

Main Management Market Note

October 2, 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

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Founding Partner



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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.

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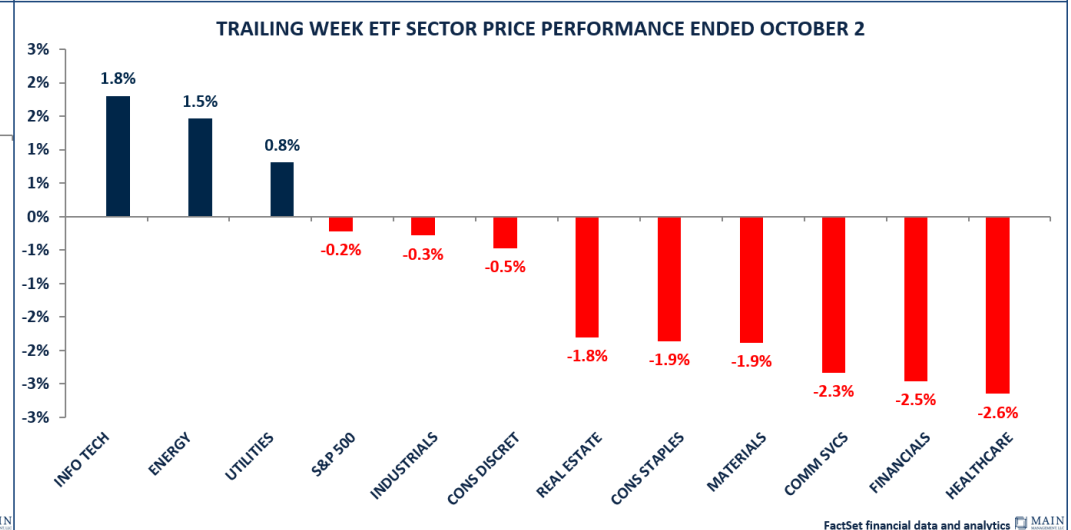
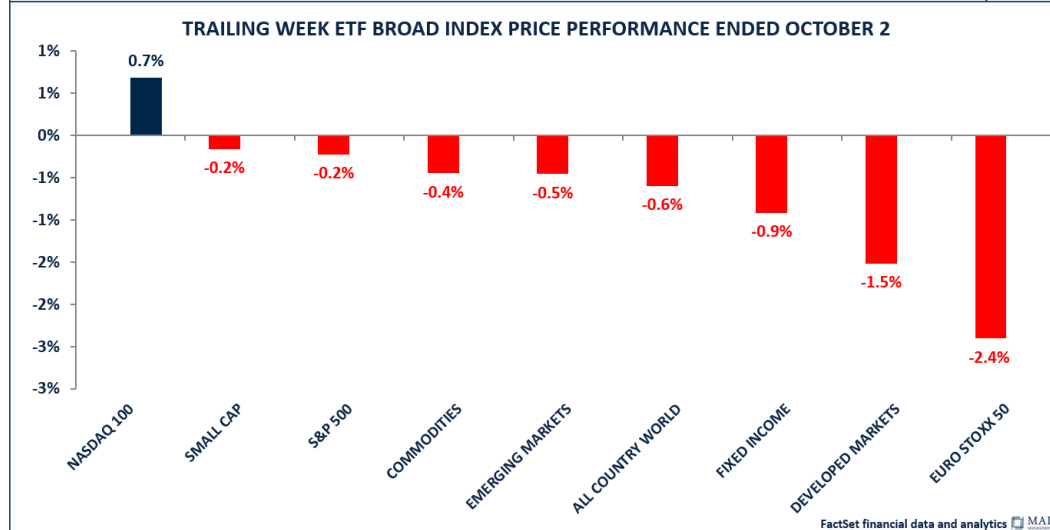
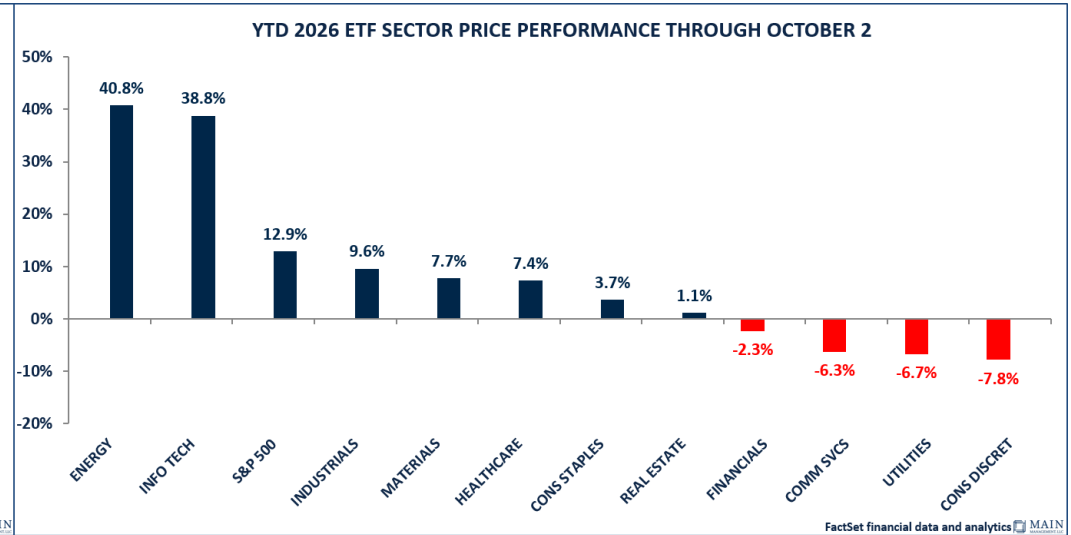
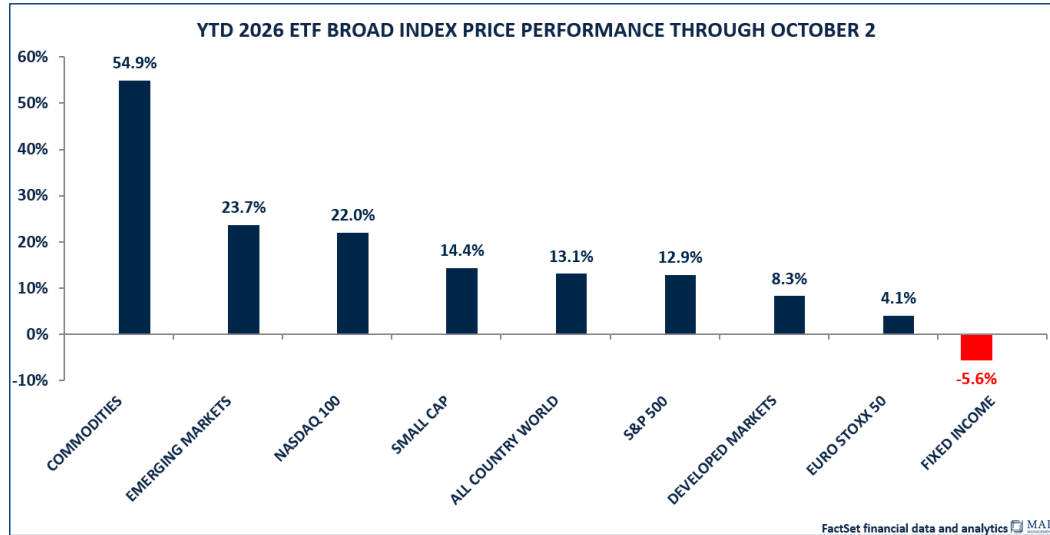


Alex Dippery
Research Analyst



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



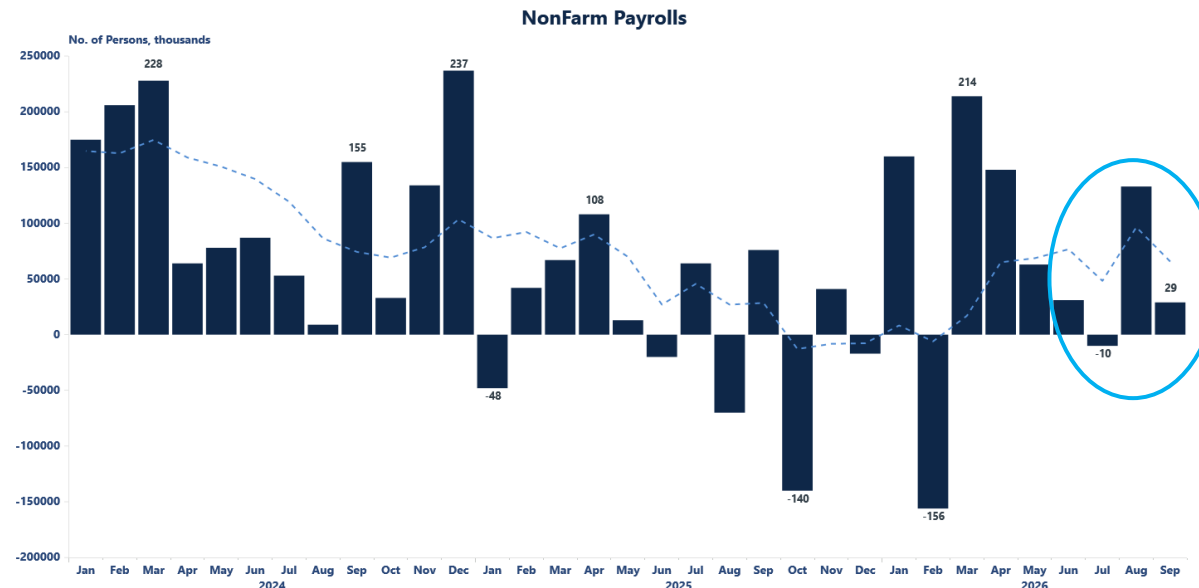
⬆️ Positive

↔️ Neutral

⬇️ Negative

NonFarm Payrolls

- NonFarm Payrolls (left) added +29k jobs in September, well below forecasts for a 90k reading. August was revised down to 133k from the original 162k figure and July was revised back into negative territory at -10k, but the 6mo average is still solid and under the covers, the report was less negative than the headline would have you believe. Overall, the labor market continues to chug along with lack of weakness probably being the defining term rather than outright strength.
- Looking through the headline figure (right), the Labor Force has grown by over 1 million people in the last 2 months which has lifted both the Participation and Unemployment Rates up to 61.8% and 4.2%, respectively. Those Not in the Labor Force has shrunk by -897k in just the last 2 months as people are re-entering labor force.



Source: Main Management, BLS, Macrobond. Data last updated: 10/2/2026

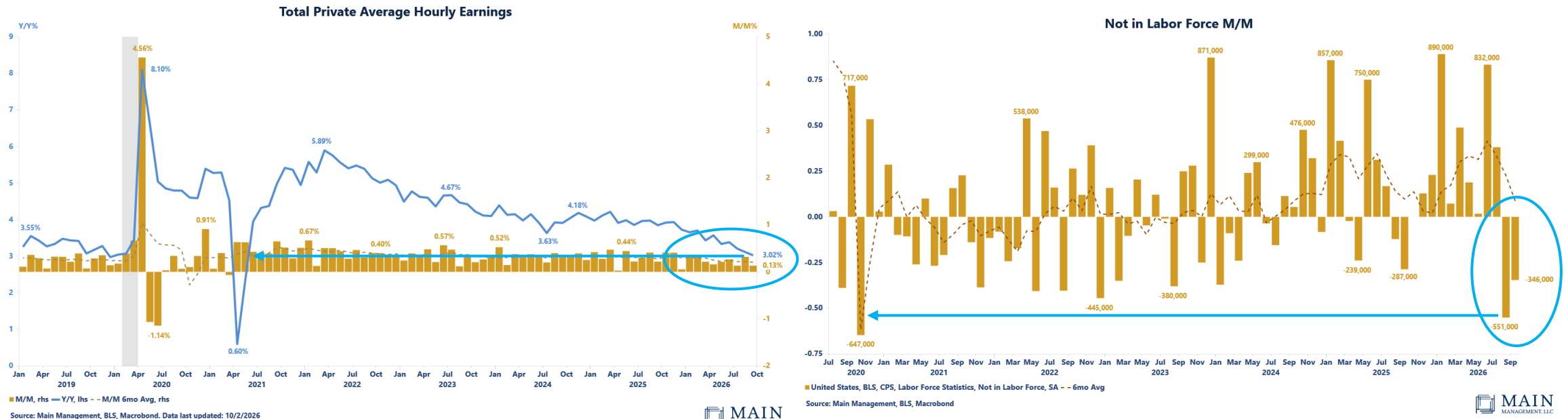
US Employment					
(All population/employment figures in 000s)					
	September 2026	Prior Mo	12mo Ago	Y/Y	M/M
Total Nonfarm Employment	159,044	159,015	158,548	0.3%	0.0%
Total Nonfarm Employment (Δ From Prior Period)	29	133	76		
Civilian Non-Institutional Population	275,554	275,415	274,226	0.5%	0.1%
Civilian Non-Institutional Population (Δ From Prior Period)	139	133	225		
Civilian Labor Force	170,262	169,777	171,261	-0.6%	0.3%
Civilian Labor Force (Δ From Prior Period)	485	683	511		
Participation Rate	61.8%	61.6%	62.5%	-1.1%	0.3%
Employed (Household data)	163,152	162,746	163,656	-0.3%	0.2%
Employed (Household data) (Δ From Prior Period)	406	569	286		
Employed / Population	59.2%	59.1%	59.7%	-0.8%	0.2%
Unemployed	7,109	7,031	7,605	-6.5%	1.1%
Unemployed (Δ From Prior Period)	78	115	225		
Unemployment Rate (U3)	4.2%	4.1%	4.4%	-4.5%	2.4%
Unemployment Rate (U6)	7.6%	7.7%	8.1%	-6.2%	-1.3%
Part-time for Economic Reasons	4,501	4,390	4,594	-2.0%	2.5%
Want A Job Now (Δ From Prior Period)	-253	-374	-707		
Not in Labor Force	105,292	105,638	102,964	2.3%	-0.3%
Not in Labor Force (Δ From Prior Period)	-346	-551	-287		
Not In Labor Force / Population	38.2%	38.4%	37.5%	1.8%	-0.4%
Δ in NFPs Less Those Leaving the Labor Force	375	684	363		
Average Hourly Earnings	\$37.81	\$37.76	\$36.70	3.0%	0.1%
Average Hourly Earnings (Y/Y change)	3.02%	3.11%	3.85%		
Private Weekly Hours Worked	34.4	34.4	34.2	0.6%	0.0%
Manufacturing Weekly Hours Worked	40.6	40.6	40.0	1.5%	0.0%

Total Private Diffusion Index (256 Industries, 1mo Span)	49.0	57.6	50.4	-2.8%	-14.9%
Manufacturing Diffusion Index (74 Industries, 1mo Span)	46.5	63.9	47.2	-1.5%	-27.2%

Source: Main Management, BLS, Macrobond. Data last updated: 10/2/2026

Wages & Labor Force

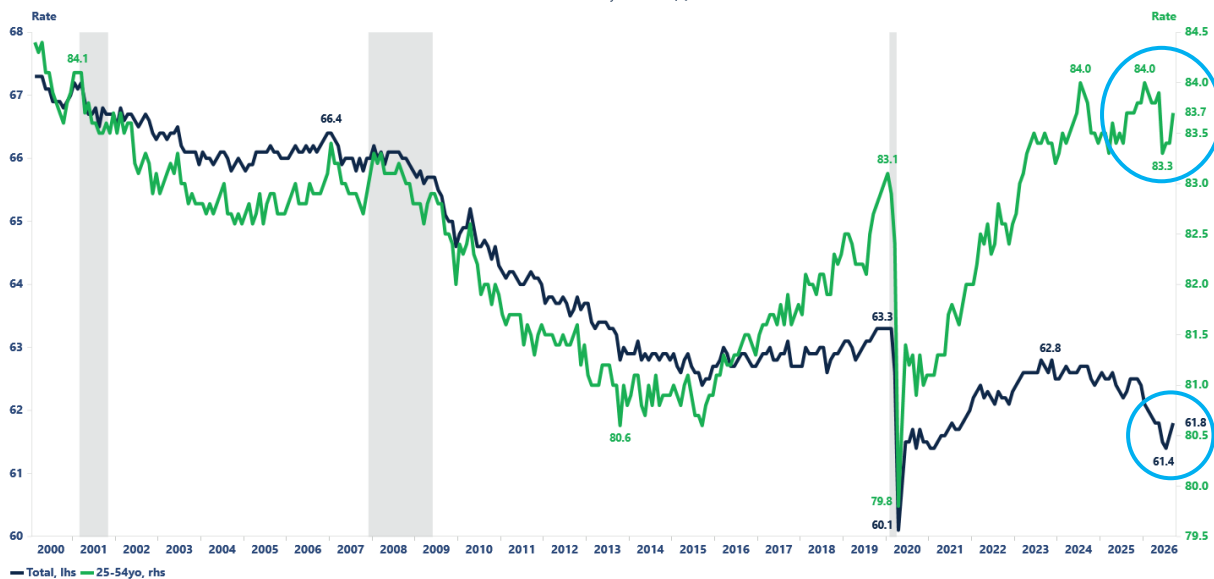
- Wages (left) remain a concern, however. They were up a meager +0.13% MoM, well below forecasts for a +0.3% figure, and have slowed to just +3.02% YoY, the weakest since May 2021! Elevated inflation is eating into real earnings, but so far that has not shown up in the spending figures which continue to be solid. The silver lining is there's no indication of a wage-price spiral, which is positive on the inflation front.
- On the right, we show Those Not in the Labor Force, which has shrunk by -897k in the last 2 months from the all-time high of 106.2mil, breaking the streak of 9 straight increases totaling 3.2mil people! August alone fell by -551k, the biggest monthly decline since Oct. 2020! This is a sign that people are (re-)entering the labor force and looking for work, also encouraging.



Unemployment & Participation

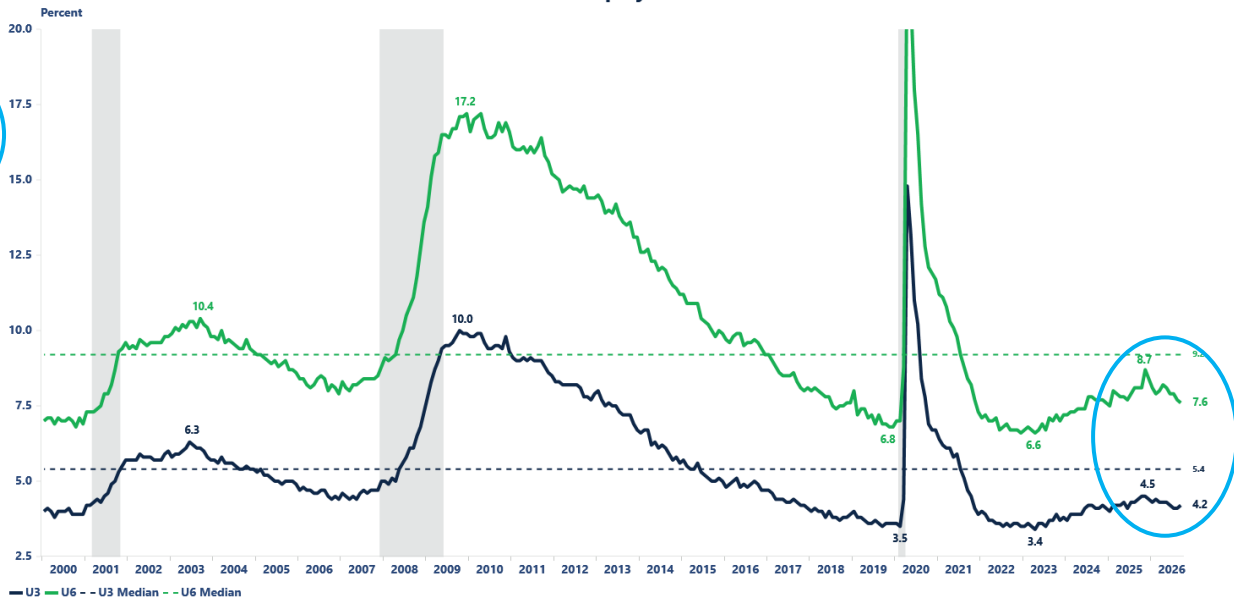
- The result of people entering the Labor Force is that both the Participation Rate (left) and headline U3 Unemployment Rate (right) moved higher. The Overall Participation Rate (black) is back up to 61.8% while that for the 25-54yo cohort (prime-working age) has recovered to 83.7%, the best in a few months.
- Meanwhile, the headline U3 Unemployment Rate (black) ticked up to 4.2%, above forecasts for a 4.1% figure. However, the broader U6 Rate (black), which includes marginally attached persons, fell to 7.6%, the lowest since January 2025!

Labor Force Participation Rate
Total & 25-54yo Cohort (R)



Source: Main Management, BLS, Macrobond. Data last updated: 10/2/2026

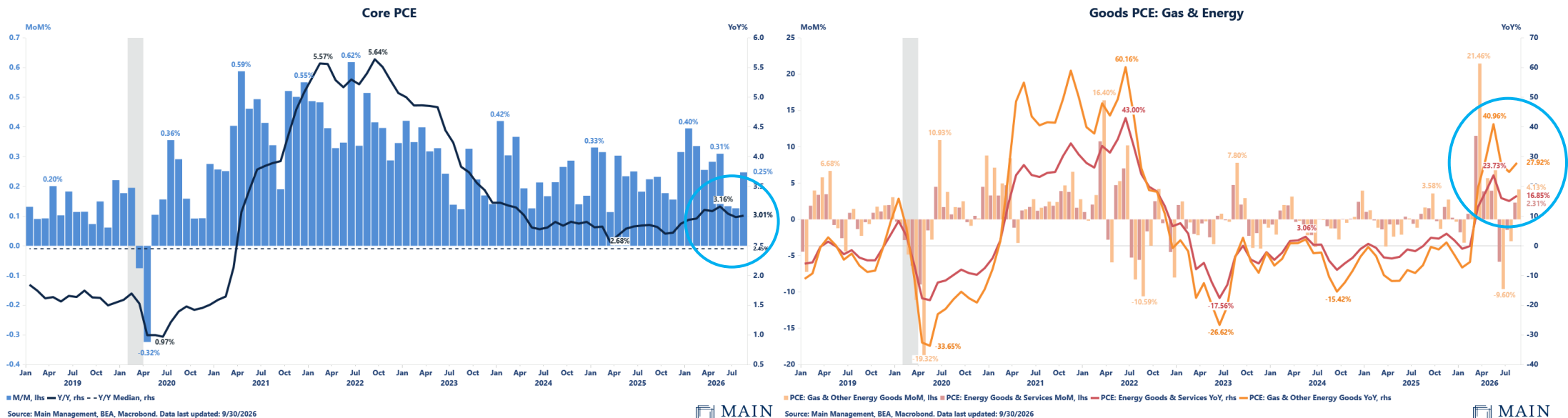
U3 & U6 Unemployment Rates



Source: Main Management, BLS, Macrobond. Data last updated: 10/2/2026

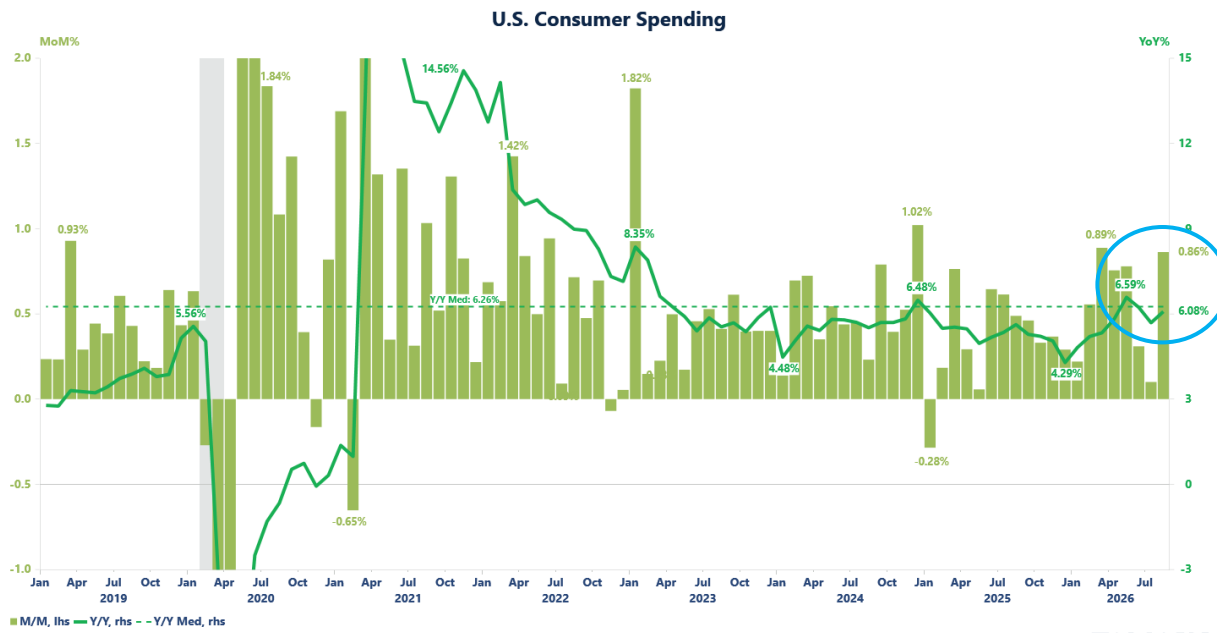
Core PCE

- August Core PCE came at +0.25% MoM (right), below forecasts for a +0.3% increase, as the YoY figure ticked up to +3.01%. There were some revisions to the methodology that resulted in the prior readings being lower than originally stated. The recent YoY peak of 3.16% from May was revised down from 3.46%. Portfolio Management Services and Computer Software & Accessories were primarily responsible for the downward revisions.
- The cooler-than-expected reading comes despite the rebound in Gas & Energy prices (right), which were up in August after being down in both June and July. Gas & Other Energy Goods re-accelerated to +27.9% YoY and Energy Goods & Services to +16.8% YoY.

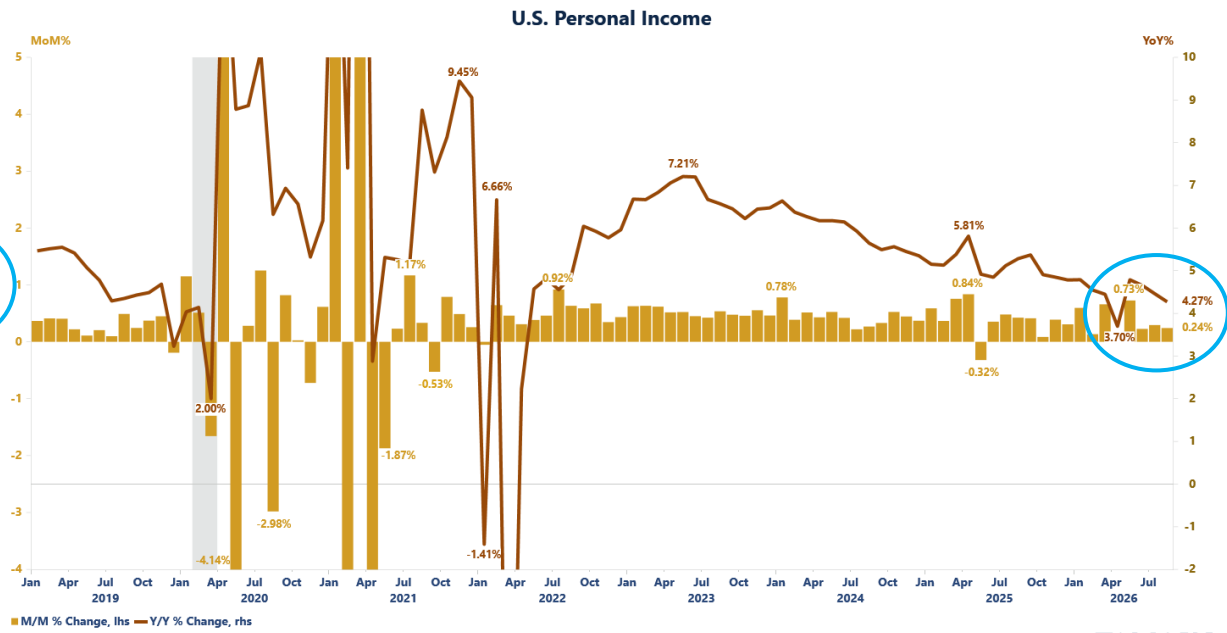


Spending & Income

- The rebound in gas/energy prices contributed to the headline Consumer Spending figure jumping +0.86% MoM, the strongest in a couple months and above forecasts for a +0.8% reading. The YoY figure moved back up to +6.08%. We've said it before and we'll say it again: Don't bet against the American consumer.
- On the right we show Personal Incomes, which were up a meager +0.24% MoM, missing forecasts for a +0.4% rise. They slowed to +4.27% YoY, continuing the downtrend that began 3 years ago. Part of the dynamic here is the retirement of baby boomers, who are leaving the work force and thus eliminating their income which is weighing on the overall figure.



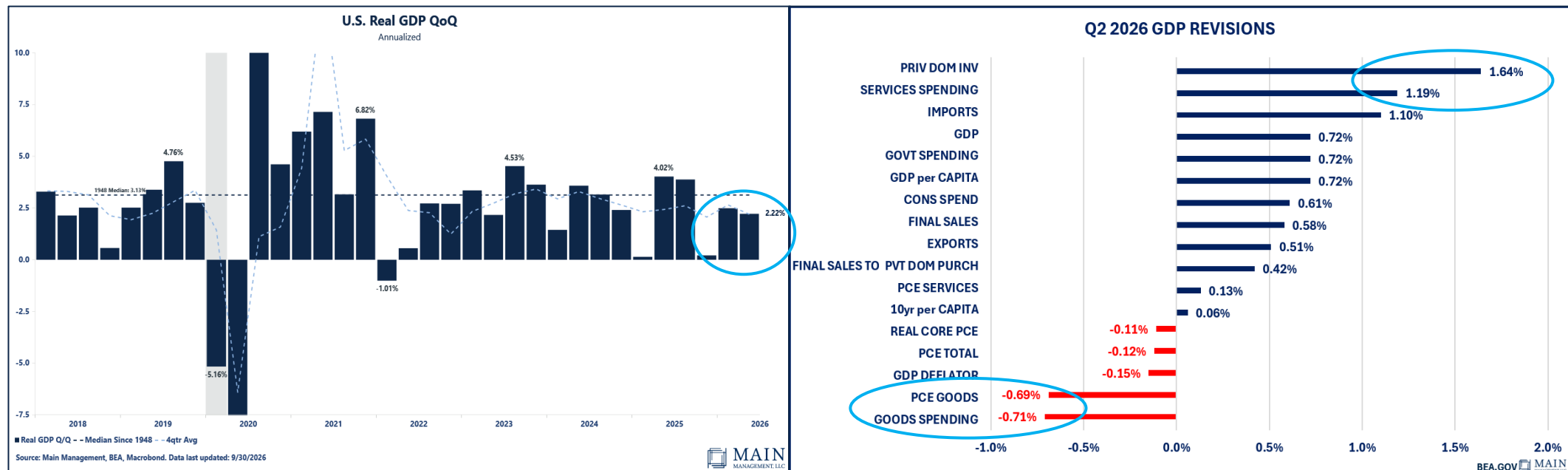
Source: Main Management, BEA, Macrobond. Data last updated: 9/30/2026



Source: Main Management, BEA, Macrobond. Data last updated: 9/30/2026

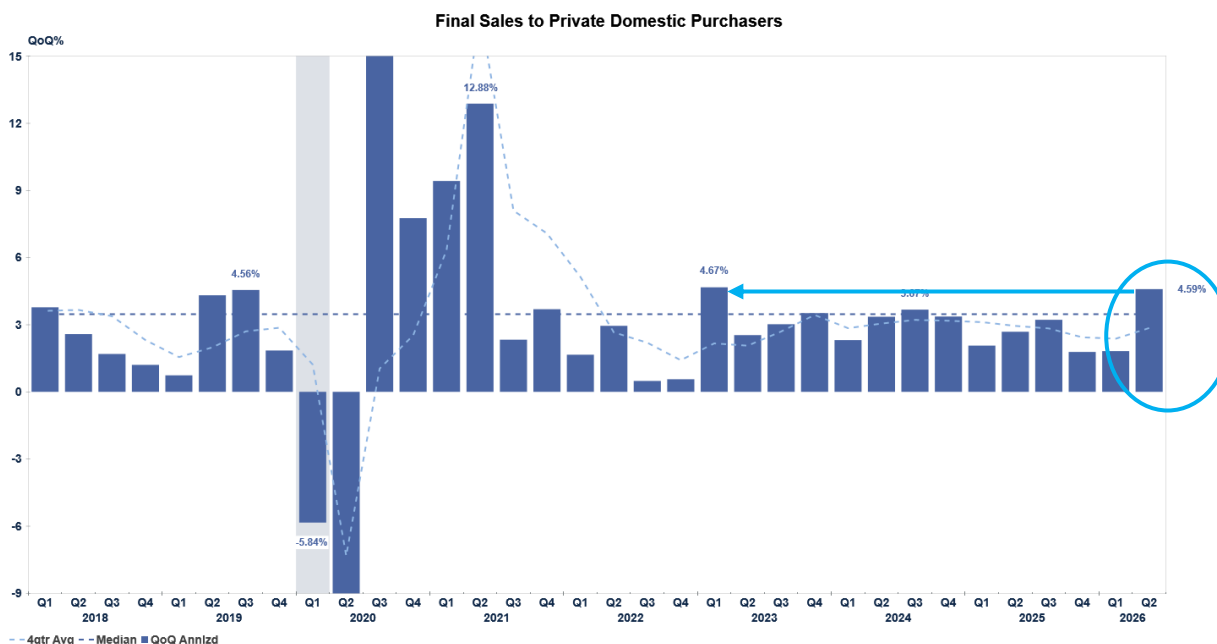
Q2 2026 U.S. GDP

- The final reading for Q2 2026 U.S. GDP (left) saw a solid upward revision to +2.22% QoQ from +1.50% in the 2nd estimate. Q1 GDP was revised up to +2.5% from 2.1% as well.
- On the right we show the revisions from the 1st estimate to the final estimate. Private Domestic Investment saw the biggest upward revision of +1.64% and then Services Spending up +1.19%. Goods Spending saw the biggest downward revision at -0.71%, and then Goods PCE at -0.69%. These downward revisions are likely due to energy prices which did not rise by quite as much as originally estimated, dragging down Q2 inflation measures.

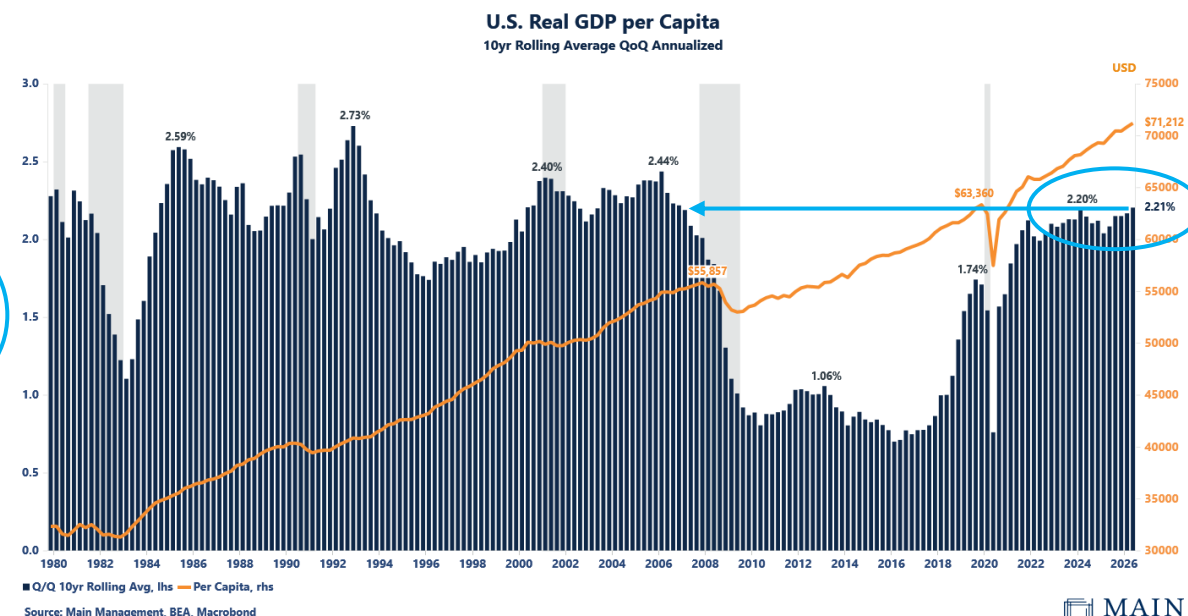


Final Sales & GDP per Capita

- Final Sales to Private Domestic Purchasers (left), a key demand indicator, were revised up to +4.59% QoQ from +4.17%, the biggest increase since Q1 2023! Broader Final Sales (not pictured) were also revised up to +2.76% from +2.22%, the 5th straight quarterly increase.
- GDP per Capita was revised up to +2.02% QoQ from +1.29%, bringing the 10yr rolling average (right) to +2.21%, the highest since Q4 2006!! On a \$\$ basis, it posted another all-time high at \$71,212, up +1.9% YoY.

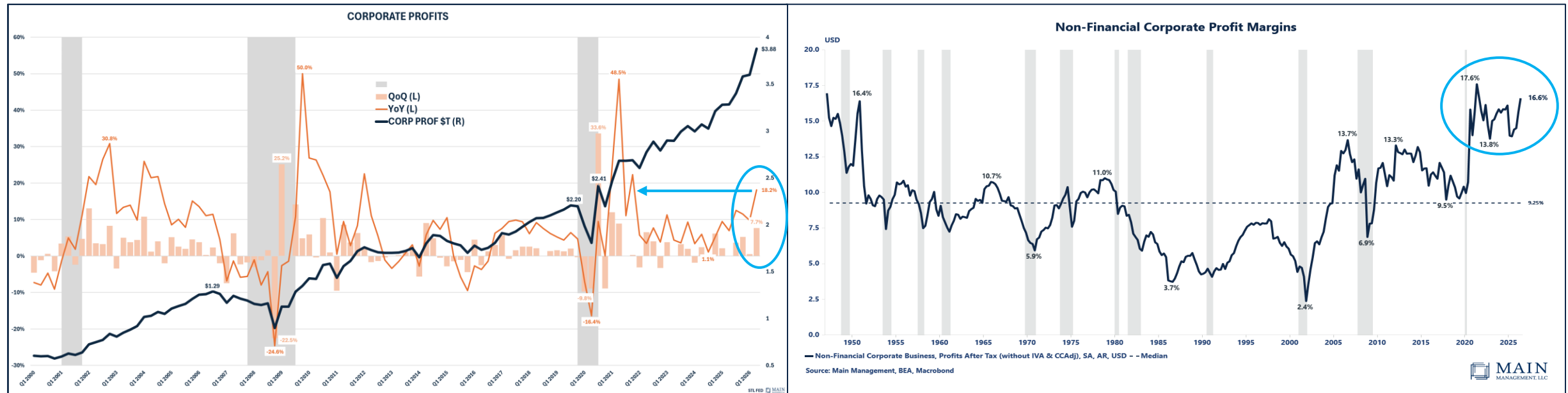


MACROBOND



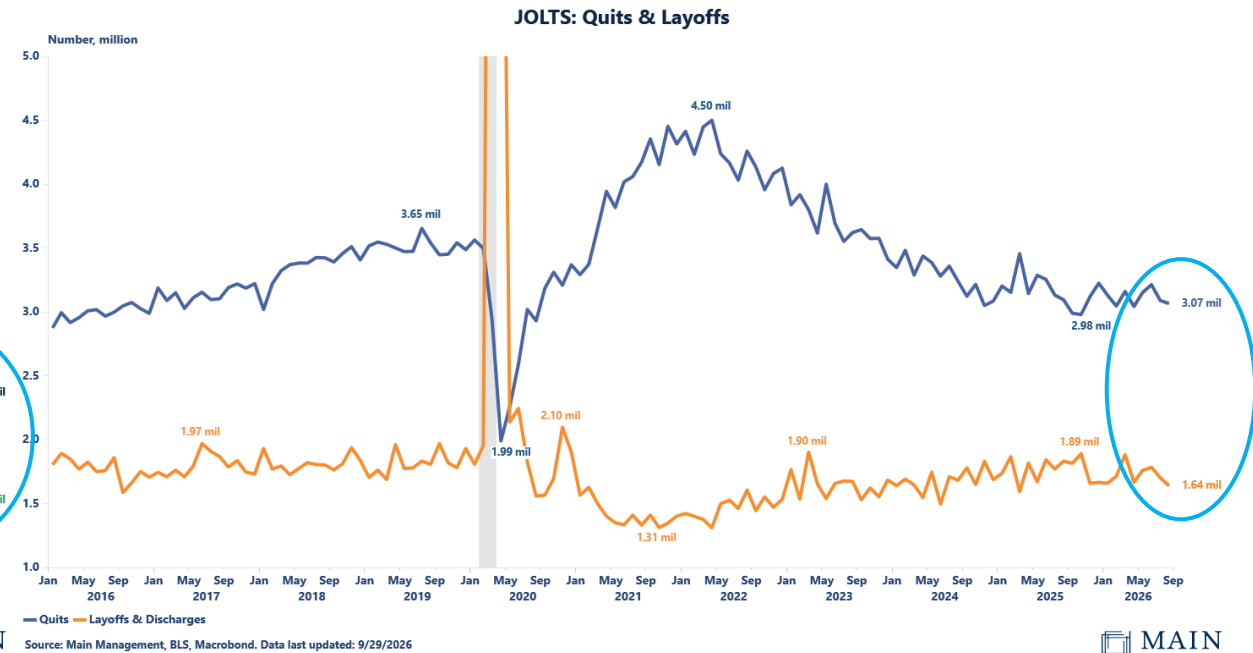
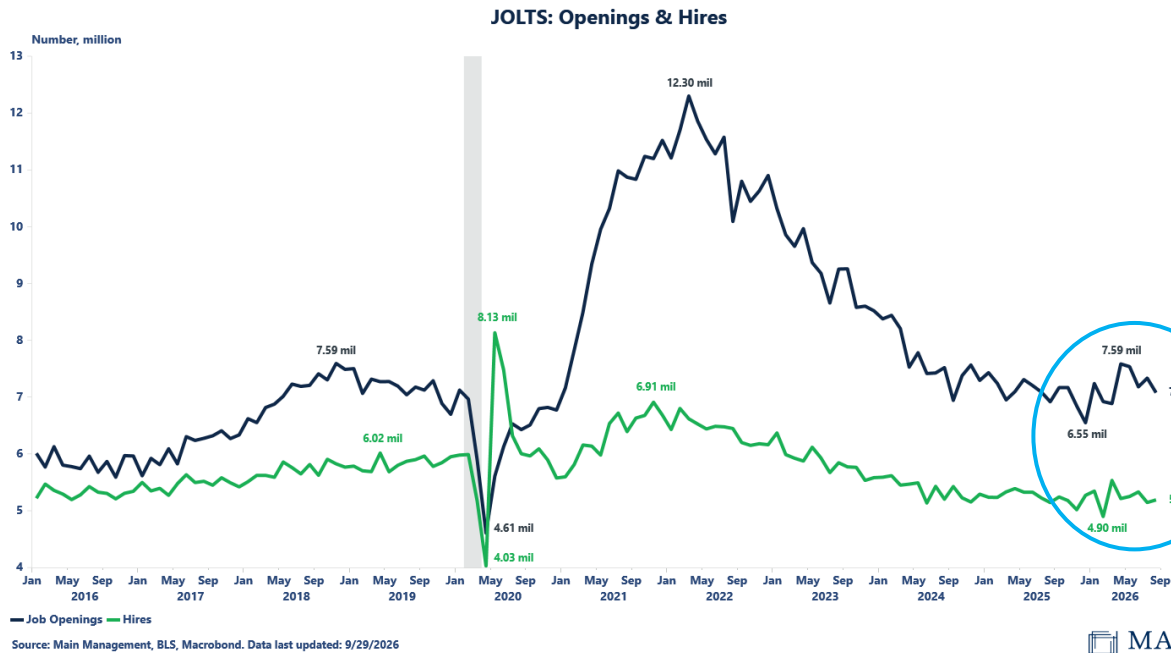
Corporate Profits

- Corporate Profits (left, black) continue to post new highs, hitting \$3.88tril in Q2. These are up +115% since the Q2 2020 trough!! They accelerated +7.7% QoQ, revised down from the 8.2% estimate, but that's still the biggest increase since Q2 2021! They're also now up +18.2% YoY, the highest since Q4 2021.
- Margins (right) have also jumped higher in recent quarters. They're now at 16.6%, the highest since Q3 2021, after being at just 13.9% a year ago.



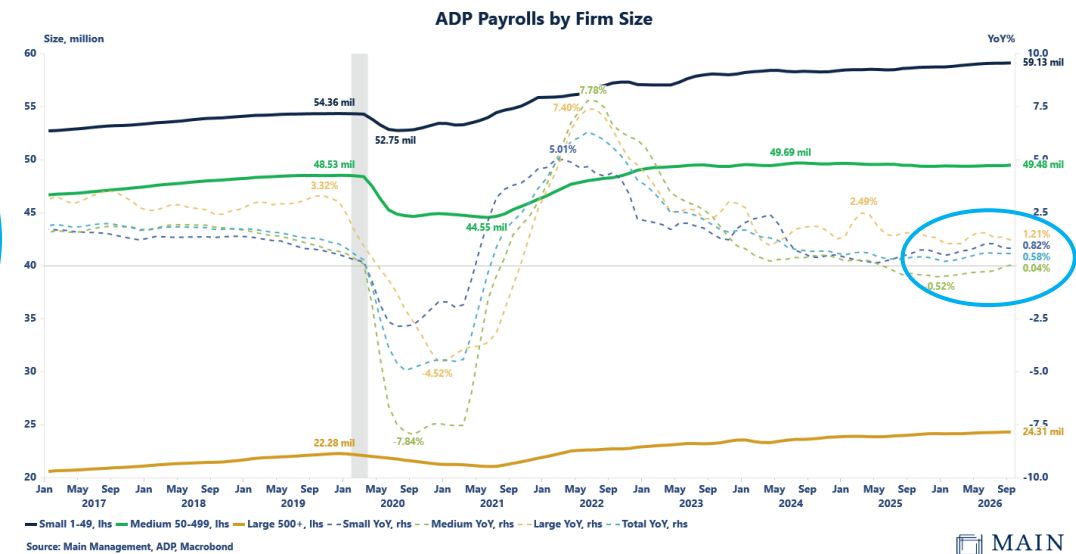
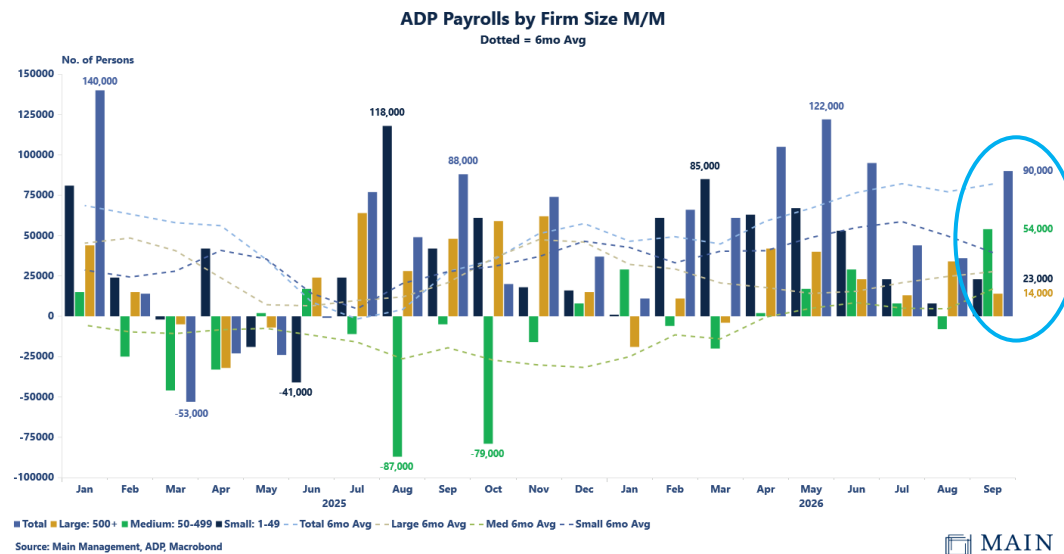
JOLTS

- August JOLTS continue to point to a stable, if unexciting, labor market. Openings (left, black) declined to 7.08mil, missing forecasts for a 7.23mil figure. Hires (green) inched up to 5.19mil, trying to move off the recent low.
- Quits (right, blue) also declined to 3.07mil, remaining largely rangebound over the last year or so. Layoffs (orange) moved down to 1.64mil, the lowest since March 2025. Not much particularly remarkable in this report...



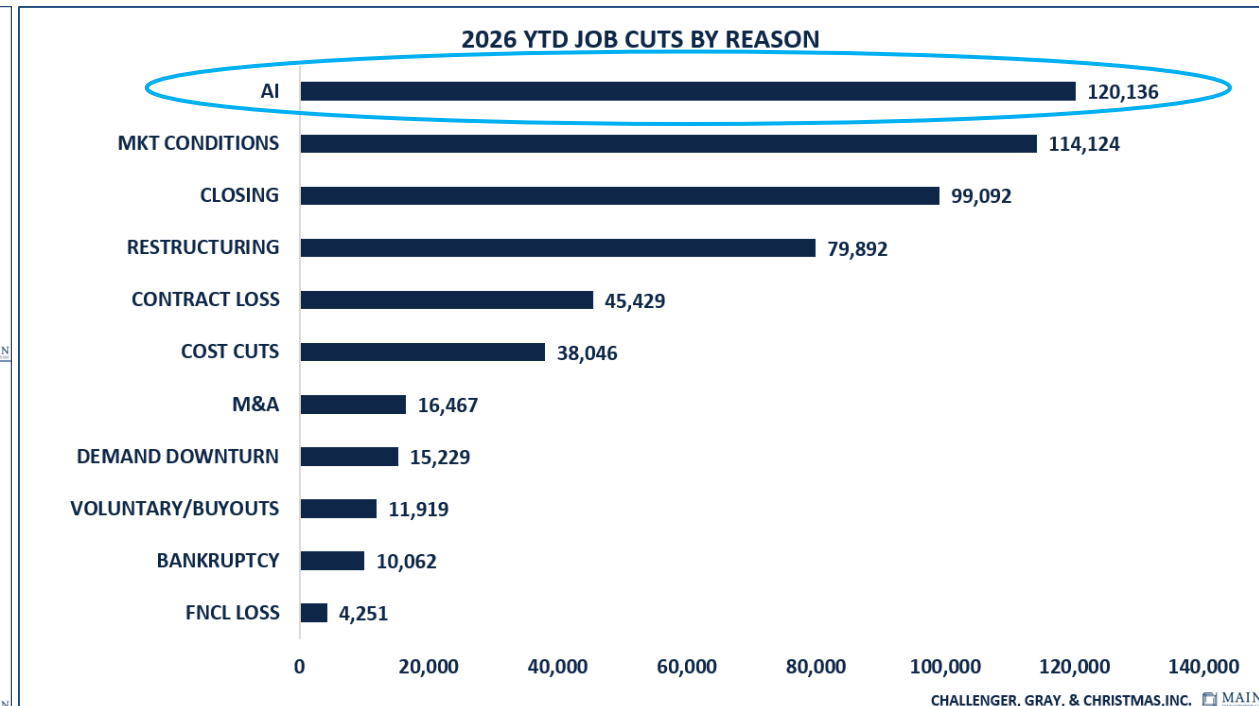
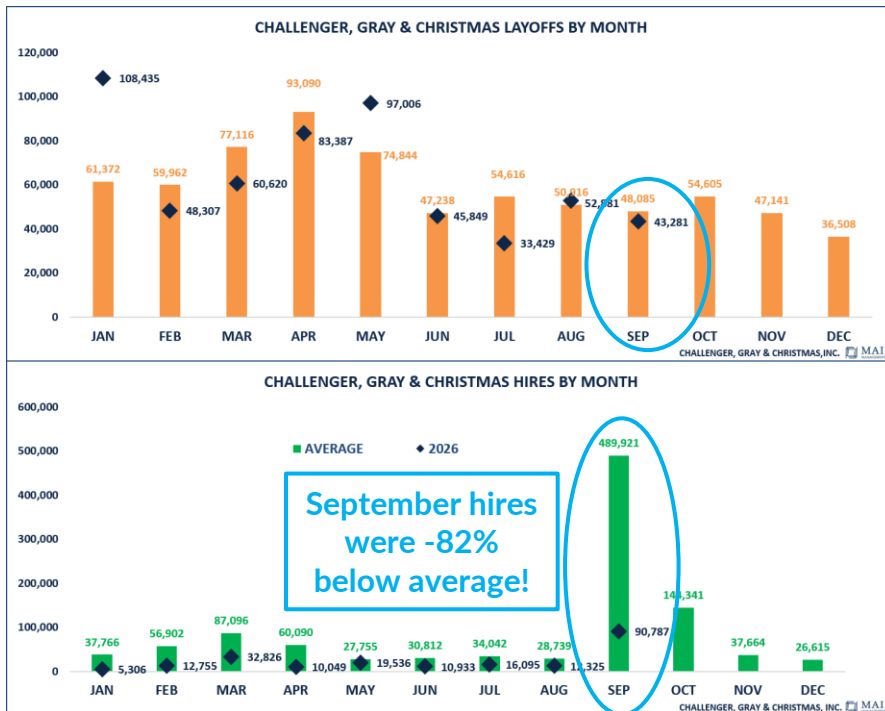
ADP Payrolls

- ADP Payrolls came in at +90k in September (left, blue), beating forecasts for an 80k increase and the best since June. The gain was led by medium firms (50-499 persons, green) which added +54k, the most since July 2024! Small firms (1-49 persons) were next with +23k jobs added and then large (500+ persons) with just +14k.
- On the right, we show the total employment breakdown by size (thick lines). Medium firms are the 2nd biggest category at 49.48mil, or 37.2% share. All of these major size categories are now in positive territory on a YoY basis for the first time since May 2025, led by large firms up +1.21%. Small firms are up the next most at +0.82% and then total payrolls +0.58%. Medium firms just eked back into the black, now up +0.04% YoY.



Job Cut Announcements

- September Job Cut Announcements (top left) were a bit below historical levels at 43,281 while hires (bottom left) were far below usual levels. September generally signals the start of the seasonal hiring surge but that wasn't the case this year, at least not relative to history, with only 90,787 hires versus 489,921 on average.
- Artificial Intelligence is the most cited reason for job cuts (right), responsible for 120k so far this year. Market conditions are the next most cited reason at 114k.

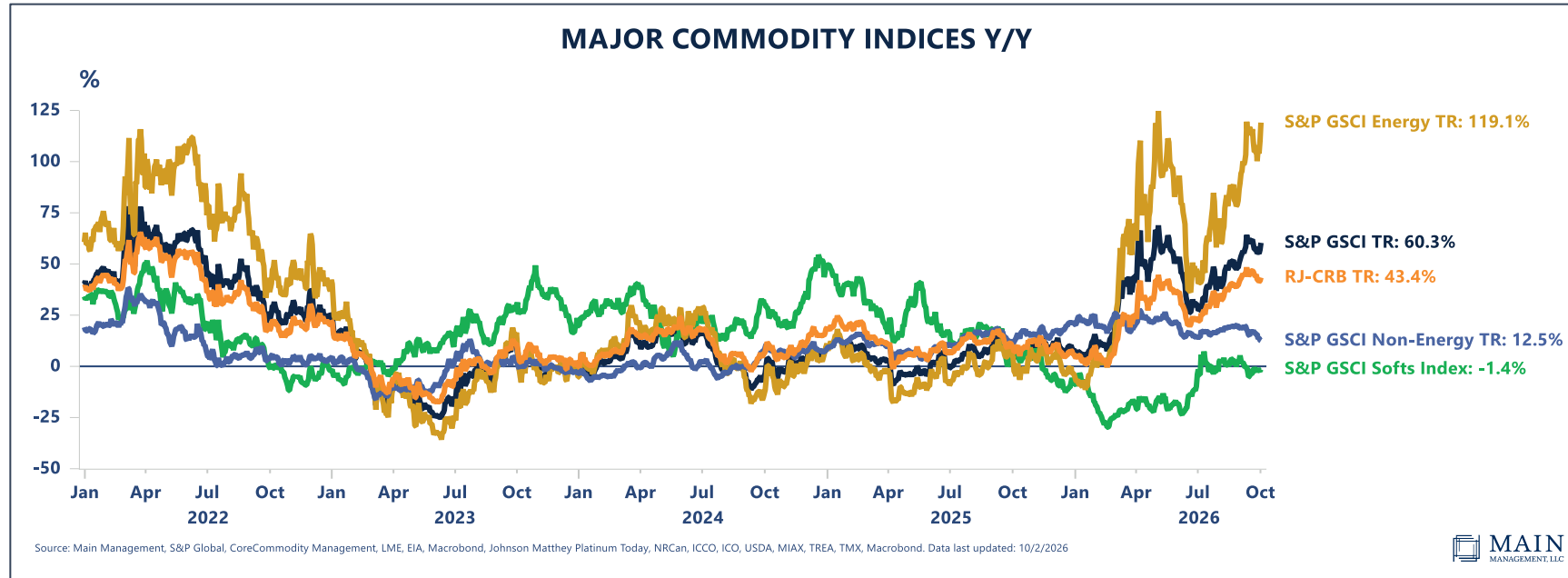


Summary

- Nonfarm Payrolls missed forecasts at just +29k vs 90k expected. People are re-entering the labor force which is a good development, but wages continue to slide and are now up just +3.02% YoY, the lowest since 2021.
- Core PCE came in lighter than expected, thanks in part to methodology revisions. It now stands at +3.01% YoY. Consumer Spending rose +0.86% MoM, beating forecasts, while Incomes were up just +0.24% MoM.
- The final reading for Q2 2026 U.S. GDP was revised up to +2.22% QoQ from 1.50%. Final Sales to Private Domestic Purchasers posted a strong increase, as did Corporate Profits.
- August JOLTS were relatively unchanged from July, indicating ongoing labor market stability. ADP Payrolls came in above forecasts, adding +90k jobs, driven by medium firms. Job Cut Announcements declined in September while hires were particularly anemic relative to the usual seasonal hiring bump that failed to materialize in any meaningful way.
- Upcoming data:
 - Service & Composite PMIs (Mon)
 - Trade Balance and RCM/TIPP Economic Optimism Index (Tues)
 - NY Fed Consumer Expectations, Consumer Credit, and Used Car Prices (Weds)
 - Wholesale Inventories and Unemployment Claims (Thurs)
 - Preliminary Michigan Consumer Sentiment (Fri)

Appendix

Inflation Watch



Commodity	1 Month	3 Months	YTD ↓	1 Year
Gasoline	-2.5	12.9	99.5	72.5
Crude Oil	9.5	30.1	60.3	47.5
S&P GSCI	7.7	26.6	57.1	58.6
BBG Commodity Index	1.5	15.5	29.7	36.0
Soybeans	0.6	15.0	24.6	28.2
Cotton	-17.7	2.5	15.2	16.9
Copper	-1.2	6.9	14.7	39.6
Corn	-1.9	21.7	14.1	20.9
US Dollar (DXY)	2.4	0.9	3.8	4.4
Lumber	-6.5	-14.0	-1.5	-13.5
Bitcoin	9.0%	44.9%	-3.0%	-25.6%
Gold	-6.2	4.2	-3.4	8.3
Silver	-9.4	2.1	-13.4	31.3
Coffee	-16.7	-7.4	-17.3	-23.1
Natural Gas	2.7	-9.4	-19.5	-10.2

Source: Main Management, S&P Global, CME Group, ICE, LME, Macrobond. Data last updated: 10/2/2026



Disclosures

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