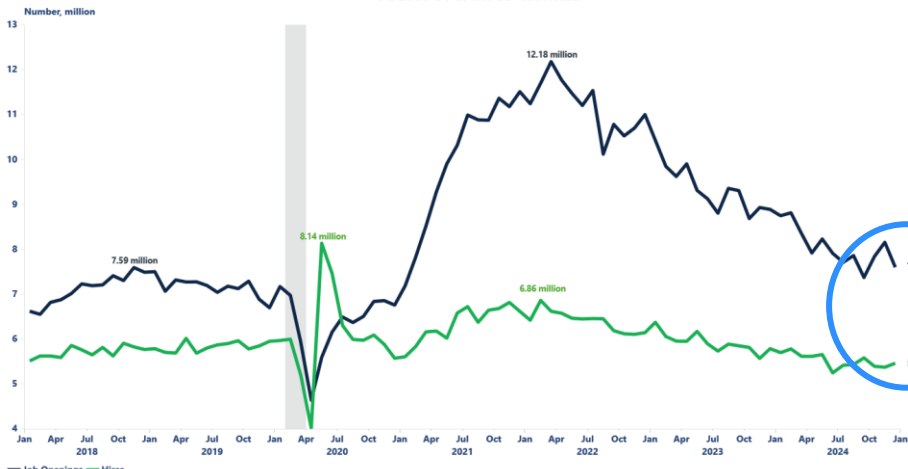
The Overall Participation Rate (left) inched up to 62.6% and that for the 25-54yo prime working age cohort ticked up to 83.5%, the first increase since July 2024. On the right side, we show the Headline U3 Unemployment Rate which declined to 4.0% and the broader U6 rate was unchanged at 7.5%.



JOLTS

The December JOLTS report showed that Openings (left) declined to 7.60mil, slightly below forecasts for an 8m figure while Hires ticked up to 5.46m. Quits also increased, rising to 3.20m while Layoffs inched down to 1.77m. Not much change from the prior month's report, indicating ongoing stability in the labor market.

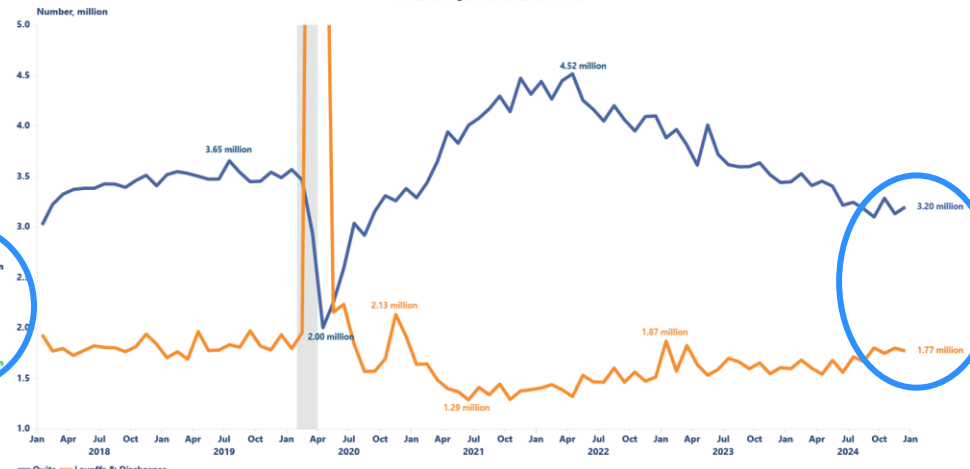
JOLTS: OPENINGS & HIRES



Source: Main Management, BLS, Macrobond. Data last updated: 2/4/2025



JOLTS: QUILTS & LAYOFFS



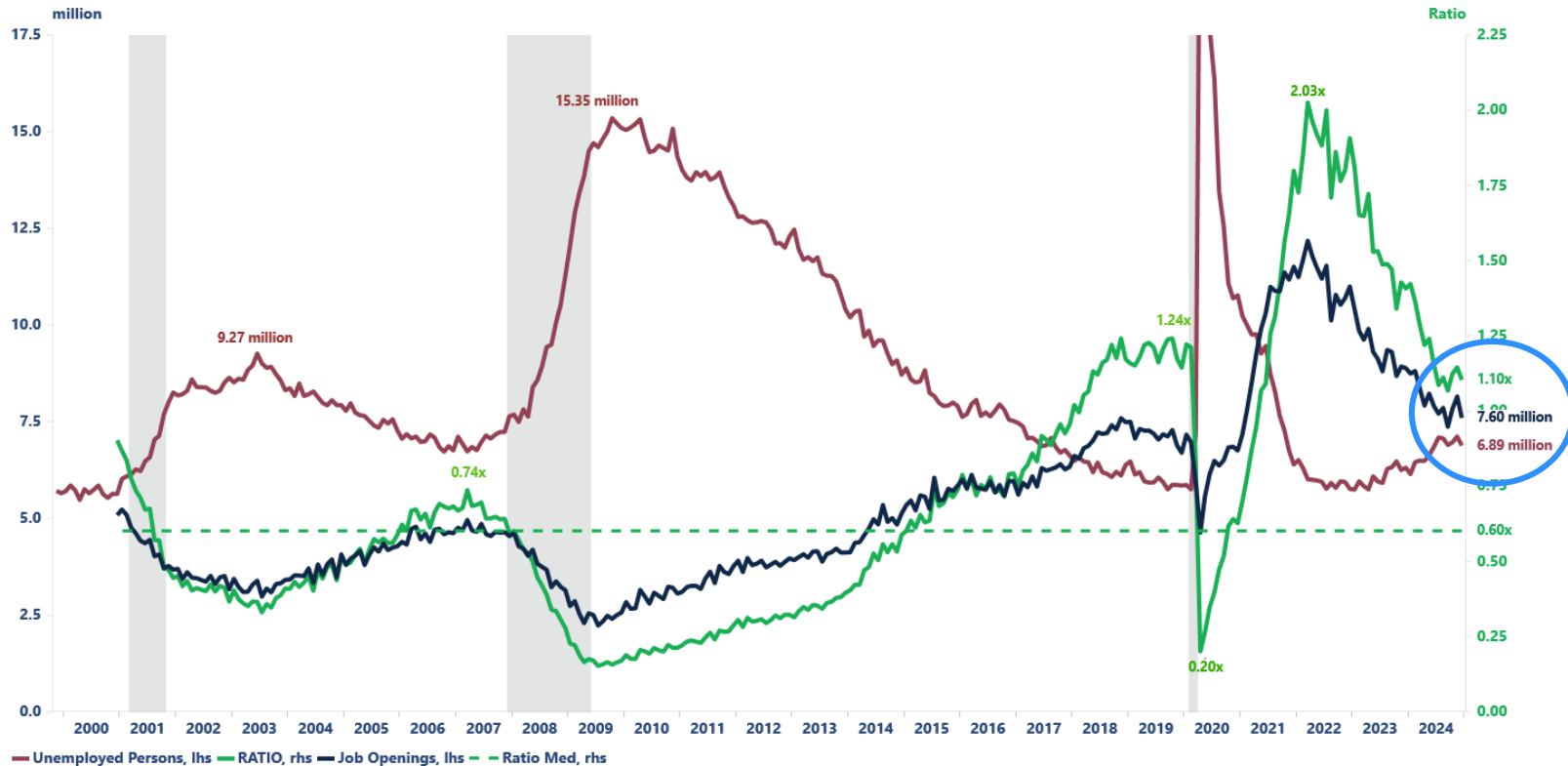
Source: Main Management, BLS, Macrobond. Data last updated: 2/4/2025



JOLTS

The ratio of Openings per Unemployed Person moved lower to 1.10x, but still well above the long-term median of 0.60x. The absolute delta now stands at 710k more Openings than Unemployed Persons.

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

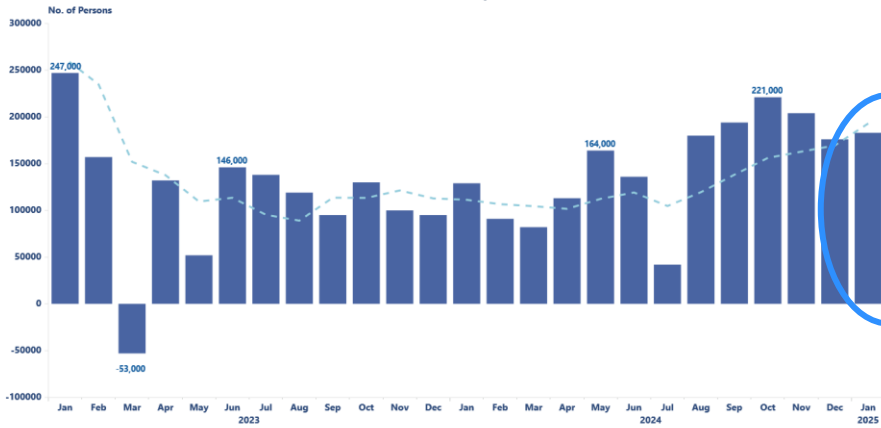


Source: Main Management, BLS, Macrobond. Data last updated: 2/4/2025

ADP & Job Cuts

ADP Payrolls came in at +183k in January, ahead of forecasts. They've been driven by gains in Small and Medium-sized businesses of late, which is a welcome shift away from the Large firms that had been driving jobs gains since Small & Medium firms make up over 80% of payrolls. We also got Challenger, Gray & Christmas Job Cut Announcements (right) which came in at 49,795 for January. That figure is up +28.4% M/M but down -39.5% from a year ago and -14% below the January historical average of 58k cuts.

ADP PAYROLLS M/M CHANGE

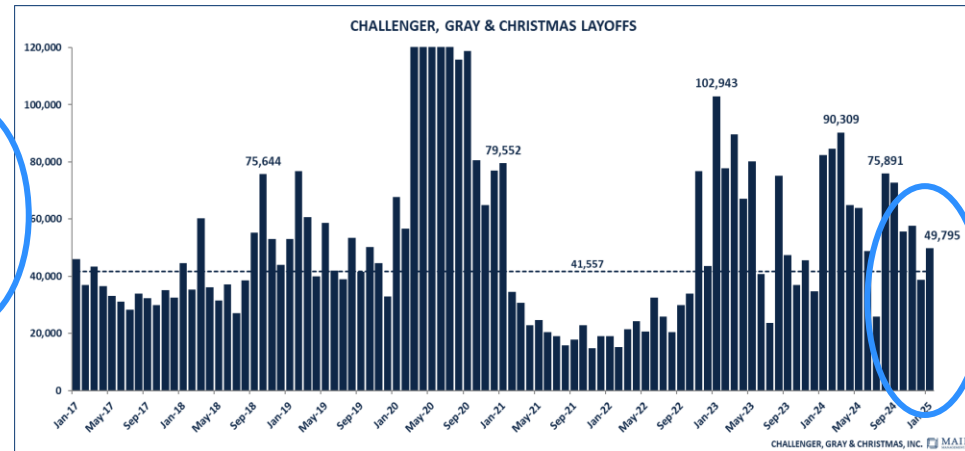


■ TOTAL PAYROLLS — 6MO AVG

Source: Main Management, ADP, Macrobond



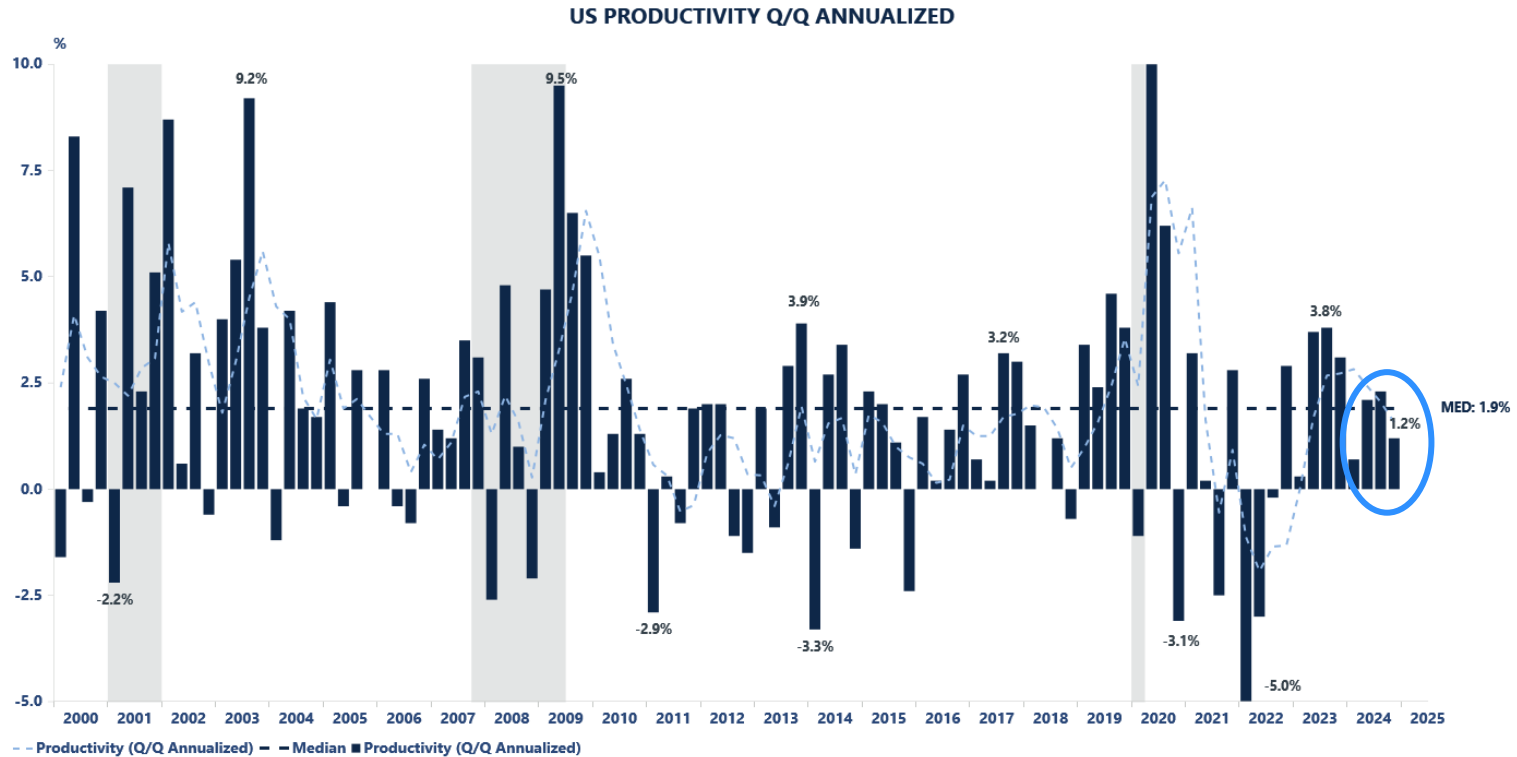
CHALLENGER, GRAY & CHRISTMAS LAYOFFS



CHALLENGER, GRAY & CHRISTMAS, INC. MAIN MANAGEMENT, LLC

Productivity

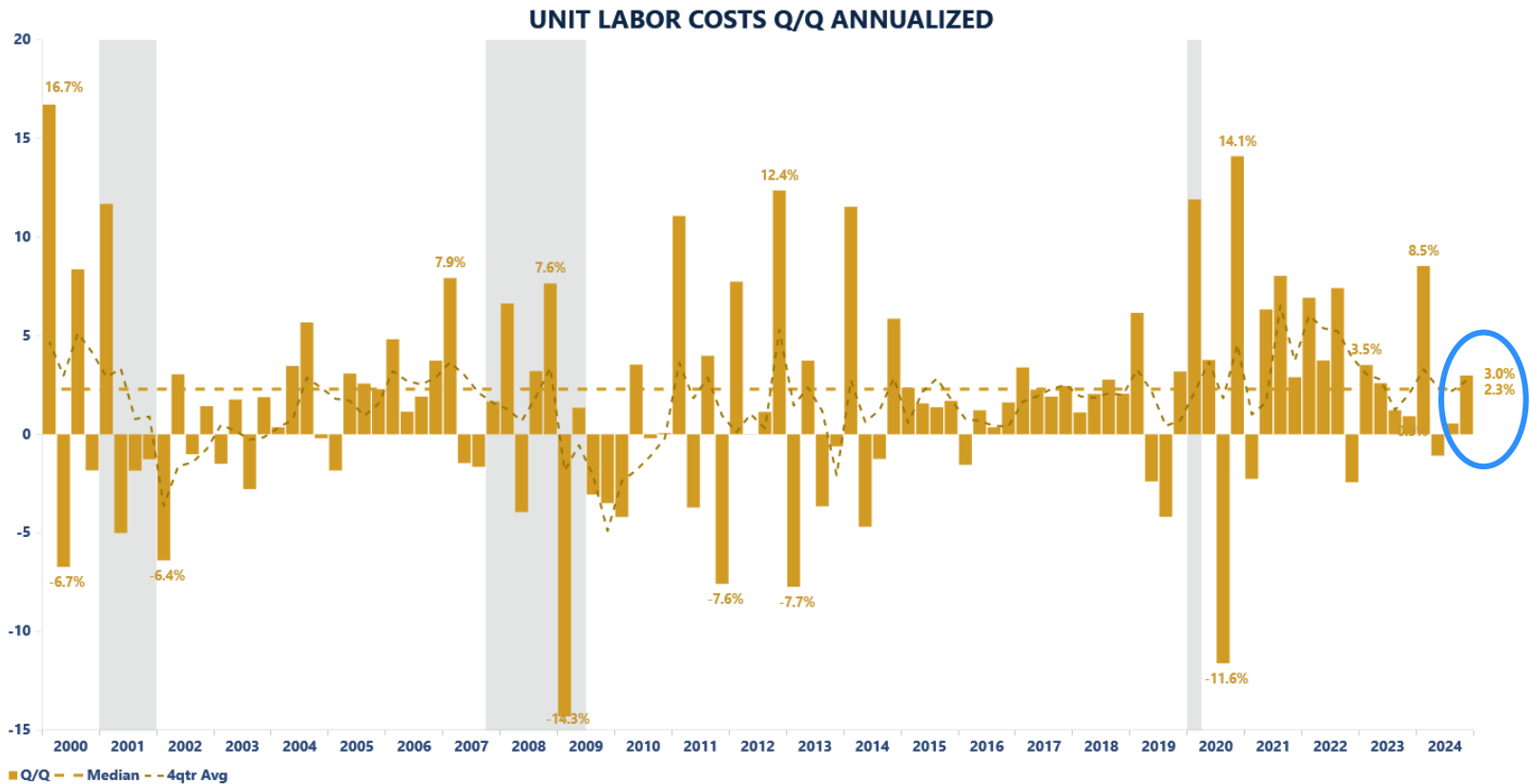
Q1 2025 Productivity slowed to 1.2% Q/Q annualized, below forecasts for a 1.4% reading and the slowest in 3 quarters. Still, it marks the 9th straight positive reading. The Productivity figure is the result of Output, which slowed to 2.3%, and Hours Worked, which also ticked down to 1.0%.



Source: Main Management, BLS, Macrobond

Unit Labor Costs

Unit Labor Costs rose 3.0% Q/Q annualized, their fastest reading in a couple of quarters but below forecasts for a 3.4% increase. Unit Labor Costs are an inflation gauge and, on a Y/Y basis, they are up +2.7%, solidly above the Fed's 2% target.



Source: Main Management, BLS, Macrobond. Data last updated: 2/6/2025

Summary

- NonFarm Payrolls came in below forecasts at 143k while the Participation Rate ticked up to 62.6% and the Unemployment Rate inched down to 4.0%.
- Openings came in slightly below forecasts in the December JOLTS report but overall, the picture was little changed from the prior month.
- ADP Payrolls came in above forecasts at 183k while January Job Cut Announcements came in at 49,795, up from December but below the historical January average of 58,011.
- Q1 2025 Productivity missed forecasts at 1.2% while Unit Labor Costs accelerated to +3.0%, which could raise concerns about inflation.
- Upcoming key data to watch:
 - Household Debt (Tuesday)
 - Headline & Core CPI (Wednesday)
 - Headline & Core PPI (Thursday)
 - Retail Sales & Industrial Production (Friday)

Appendix

Yields & Futures

FED FUNDS FUTURES & 2-YEAR TREASURY YIELD

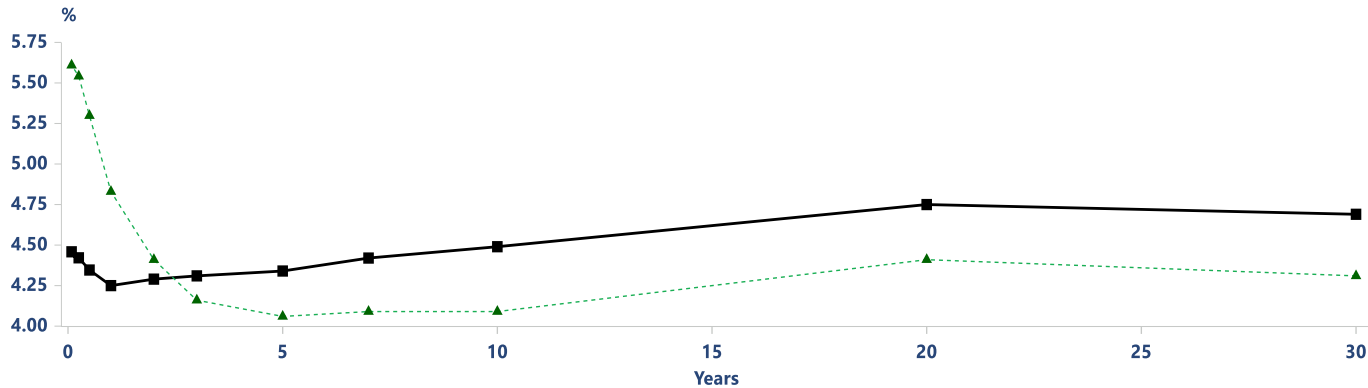


— Fed Funds Futures Dec '25 — 2yr Treasury Yield

Source: Main Management, CME Group, U.S. Treasury, Macrobond. Data last updated: 2/7/2025



US TREASURY YIELD CURVE



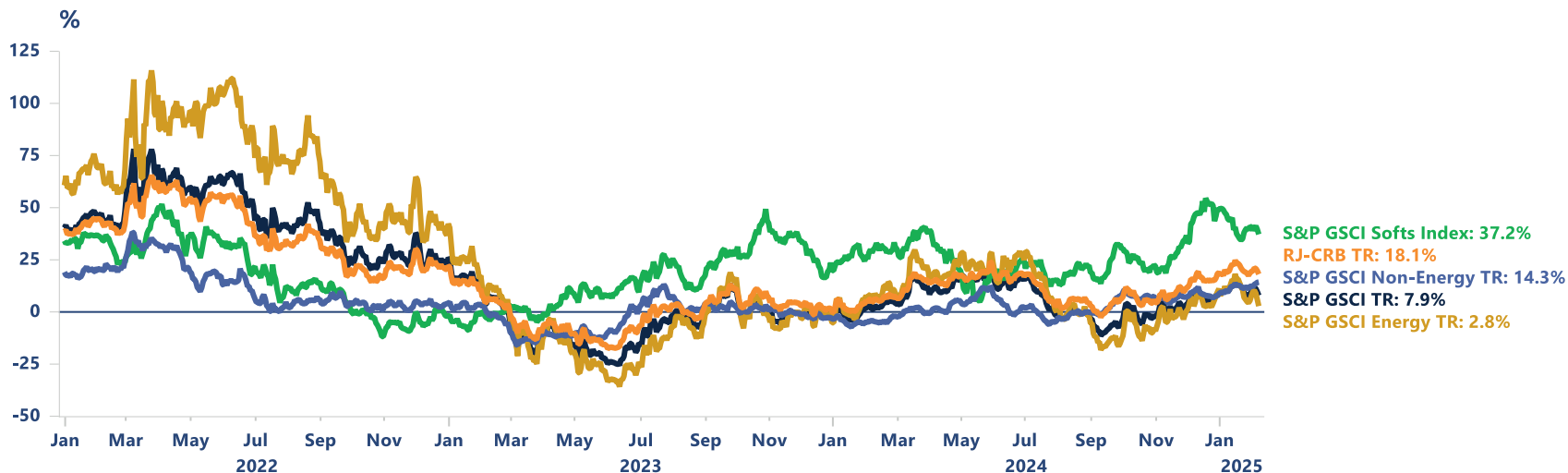
■ Now ▲ 12 months ago

Source: Main Management, U.S. Treasury, Macrobond. Data last updated: 2/7/2025



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, X, TREA, TMX, Macrobond. Data last updated: 2/7/2025

Commodity	1 Month	3 Months	YTD ↓	1 Year
Coffee	26.8	61.5	26.3	113.2
Silver	9.1	-0.4	12.4	45.6
Gold	8.2	4.1	9.6	41.1
Corn	9.9	18.4	8.0	11.9
Lumber	8.0	4.5	6.4	5.9
Soybeans	8.1	6.7	6.2	-11.3
Copper	4.4	-4.7	5.7	10.9
BBG Commodity Index	5.9	5.3	5.6	8.1
Gasoline	1.0	1.5	3.7	-6.1
S&P GSCI	2.6	4.6	3.4	10.8
Bitcoin	-1.5%	39.3%	3.4%	126.4%
US Dollar (DXY)	-1.2	4.1	-0.7	3.1
Crude Oil	-4.5	-2.0	-1.7	-3.3
Cotton	-2.4	-5.6	-3.5	-24.1
Natural Gas	1.6	27.6	-6.2	63.7

Source: Main Management, S&P Global, CME Group, ICE, LME, Macrobond. Data last updated: 2/6/2025

Disclosures

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