



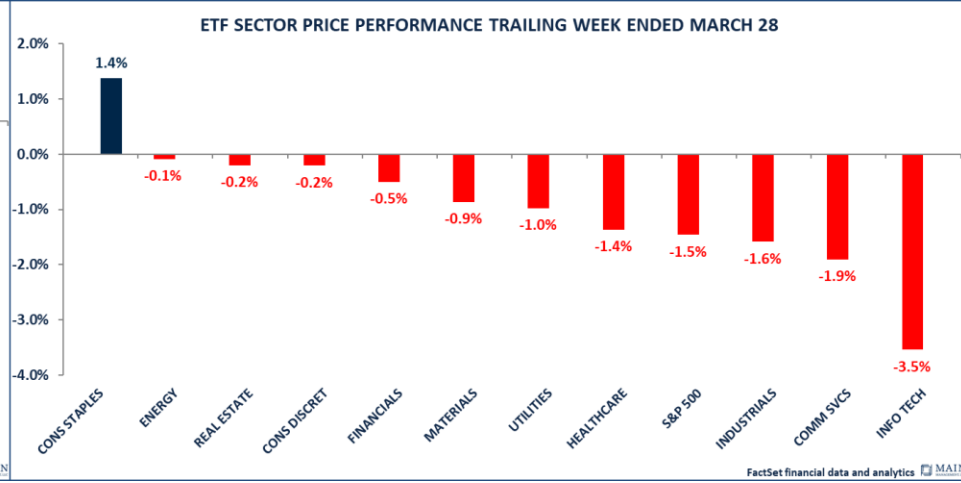
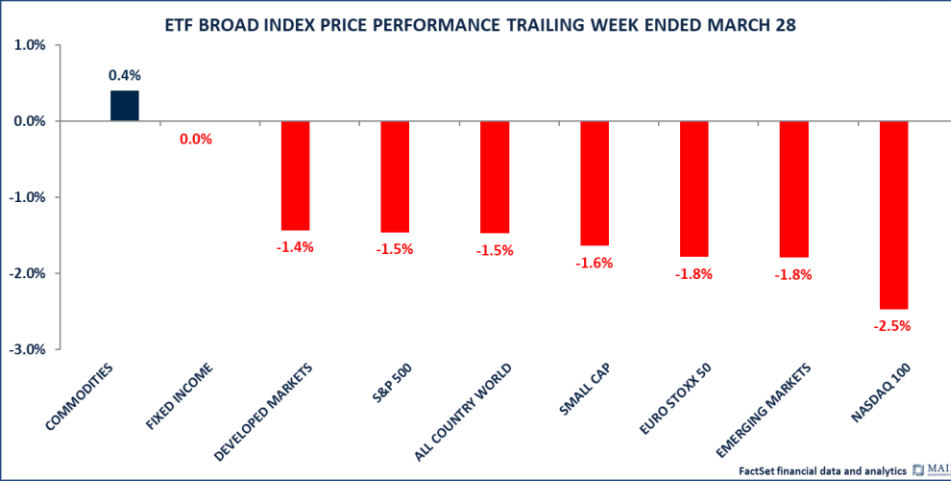
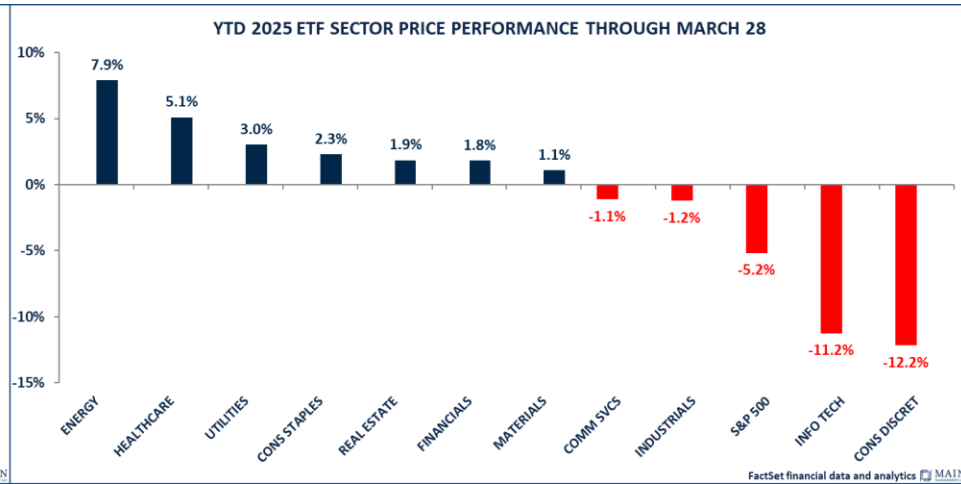
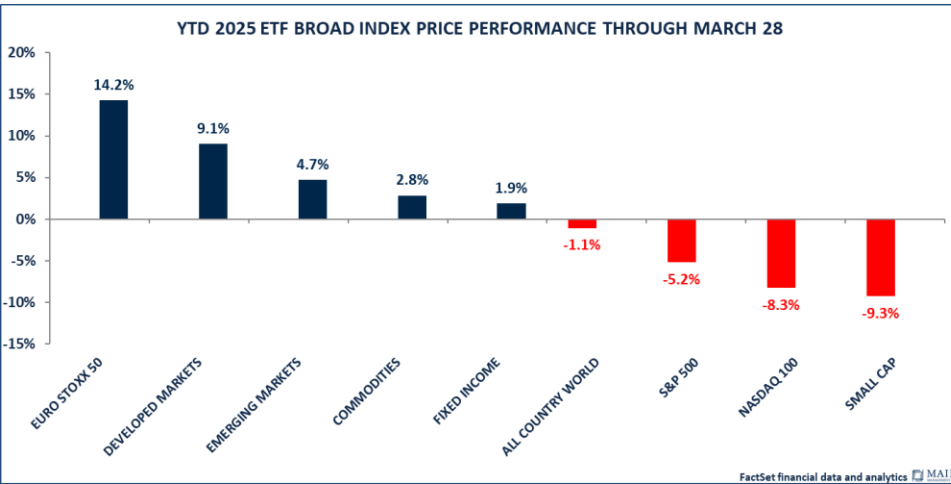
MAIN
MANAGEMENT, LLC

MAIN MANAGEMENT MARKET NOTE: March 28, 2025

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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	↑	↑	↔	↔	↑	↔	↑	↔	↔
MAR 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

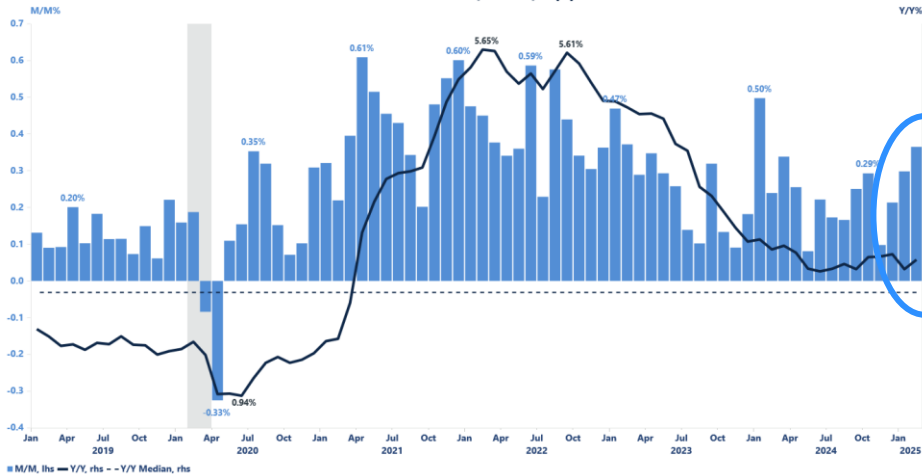
↑ Positive
↔ Neutral
↓ Negative

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.

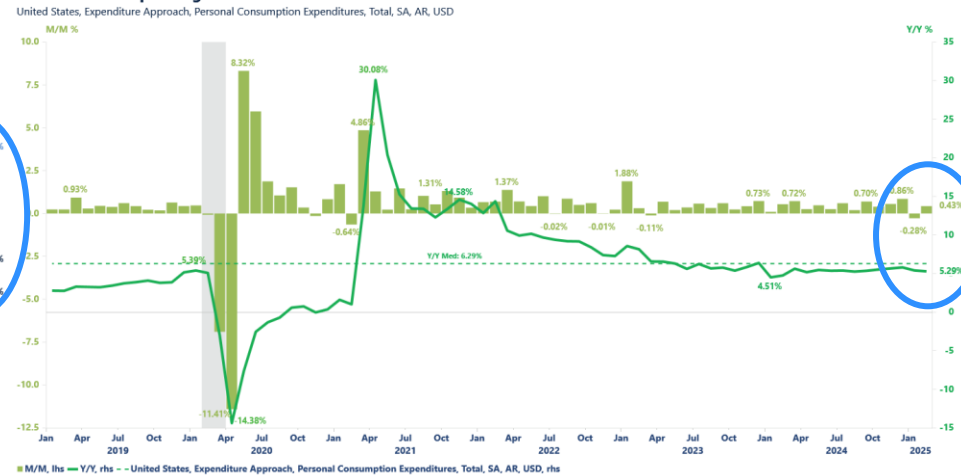
Core PCE & Spending

Core PCE, the Fed's preferred inflation measure, jumped +0.37% M/M in February, above forecasts for a +0.3% rise and the biggest increase since Jan. 2024. The Y/Y figure ticked up to +2.79%. Meanwhile, Consumer Spending rebounded from its January dip to rise +0.43% M/M, short of expectations for a +0.5% rise. Still, Spending is up +5.29% from a year ago and has been holding pretty steady in that neighborhood for a couple years now.

CORE PCE M/M & Y/Y (R)



U.S. Consumer Spending

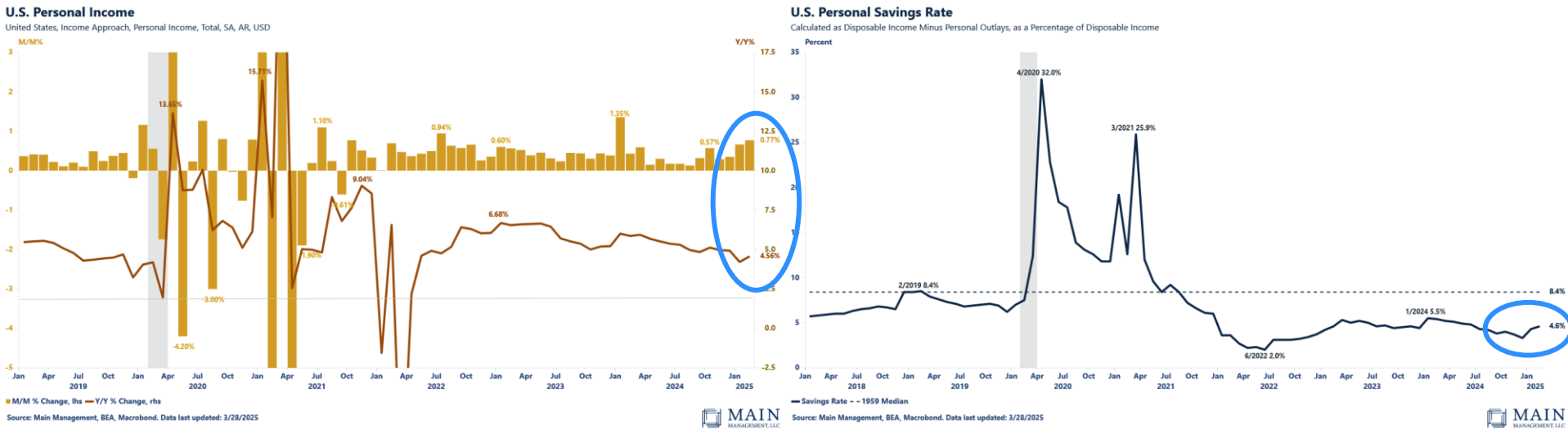


Source: Main Management, BEA, Macrobond. Data last updated: 3/28/2025

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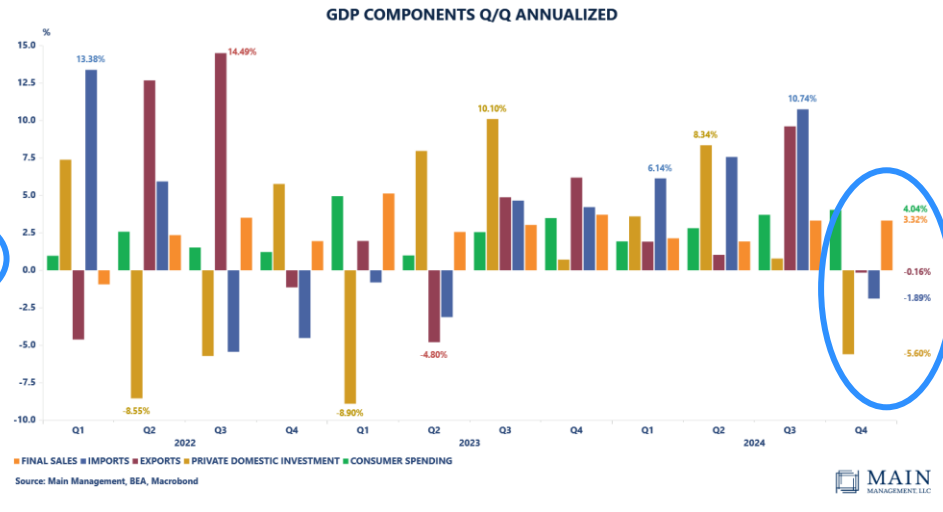
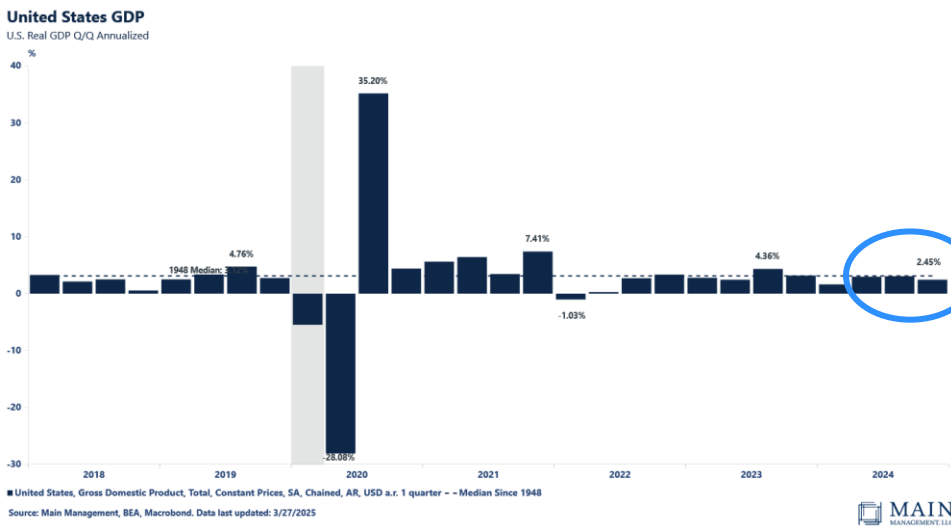
Income & Saving

While PCE was up more than expected, so were Incomes, which jumped +0.77%, nearly double forecasts for a +0.4% rise and the highest since Jan. 2024. On a Y/Y basis, Incomes are up +4.56%, outpacing inflation and putting real money into consumer wallets. Personal Savings also ticked up in February to a 4.6% rate, the 2nd increase in a row. As we mentioned last week, consumers have a huge pile of cash they are sitting on which can fuel spending. The slowdown in spending of late is more likely due to uncertainty than finances.



Q4 2024 U.S. GDP

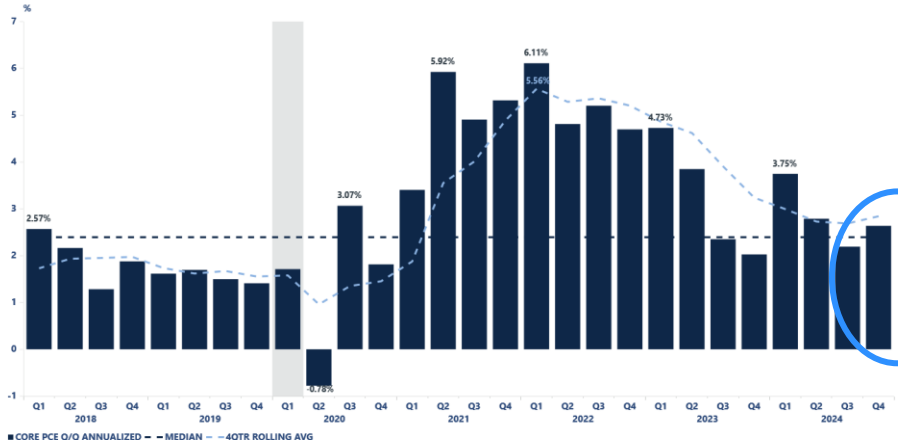
The final reading of Q4 2024 U.S. GDP (left) was revised up to 2.45% from 2.35% in the 2nd estimate. For the components (right), Consumer Spending was revised slightly lower to 4.04% from 4.17% but that is still the best growth since Q1 2023. Final Sales finished the quarter up +3.32%, Imports -1.89%, Exports -0.16%, and Private Domestic Investment -5.60%. The biggest revisions were in Imports and Exports, with Imports revised down -1.1% from the preliminary estimate and Exports revised up +0.6% over the same time frame. It's good to see Consumer Spending and Final Sales continuing to post solid readings.



PCE and Corporate Profits

Q4 2024 Core PCE (left) was basically unchanged at +2.64% in the final reading, down ever so slightly from +2.65% in the 2nd estimate. Corporate Profits (right) rose +5.8% Q/Q to a new all-time high at \$3.31 trillion, which is up +6.78% Y/Y. Corporate Profits are up over 50% from the Q3 2019 level of \$2.20 trillion.

REAL CORE PERSONAL CONSUMPTION EXPENDITURES

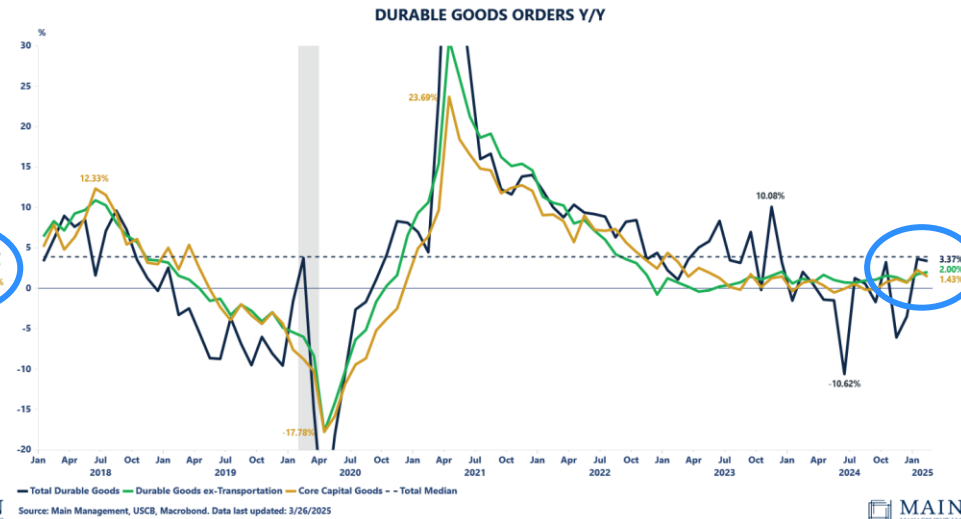
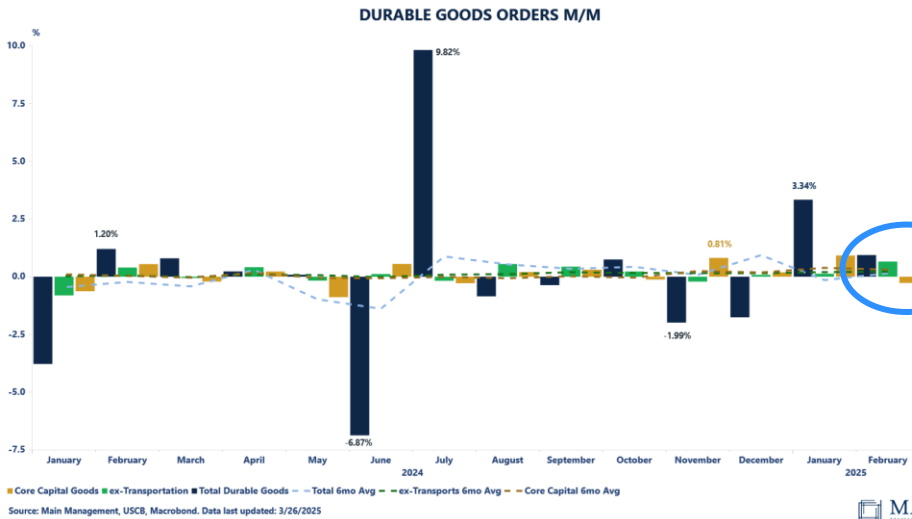


CORPORATE PROFITS AFTER TAX



Durable Goods

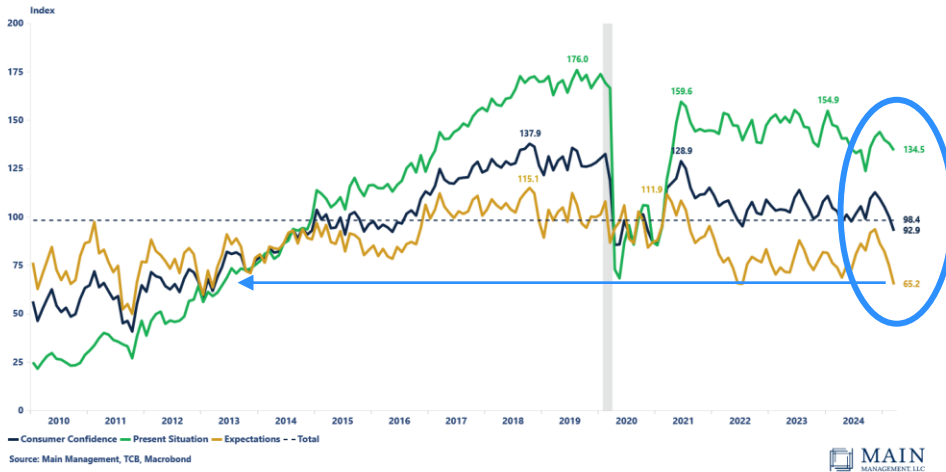
Durable Goods Orders rose +0.94% M/M in February, solidly above forecasts for a -1% decline. Core Capital Goods declined -0.27% M/M, missing expectations of +0.2%. These core goods are a business spending proxy so hopefully we get a rebound in March. Durable Goods Ex-Transports rose +0.65% M/M, their best gain since January 2023! The Y/Y figures are mixed. Total Durable Goods Orders ticked down to +3.37%, Core decelerated to +1.43%, while Goods ex-Transports accelerated to +2.00%, the strongest since December 2023.



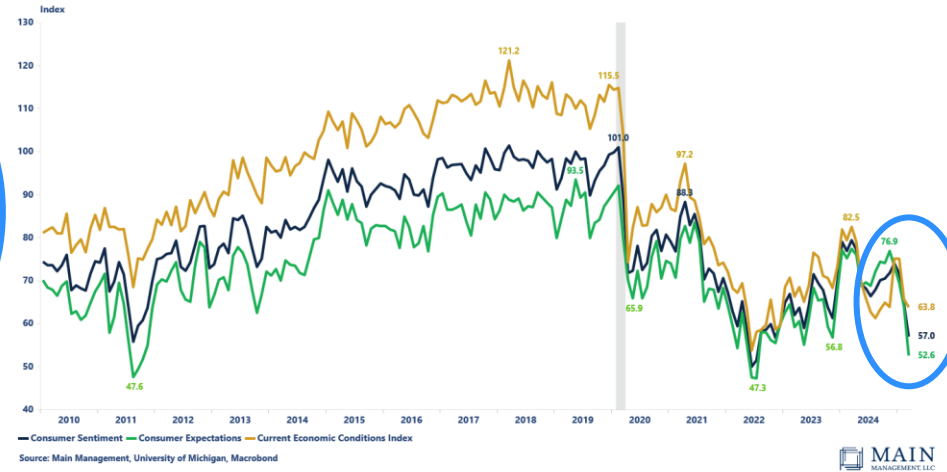
Consumer Sentiment

Sentiment continues to languish, weighed down by uncertainty. The Conference Board's Consumer Confidence Headline Index fell to 92.9 in March (left), the lowest since January 2021, while the Expectations Index dropped to 65.2, the lowest since March 2013! The University of Michigan's Headline Consumer Sentiment Index fell to 57.0 (right), the lowest since November 2022 (just after the bear market bottom). Expectations and Current Conditions also moved lower in March to 52.6 and 63.8, respectively.

CONFERENCE BOARD CONSUMER CONFIDENCE

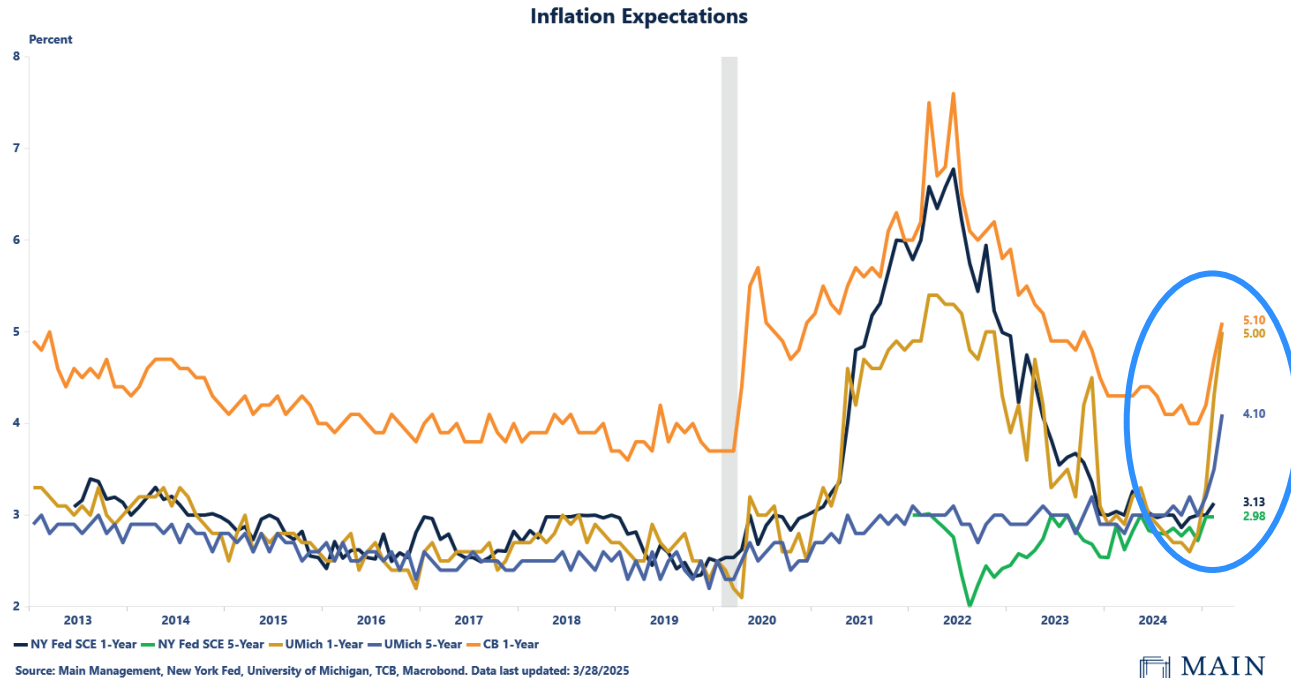


UNIVERSITY OF MICHIGAN CONSUMER SENTIMENT



Inflation Expectations

Policy uncertainty has been one of the main causes of the depressed sentiment readings. Consumers are very sensitive to inflation and are unsure of whether or not tariffs are going to cause prices to rise. While the inflation data has by and large been continuing to moderate (even if it is a bit choppy at times), fears of inflation returning have been rising. Both the Michigan and Conference Board inflation expectations have surged in the last few months. Comparatively, the NY Fed’s readings have remained relatively low. While inflation expectations don’t dictate policy, they do at the very least raise the bar for further Fed cuts.



Summary

- Core PCE came in above forecasts up +0.37% M/M and +2.79% Y/Y. Consumer Spending missed forecasts, up +0.43%, while Incomes surged +0.77%.
- The final reading for Q4 2024 U.S. GDP was revised up to 2.45% from 2.35% in the 2nd estimate. Consumer Spending saw a slight downward revision but still posted its strongest growth in several quarters.
- Durable Goods Orders beat forecasts on the headline figure, up +0.9% M/M but Core Capital Goods, a business spending proxy, declined -0.3% M/M.
- Consumer Sentiment is depressed as seen in the Conference Board and Michigan surveys. Uncertainty is weighing on consumers and inflation expectations are rising.
- Upcoming key data to watch:
 - JOLTS (Tues)
 - ADP Payrolls (Weds)
 - Balance of Trade (Thurs)
 - Nonfarm Payrolls (Fri)

Appendix

Yields & Futures

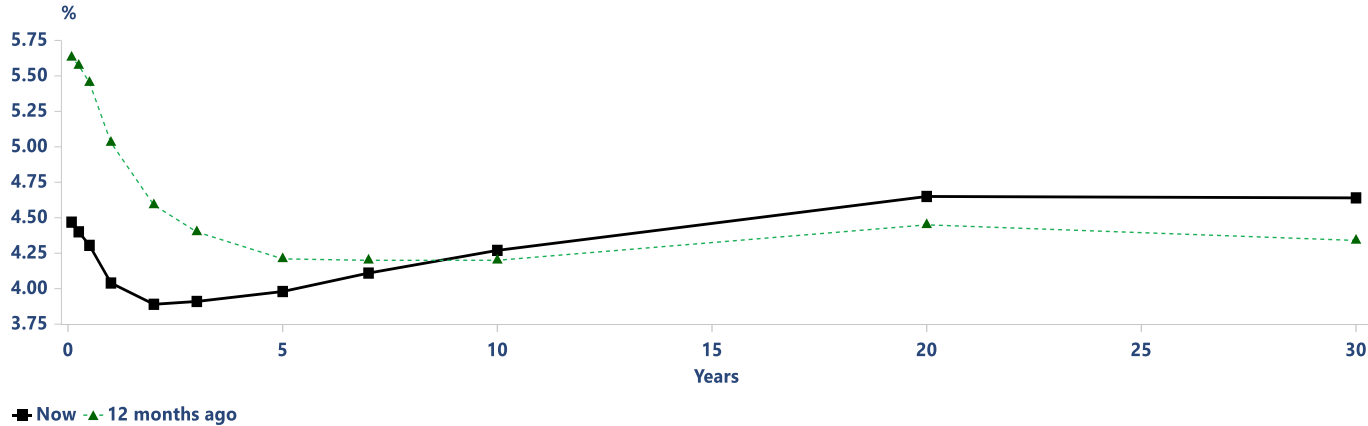
FED FUNDS FUTURES & 2-YEAR TREASURY YIELD



Source: Main Management, CME Group, U.S. Treasury, Macrobond. Data last updated: 3/28/2025



US TREASURY YIELD CURVE

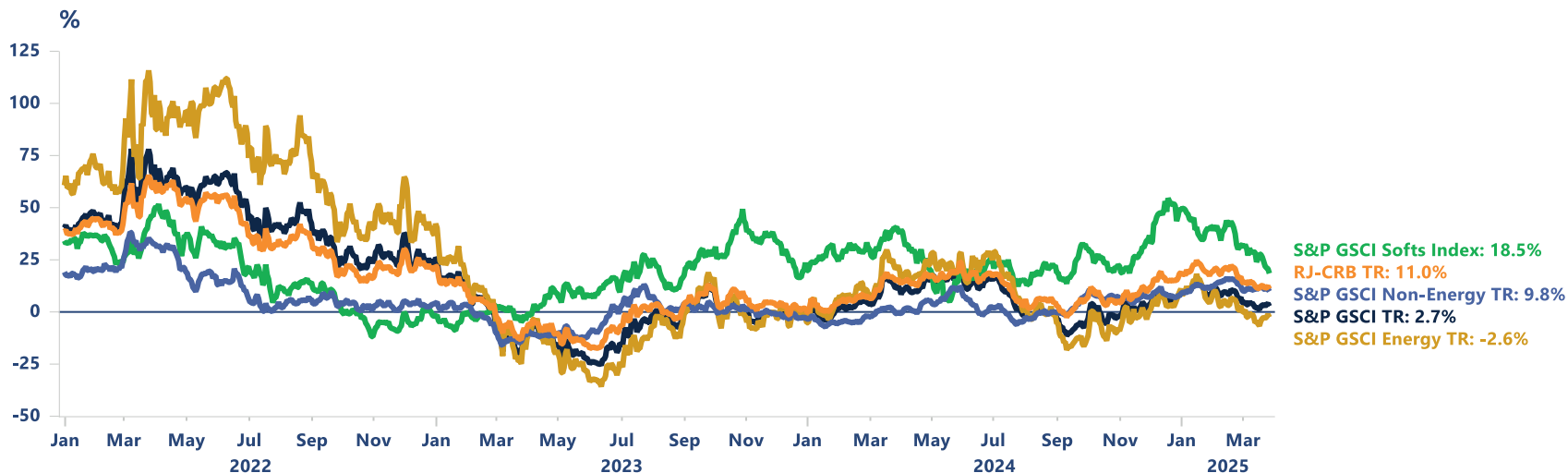


Source: Main Management, U.S. Treasury, Macrobond. Data last updated: 3/28/2025



Inflation Watch

MAJOR COMMODITY INDICES Y/Y



Source: Main Management, S&P Global, CoreCommodity Management, LME, EIA, LBMA, Macrobond, LPPM, NRCAN, ICCO, ICO, USDA, MIAx, TREA, TMX, Macrobond. Data last updated: 3/28/2025

Commodity	1 Month	3 Months	YTD ↓	1 Year
Lumber	8.5	18.3	23.3	13.1
Silver	8.2	16.4	20.6	42.5
Coffee	-0.2	15.3	18.5	101.4
Gold	4.8	16.8	17.3	40.3
Copper	3.7	10.7	13.3	11.9
Gasoline	15.3	14.7	12.2	-16.8
Natural Gas	1.1	0.1	8.7	150.8
BBG Commodity Index	0.9	7.5	6.9	6.9
S&P GSCI	1.2	5.4	3.8	4.0
Soybeans	-0.8	4.3	1.9	-15.2
Corn	-5.9	0.4	-1.9	4.1
Cotton	2.6	-2.5	-1.9	-28.2
Crude Oil	1.5	-0.3	-2.6	-14.6
US Dollar (DXY)	-2.0	-3.6	-3.8	0.0
Bitcoin	3.4%	-11.7%	-6.7%	24.6%

Source: Main Management, S&P Global, CME Group, ICE, LME, Macrobond. Data last updated: 3/27/2025

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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