

Main Management Market Note

October 16, 2026

Our Offerings



OUR STRATEGIES

Active
Sector Rotation

SECT

US CORE EQUITY

Thematic
Innovation

TMAT

GLOBAL MID-CAP GROWTH

International
Rotation

INTL

NON-US CORE EQUITY

BuyWrite
Hedged Equity

BUYW

ALTERNATIVE INCOME

mainmgtetfs.com

CUSTOM MODEL PARTNERSHIP

Investment Committee Leadership



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CEO / CIO



Dick Fredericks
Founding Partner



Alex Varner
Managing Director,
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For over 20 years, we've led the way in diversified, top-down portfolio construction — now built to be customizable for each advisor and their clients.

Research backed portfolios



James Maxwell
Director, Research

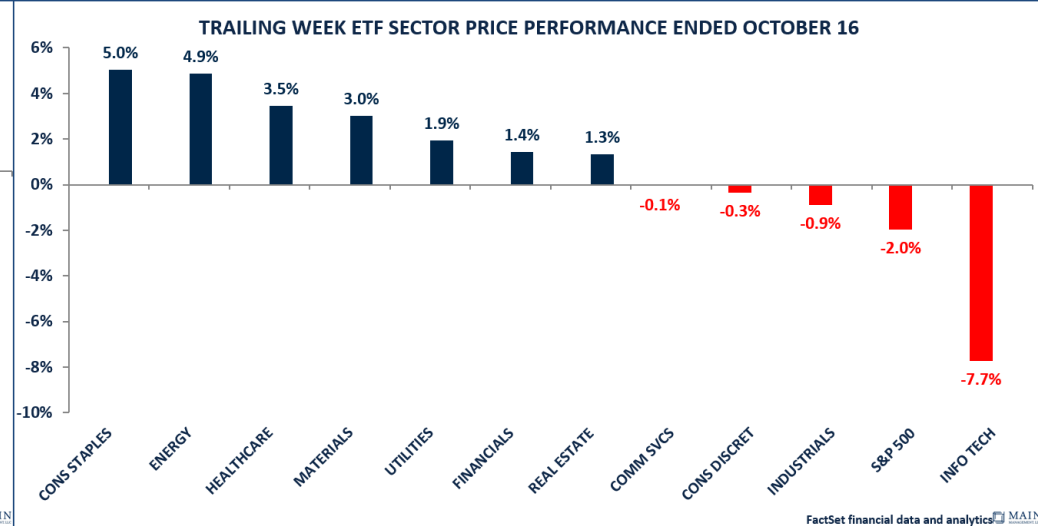
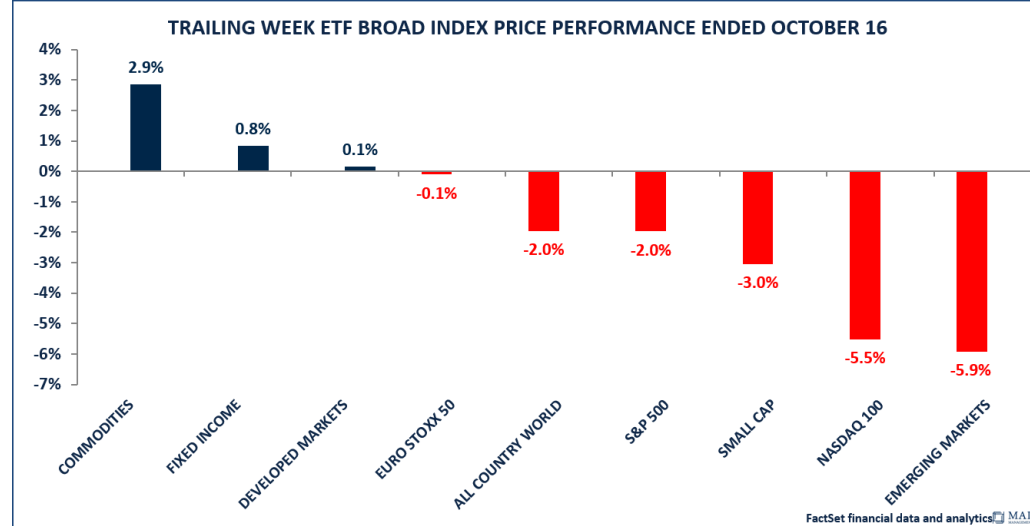
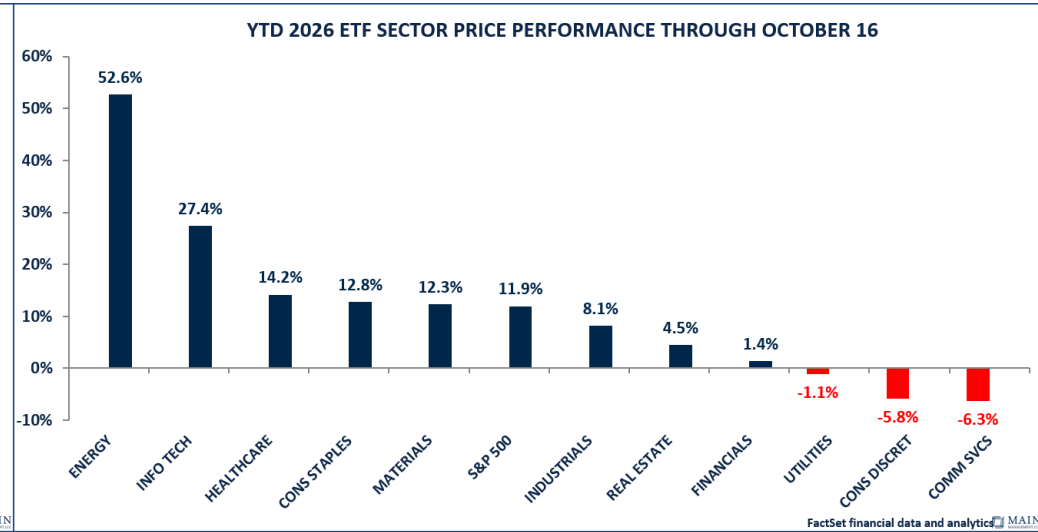
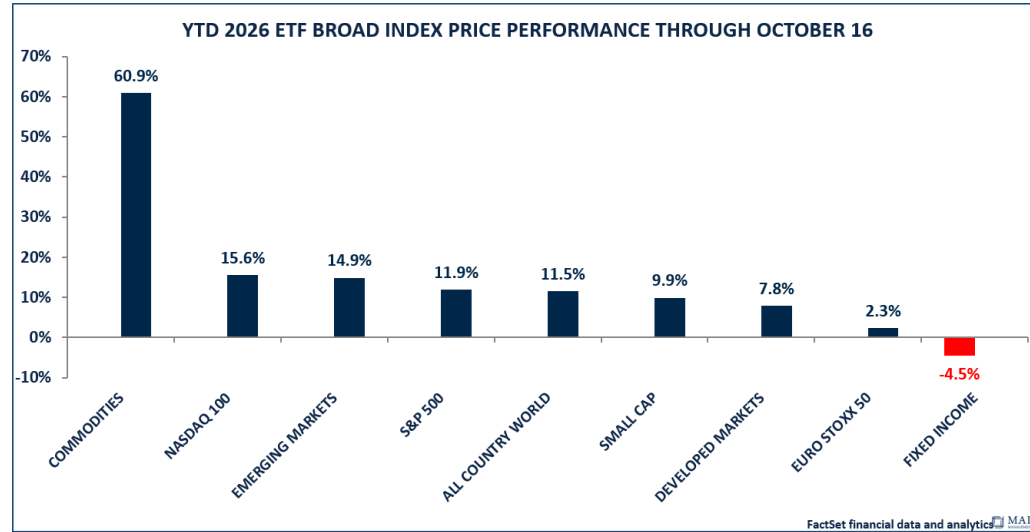


Alex Dippery
Research Analyst



Advisors benefit from our comprehensive due diligence on other asset managers, insightful market commentary, and strategic asset class views.

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	↓	↓	↓	↓	↔	↓	↓	↓	↓
OCT 2026	↓	↔	↔	↔	↔	↔	↔	↑	↑
LAST CHANGE	BLUE MAY '26	GREEN APR '25	GREEN SEP '26	GREEN DEC '24	GREEN APR '25	RED JAN '25	RED JUL '25	BLUE JUL '25	BLUE DEC '24



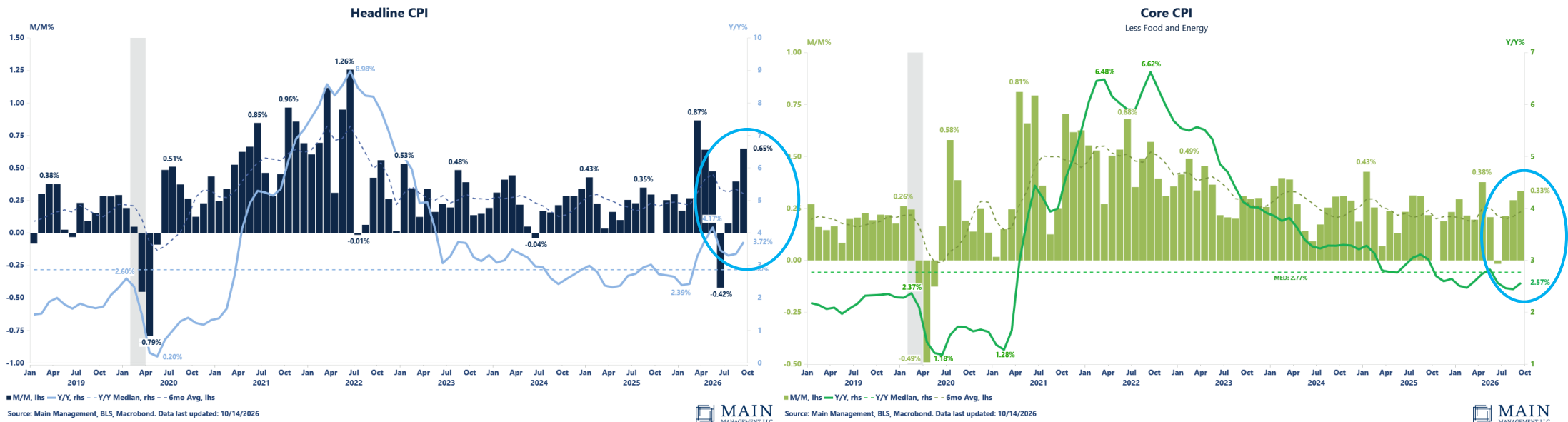
↑ Positive

↔ Neutral

↓ Negative

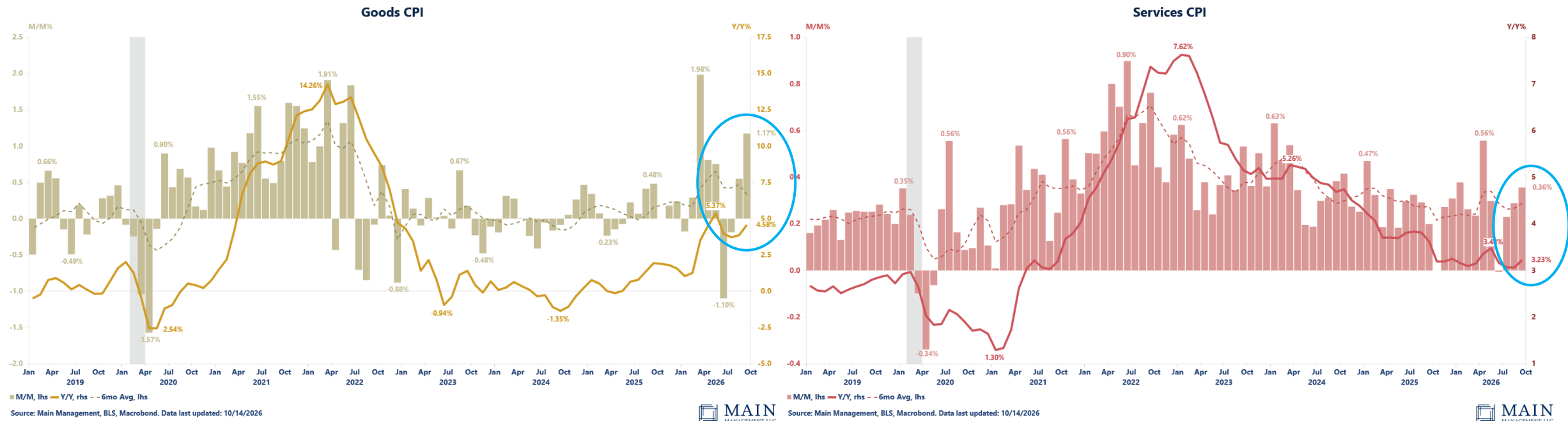
CPI

- Headline CPI (left) jumped +0.65% MoM in September, slightly above forecasts for a +0.6% increase and the 2nd biggest monthly rise since June 2022! The YoY figure accelerated to +3.72%. Core CPI (right) posted a sizeable +0.33% MoM gain, well above +0.2% expectations. The YoY figure moved up to +2.57% from August's multi-year low of +2.45%.
- Overall, this reading contributed to an increase in the probability of a Fed rate hike in October. Goods inflation was widespread across both Durable and NonDurable categories. Gasoline jumped +9.1% MoM, pushing Energy up +5.2% MoM. Gas is now up +34.2% YoY and Energy up +20.4% YoY! Shelter also posted an outsized +0.4% MoM gain, the 2nd biggest since October 2024, and is now up +3.23% YoY. One "bright" spot was Food, which was basically flat MoM and slowed to +2.45% YoY, the smallest increase since January 2025.



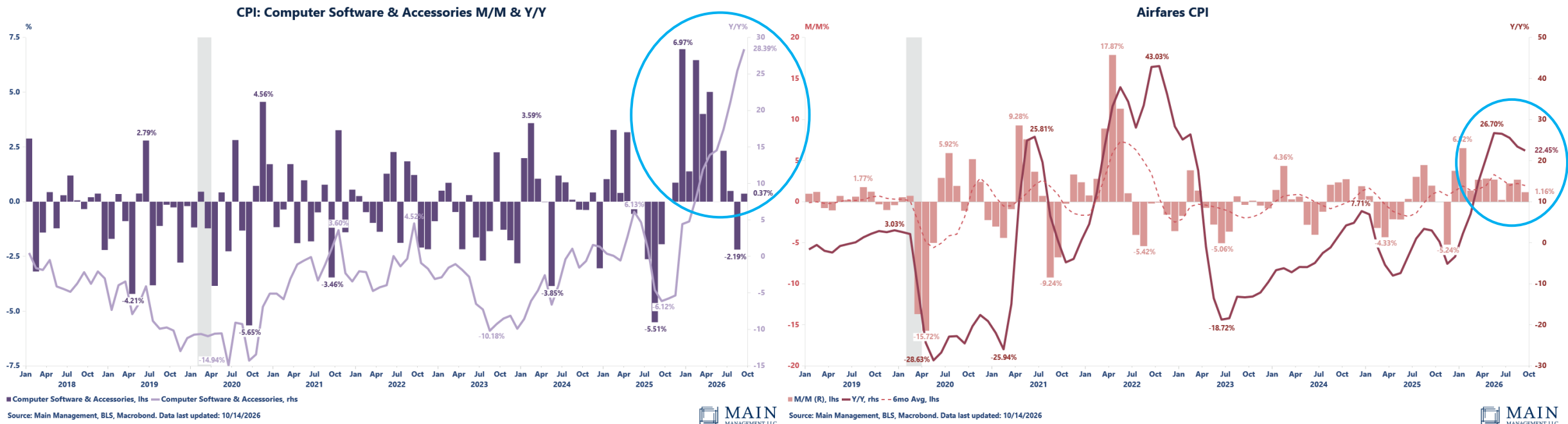
Goods & Services CPI

- The breadth of inflation was strong across both Goods and Services. Goods CPI (left) jumped +1.17% MoM, the 2nd biggest increase since June 2022! On a YoY basis, Goods CPI accelerated to +4.58%.
- Services (right) also posted a relatively sizeable increase, rising +0.36% MoM. That's one of the stronger monthly gains in recent memory. They ticked up to +3.23% YoY – perhaps still in the downtrend that peaked a couple years ago, but the monthly gains have accelerated in each of the last 3 readings.



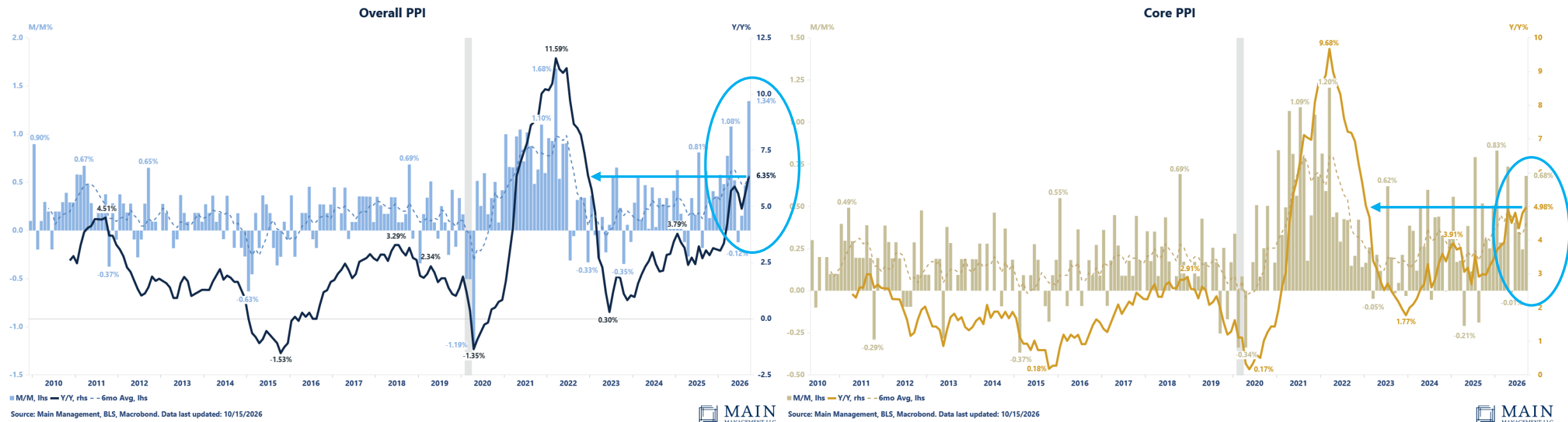
Software & Airfares CPI

- Computer Software & Accessories (left) rebounded from a -2.19% MoM drop in August to post a muted +0.37% MoM gain in September. They've been up 9 out of the last 11 months as that YoY figure continues to rocket higher, now up +28.39%, another new record increase!
- Airfares (right) are also showing marked effects of increase fuel prices. They've been up 10 straight months, rising +1.16% MoM in September, and are up +22.45% YoY!



PPI

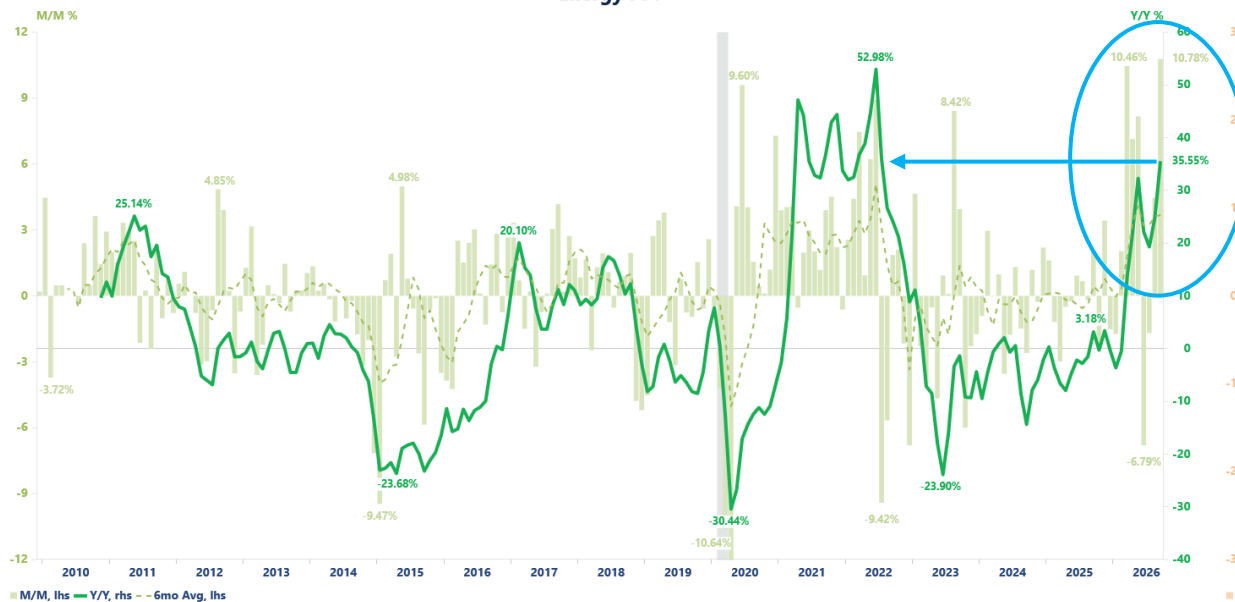
- Headline PPI (left) jumped +1.34% MoM, well above forecasts for a +0.5% increase and the 2nd biggest monthly reading on record! The YoY figure accelerated to +6.35%, the highest since December 2022!
- Core PPI (right) was up a less aggressive +0.68% MoM, but still far above estimates for a +0.3% rise. The YoY figure took out the recent peak, hitting +4.98%, the highest since January 2023! Since producers generally pass price increases onto consumers, it's not looking too good for any near-term signs of disinflation.



Energy & Goods PPI

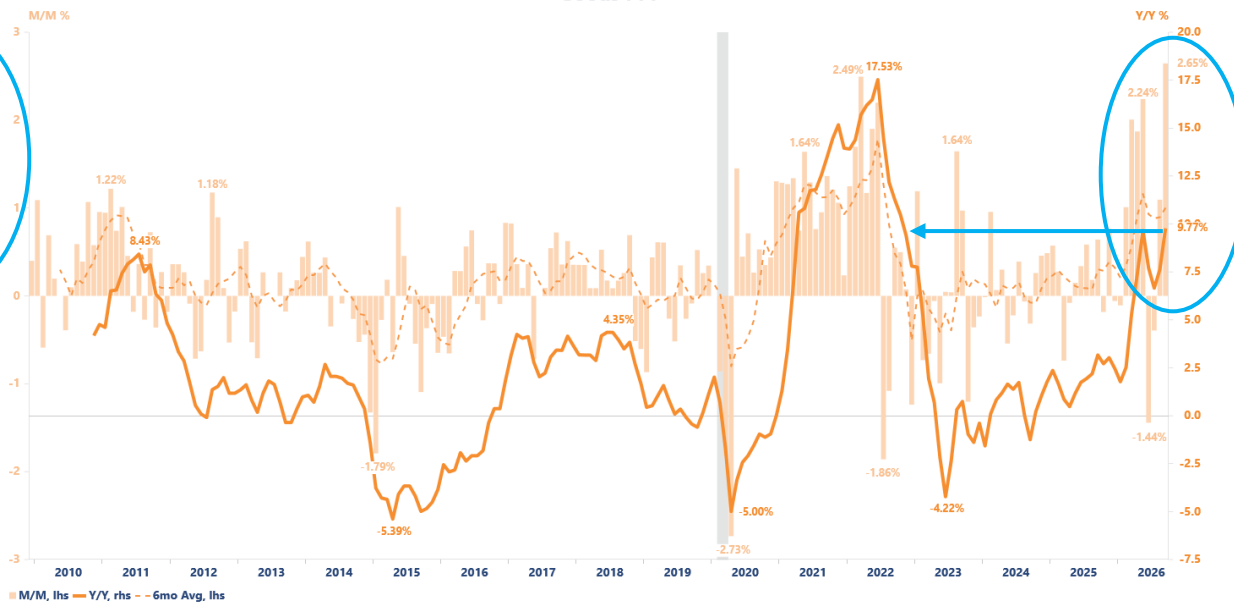
- Energy (left) was the clear culprit for the hot PPI reading, surging +10.78% MoM, a record increase! The YoY figure jumped to +35.55%, the highest since July 2022! The 2nd biggest monthly increase was in March, when the Iran conflict erupted, so the 2 largest monthly increases on record both occurred this year.
- That Energy gain fed into broader Goods (right) which also posted a record +2.65% MoM gain! Goods PPI is now up +9.77% YoY, the most since October 2022. The silver lining is that it is unlikely that Energy prices continue to run at such a hot pace...

Energy PPI



Source: Main Management, BLS, Macrobond. Data last updated: 10/15/2026

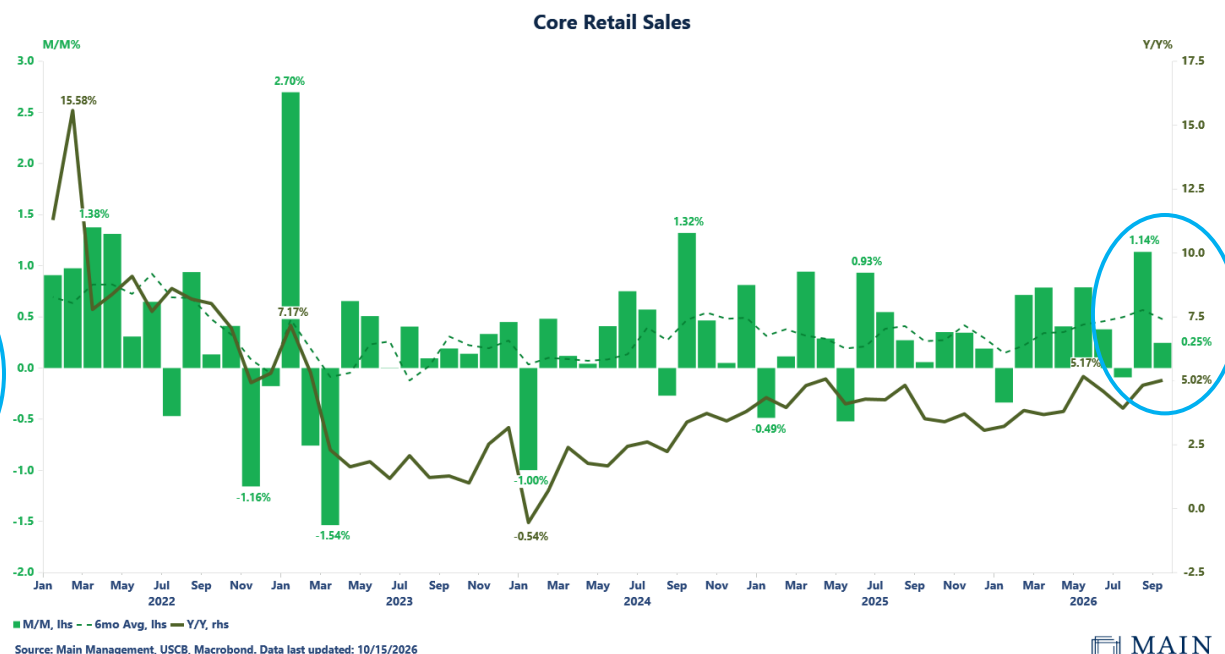
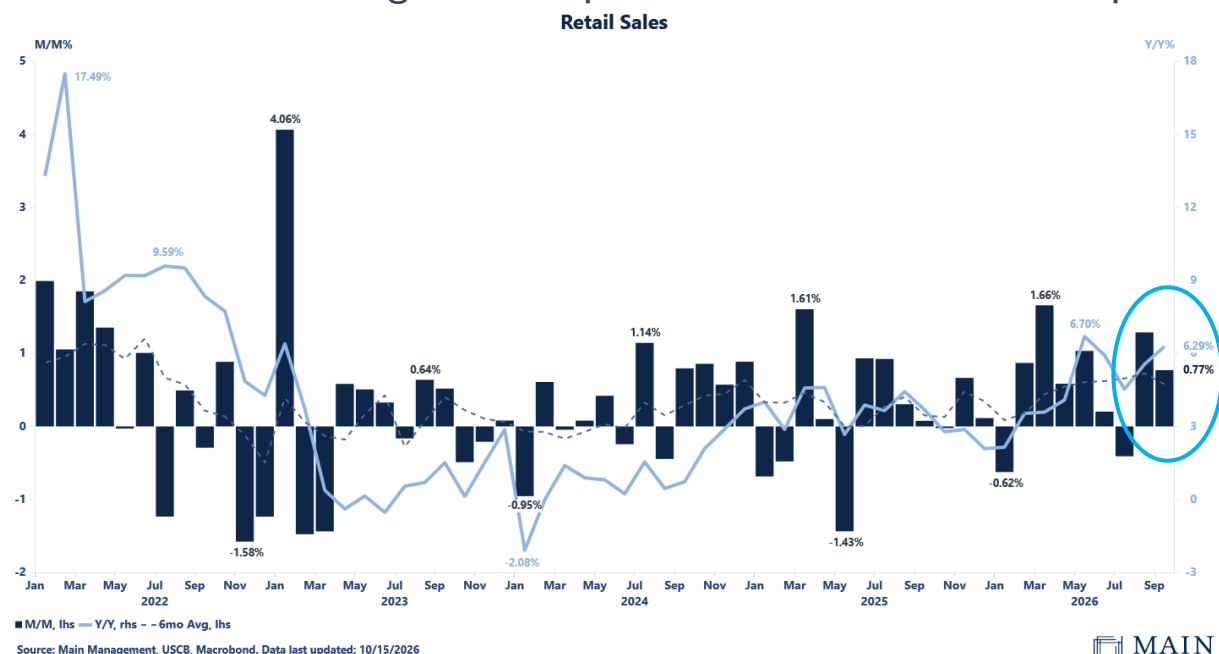
Goods PPI



Source: Main Management, BLS, Macrobond. Data last updated: 10/15/2026

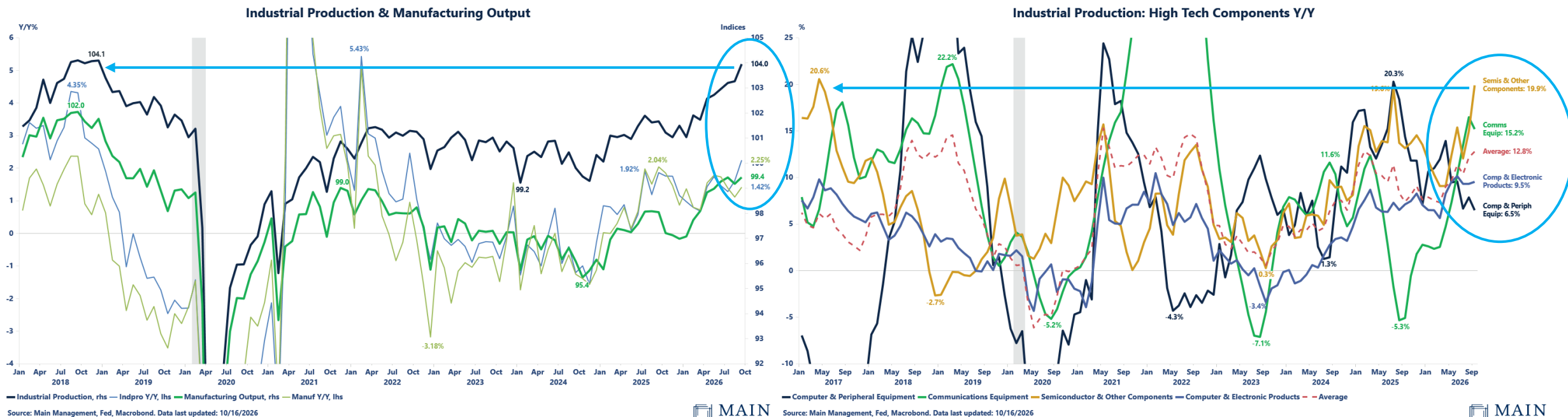
Retail Sales

- Broad Retail Sales (left) posted a +0.77% MoM increase, solidly above forecasts for a +0.3% increase. However, it was driven largely by Gas Station sales which surged +6.4% MoM. The YoY figure rose to +6.29%, appearing to still be in the uptrend that began a few years ago.
- Core Retail Sales (right) were up a more muted +0.25% MoM but have been up for 7 out of the last 8 months. The YoY figure ticked up to +5.02%, also trending higher. While the tame Core figure caused some concerns, all of the categories are positive on a YoY basis except for Health & Personal Care Stores which are down -1.2%.



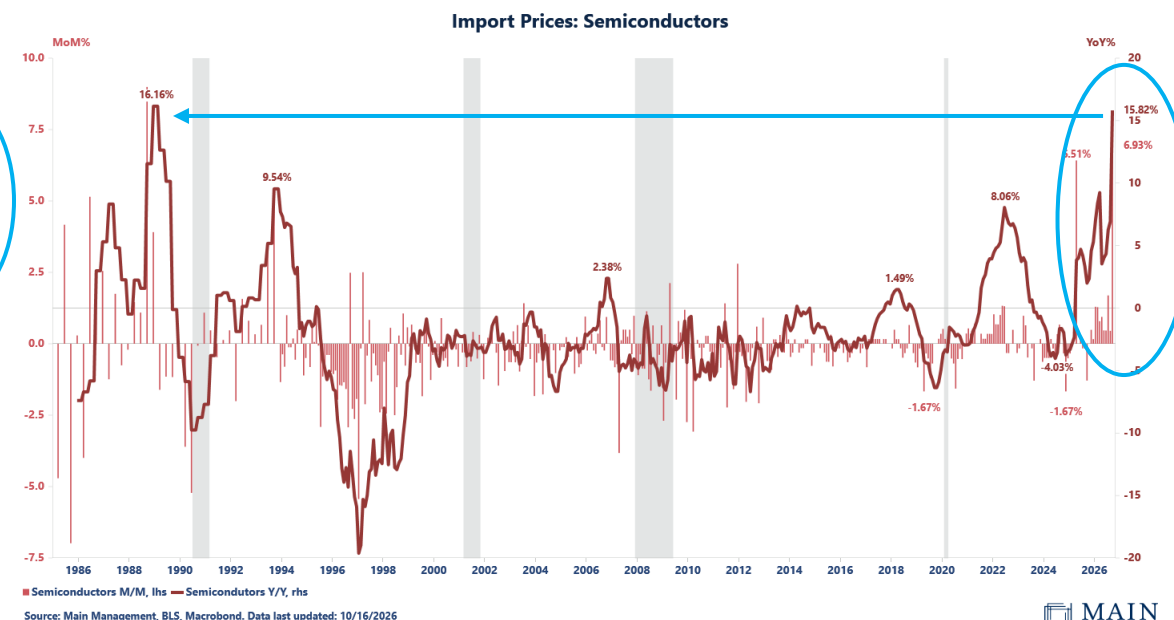
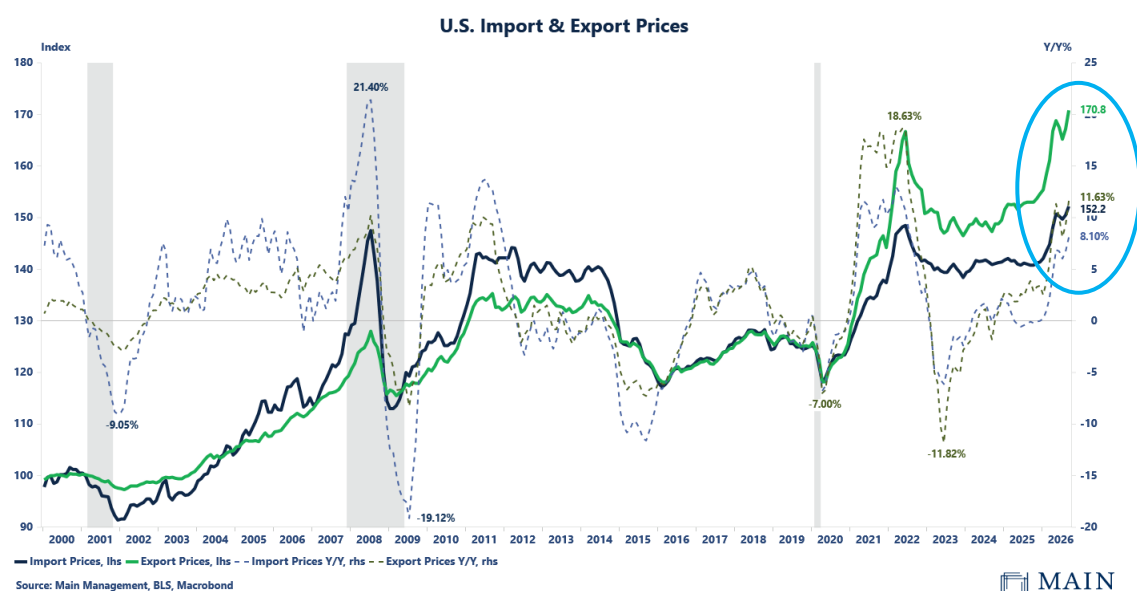
Industrial Production

- Industrial Production and Manufacturing Output posted solid gains in September, rising +0.66% MoM and +0.26% MoM, respectively. The IndPro index (left, black) hit 104.0, the highest since Dec. 2018! The Output Index (green) moved back up to 99.4, tied for the highest since Aug. 2019! IndPro is now up +2.25% YoY, the best since Sept. 2022, while Output is up +1.42% YoY. Good to see solid gains across the board here...
- The high-tech components (right) continue to post consistent gains. Semiconductors (gold) lead the way, now up +19.9% YoY, the highest since Apr. 2017!



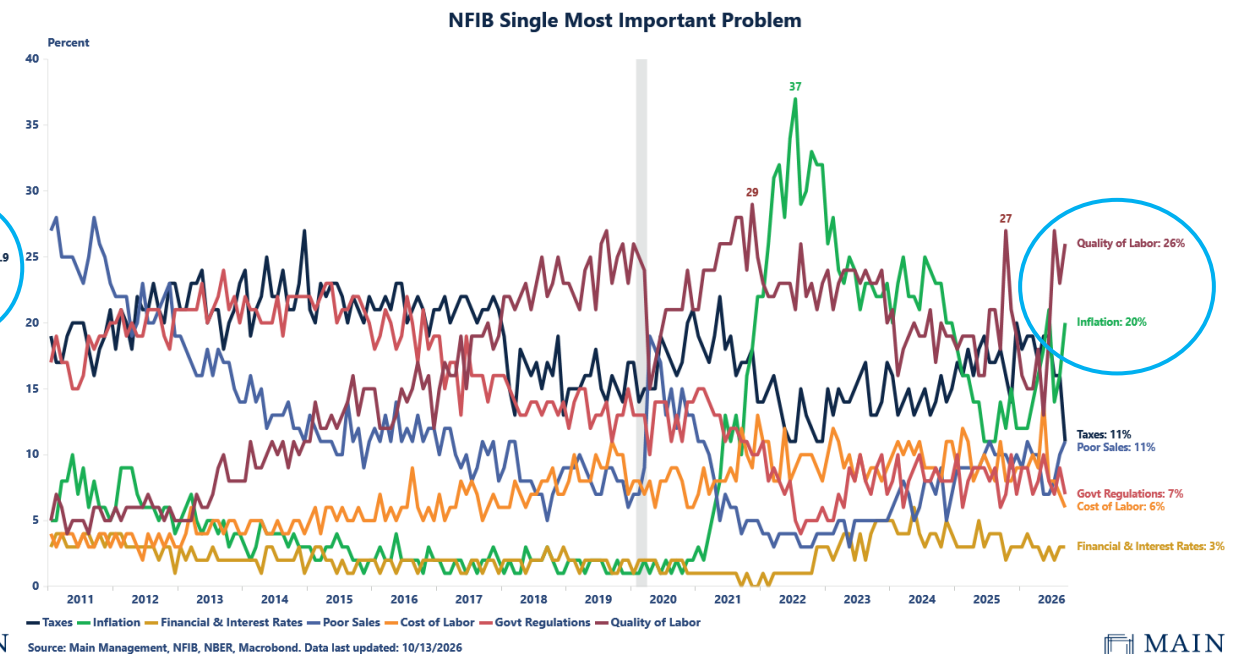
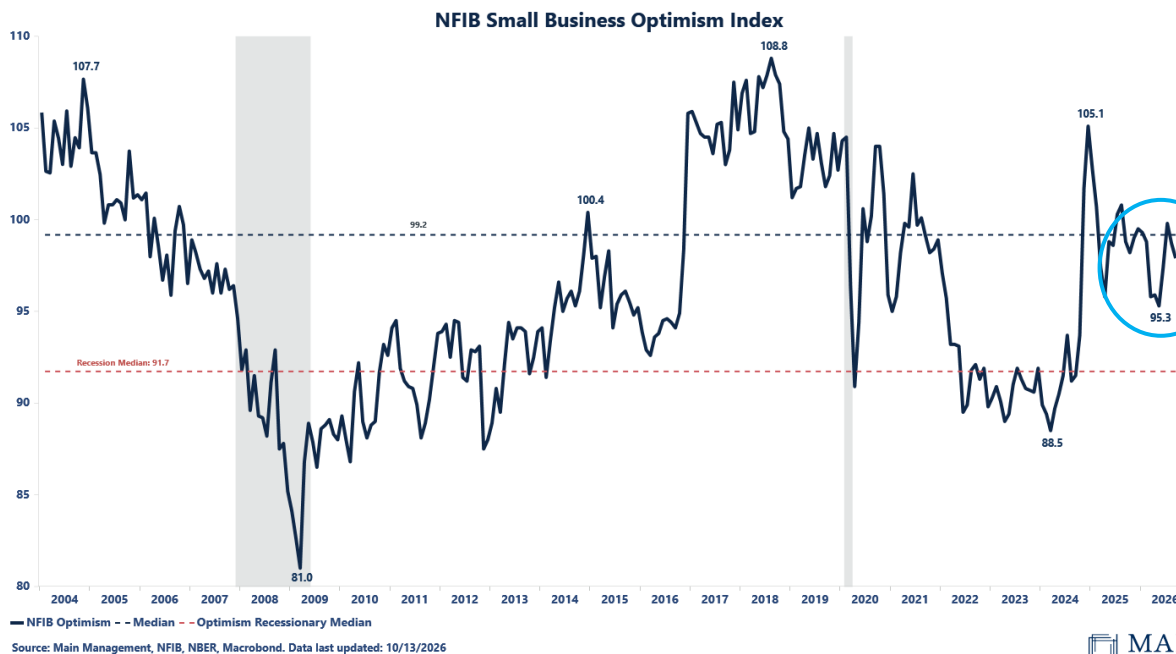
Import & Export Prices

- Import and Export Prices both posted larger-than-expected increases in September, with Exports jumping +2.15% MoM and Imports +1.13% MoM. Both price indices (left) hit new record highs: Export Prices (green) are now at 170.8, up +11.6% YoY, while Import Prices (black) are at 152.2, up +8.10% YoY, both the biggest YoY gains since July 2022. Not a good sign for inflation...
- Every major category was up on a MoM basis, with Semiconductors (right) being a standout, surging +6.93% MoM, the biggest monthly increase since Sept. 1988! They're now up +15.82% YoY, the most since Feb. 1989!



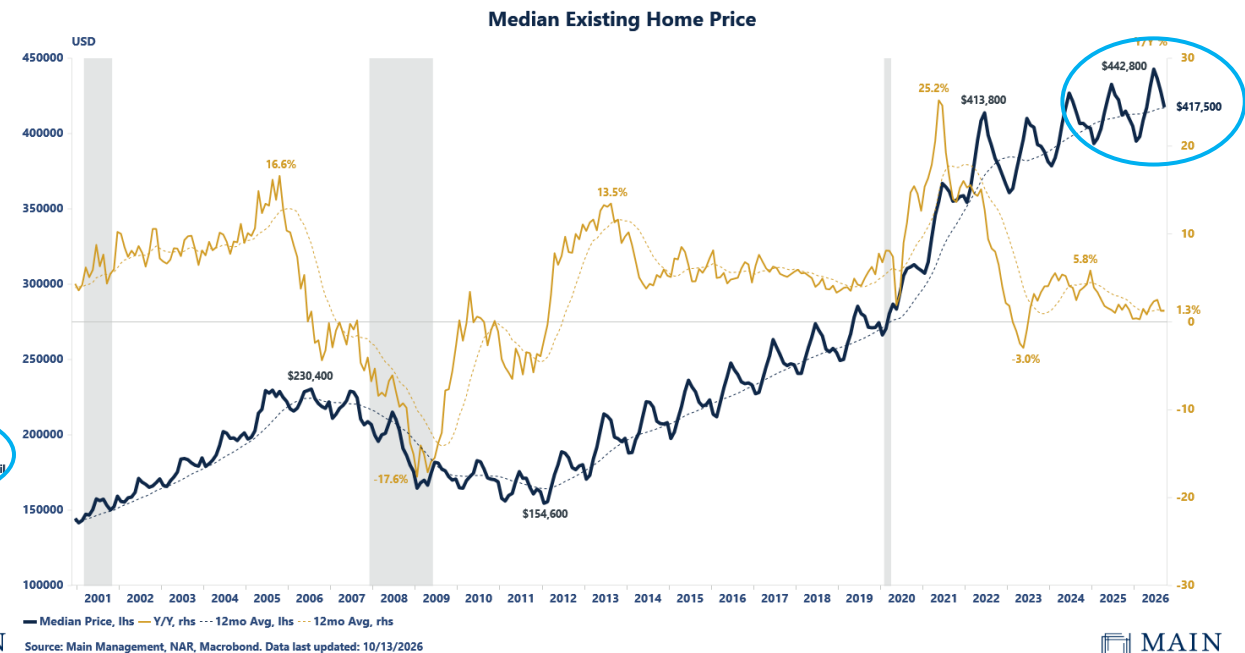
NFIB Optimism

- The NFIB Small Business Optimism (left) ticked down to 97.9, slightly below forecasts for a 98 reading. Under the covers, Capex plans declined while the Sales environment improved. The 3mo and 6mo Outlooks both deteriorated. Pricing Plans over the Next 3mos ticked up to +31% net higher vs lower.
- The Single Most Important Problem (right) remains Quality of Labor, which was cited by 26% of firms, followed by Inflation which has moved back up to 20%. Taxes and Poor Sales are tied for 3rd with 11% of respondents.



Existing Home Sales

- Existing Home Sales ticked up to 3.99mil in September (left), above forecasts for a 3.95mil reading and breaking the streak of 3 straight declines. They're down -2.2% from a year ago and have been stuck at low levels relative to history, hampered by high mortgage rates and high prices.
- Speaking of high prices (right), those pulled back for the 3rd month in a row to \$417,500. They're still up +1.3% YoY, but if the standard seasonality pattern holds, they should decline for 3 more months before turning back up.

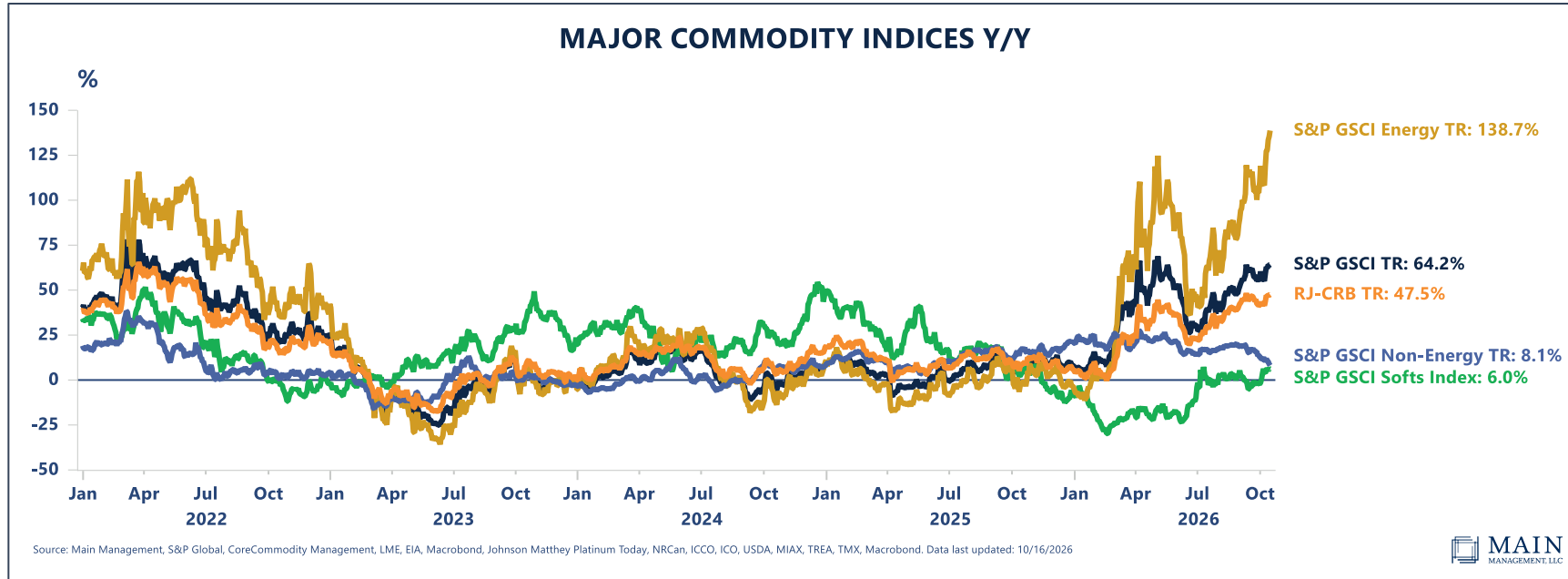


Summary

- Headline and Core CPI came in above forecasts, accelerating to +3.7% and +2.6% YoY, respectively. Headline and Core PPI also came in well above forecasts, hitting +6.4% and +5.0% YoY, respectively. Energy was the main driver in the hotter-than-expected readings.
- Headline Retail Sales were a bit above expectations at +0.8% MoM, boosted by spending at gas stations, while Core posted a more muted figure, up +0.2% MoM. Still, both are solidly positive on a YoY basis.
- Industrial Production and Manufacturing Output both posted solid gains in September.
- Import and Export Prices rose more than expected, with Semiconductors posting near-record increases.
- The NFIB Small Business Optimism declined in September as firms' outlooks worsened.
- Existing Home Sales ticked up in September but remain depressed thanks to high prices and rising rates.
- Upcoming data:
 - NAHB Housing Market Index (Mon)
 - Building Permits, Housing Starts, and Pending Home Sales (Tues)
 - Kansas City Fed Manufacturing and Jobless Claims (Thurs)
 - UMichigan Consumer Sentiment and Flash PMIs (Fri)sa

Appendix

Inflation Watch



Commodity	1 Month	3 Months	YTD ↓	1 Year
Gasoline	-4.1	-1.5	86.5	73.9
Crude Oil	-2.0	21.4	67.6	64.9
S&P GSCI	0.5	19.0	60.0	64.0
BBG Commodity Index	-1.0	10.6	31.2	36.5
Cotton	-0.7	0.6	24.6	26.1
Soybeans	-1.7	4.6	22.6	25.5
Copper	3.7	5.8	15.7	36.2
Corn	-6.6	10.2	8.6	15.7
US Dollar (DXY)	2.7	1.1	3.8	3.0
Lumber	-8.8	-12.8	-0.4	-13.3
Gold	-3.0	2.9	-3.6	0.7
Bitcoin	5.1%	26.5%	-6.1%	-27.4%
Natural Gas	11.7	11.4	-12.2	6.9
Coffee	-4.1	-12.6	-15.5	-26.2
Silver	-10.5	-3.3	-19.0	13.0

Source: Main Management, S&P Global, CME Group, ICE, LME, Macrobond. Data last updated: 10/16/2026



Disclosures

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