MAIN
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Main Management Market Note

October 30, 2026



Main Management, LLC | San Francisco, CA | Since 2002

Our Offerings

MAIN MANAGEMENT, LLC

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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CUSTOM MODEL PARTNERSHIP

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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Founding Partner



Alex Varner
Managing Director, Research



Jim Concidine
Founding Partner



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Research backed portfolios



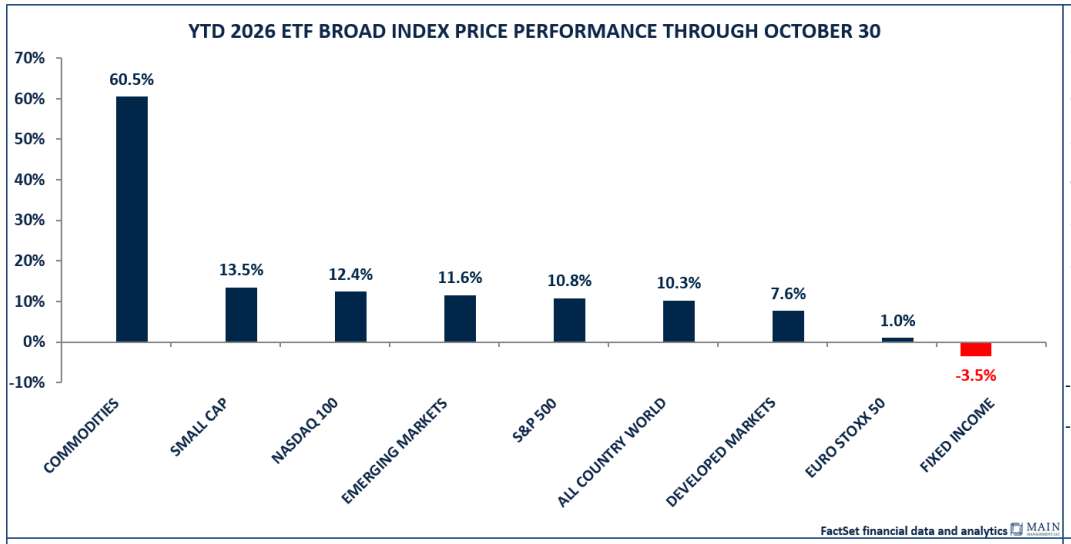
James Maxwell
Director, Research

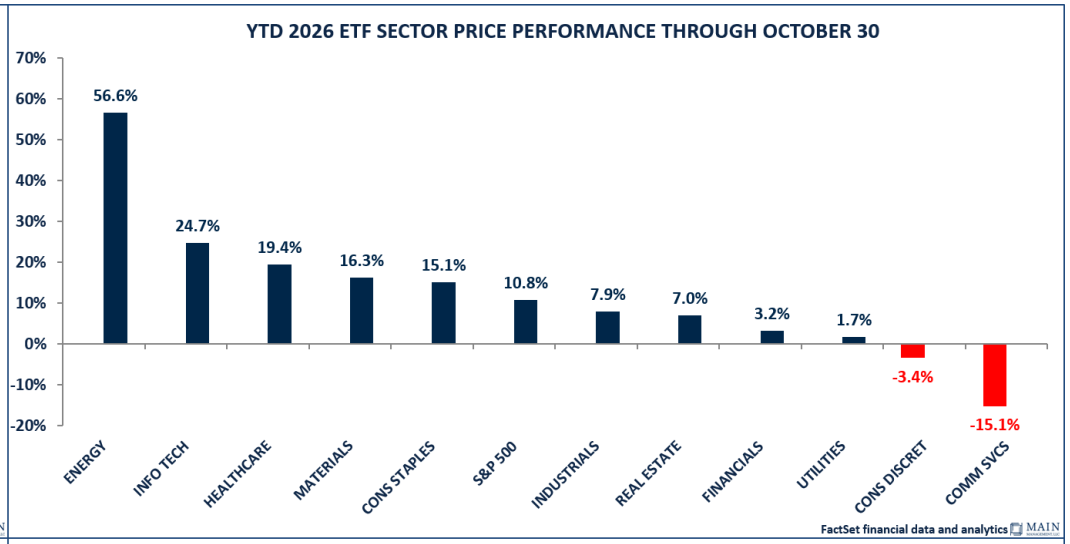


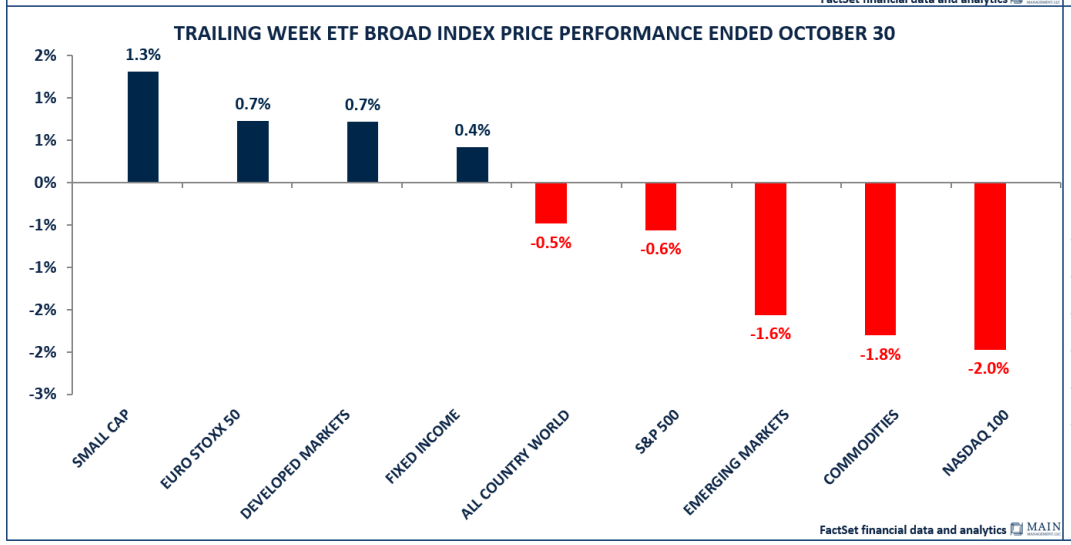
Alex Dippery
Research Analyst

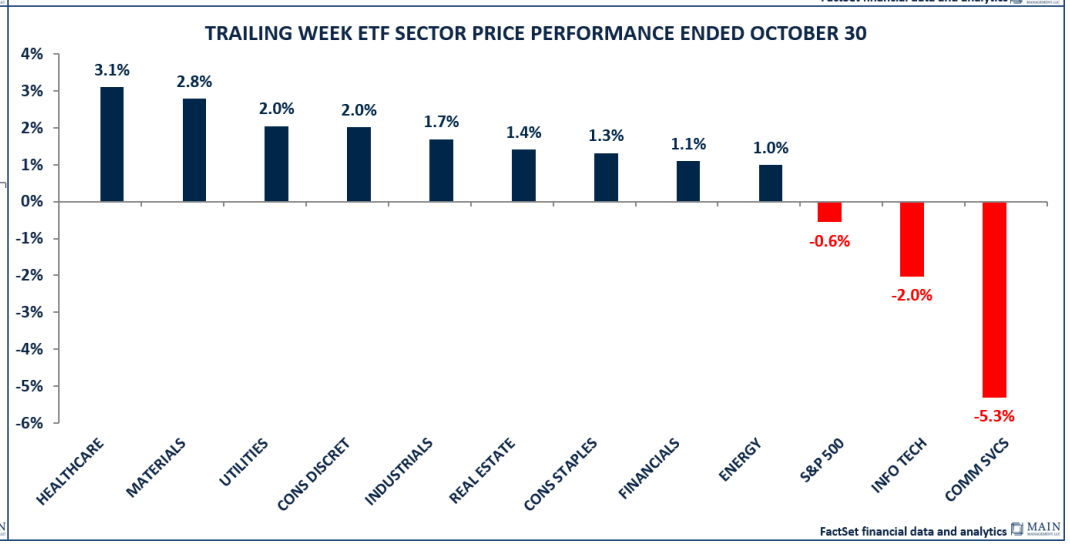
Advisors benefit from our comprehensive due diligence on other asset managers, insightful market commentary, and strategic asset class views.

Performance







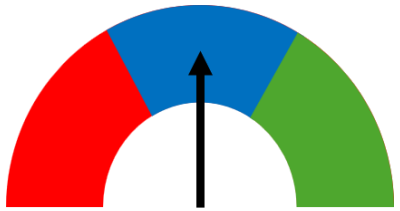


Recession Dashboard

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RECESSION START	INFLATION	CONSUMER	YIELD CURVE	HOUSING	SENTIMENT	AUTOS	EMPLOY-MENT	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

Overall:



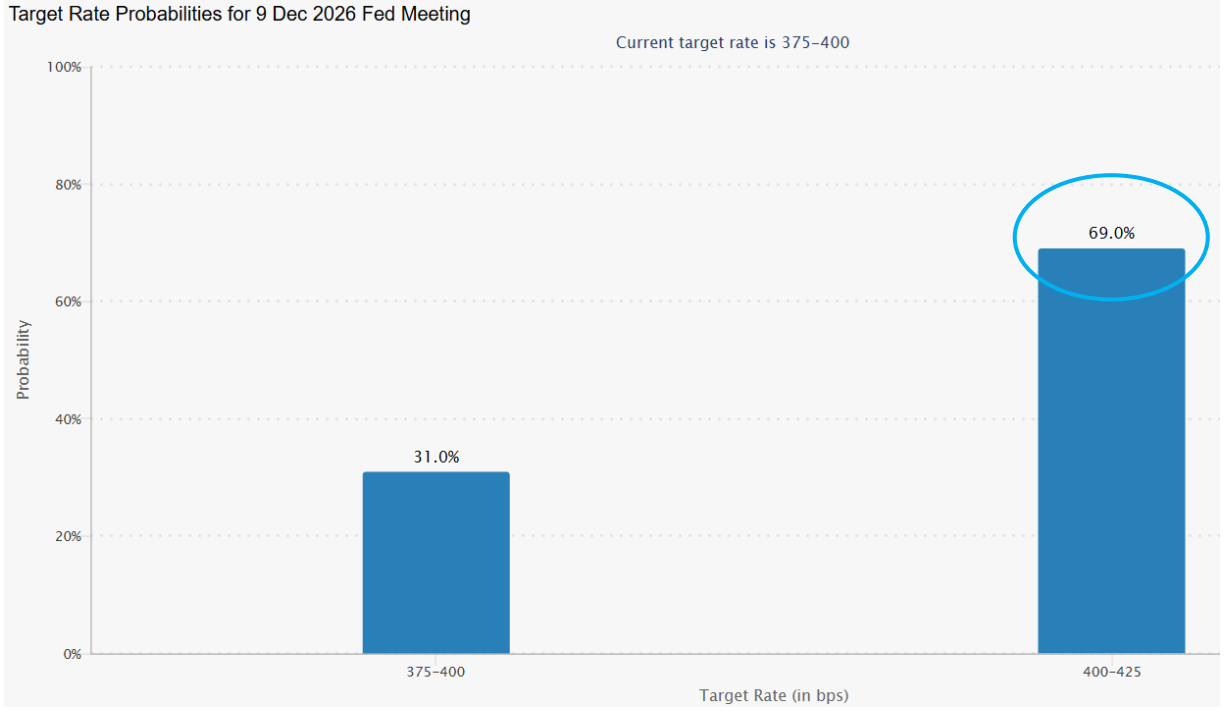
↑ Positive ↔ Neutral ↓ Negative

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, AAII* **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.*

FOMC Decision

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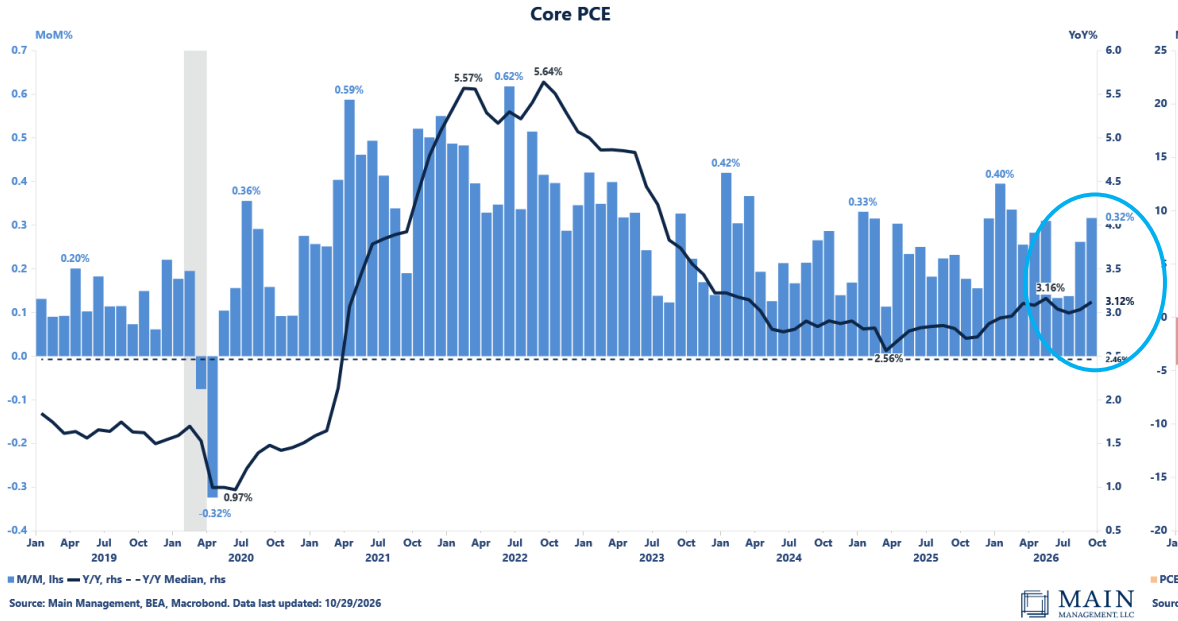
- The FOMC kept rates unchanged at its meeting this week at 3.75 – 4.00%, as expected. There were 2 dissents which favored at 25bps hike instead, indicating a hawkish resistance among members who do not want to wait for more data. They got more data this week with the Core PCE reading which ticked up to +3.12%, marking the 67th month in a row where inflation has been above the Fed's 2% target. Warsh noted that the economy and labor market remain strong and that committee members do not think the economy is running too hot or that growth is causing inflation.
- The statement noted that the FOMC is waiting for more data developments between now and December, when they are largely expected to hike by 25bps. We will get one CPI, one PCE, and two nonfarm payroll reports before the next meeting on Dec. 9 at which markets are currently pricing in a 69% chance of a hike.

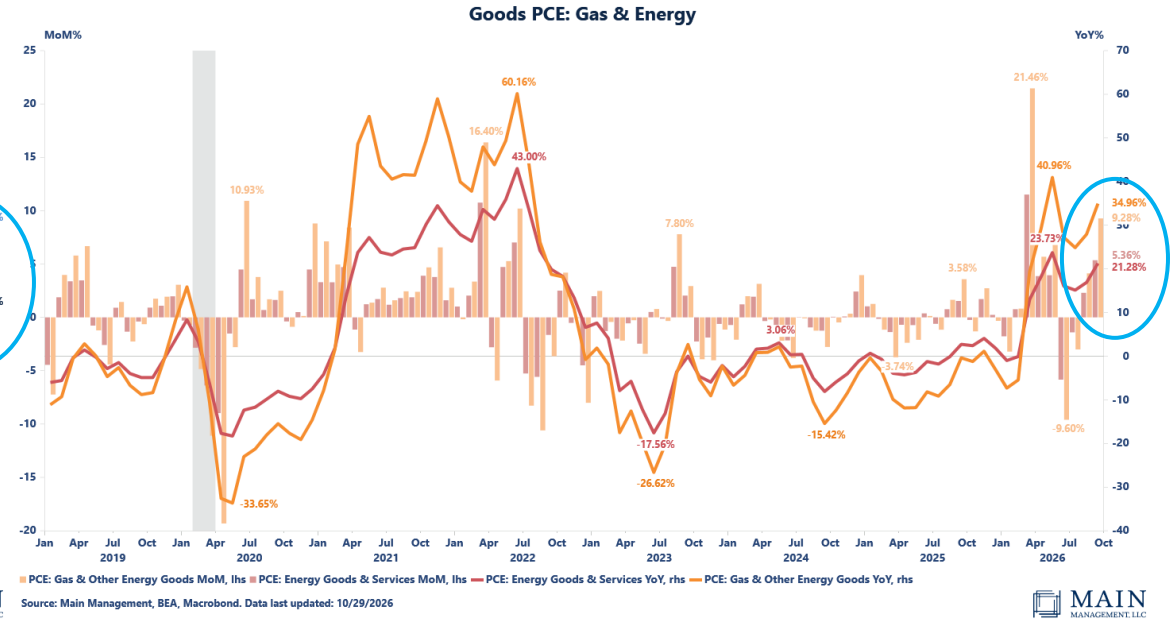


NEUTRAL

Core PCE

- Core PCE (left) was up +0.32% MoM in September, matching forecasts. The YoY figure accelerated slightly to +3.12%. The broader PCE Index (not pictured), which includes energy, posted a sizeable +0.5% MoM increase, the 2nd biggest since Oct. 2022. That was driven by Energy prices rebounding in September.
- The PCE for Gas & Other Energy Goods (right, orange) surged +9.28% MoM, the 2nd biggest figure since June 2022! PCE for Energy Goods & Services (red) jumped +5.36% MoM. On a YoY basis, they reaccelerated to +34.96% and +21.28%, respectively.

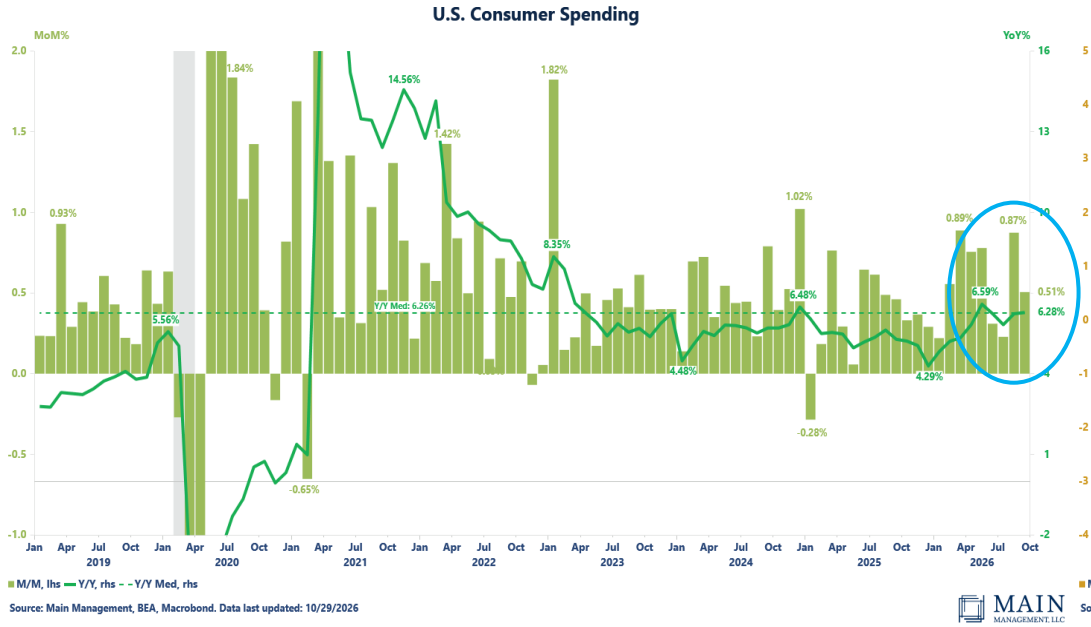


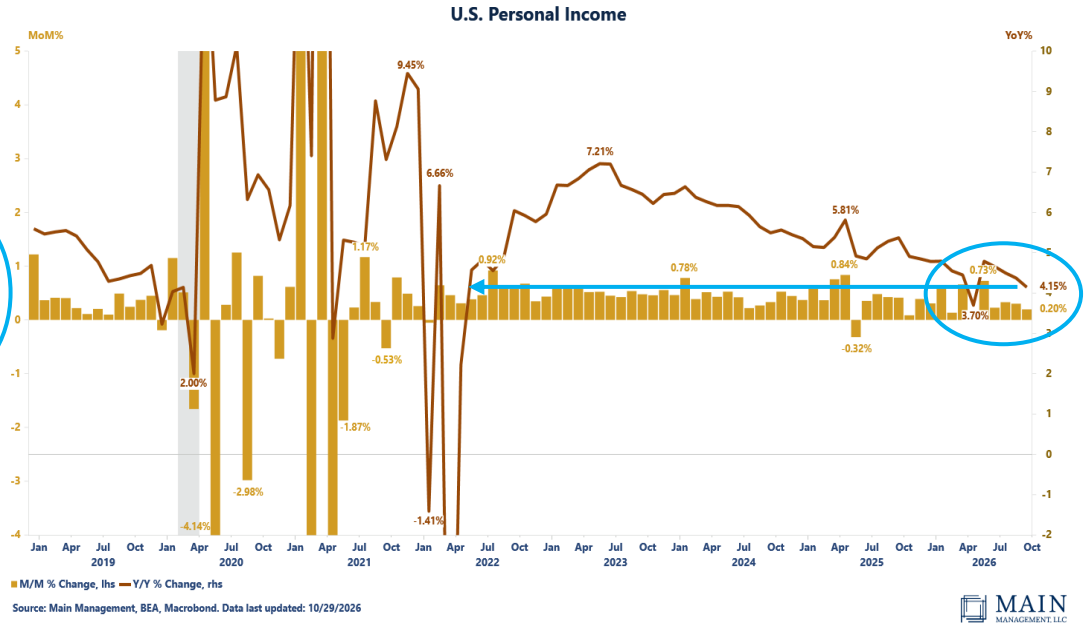


NEGATIVE

Income & Spending

- Consumer Spending (left) slowed to +0.51% MoM, slightly below forecasts for a +0.6% reading. The YoY figure accelerated slightly to +6.28%, right in line with the long-term median. This reading shows that consumers are continuing to spend even as energy prices remain elevated.
- Incomes (right), on the other hand, continue to slow. The MoM reading was just +0.20%, also below forecasts for a +0.3% increase. The YoY figure has slowed to +4.15%, the 2nd lowest since April 2022. Unemployment Benefits dropped -3.6% MoM, the most since April 2022, so that was a drag yet it's still a positive development because it's good to see fewer people collecting unemployment. Baby Boomers are also a weight here since they are retiring and as a result, their incomes are dropping to 0.

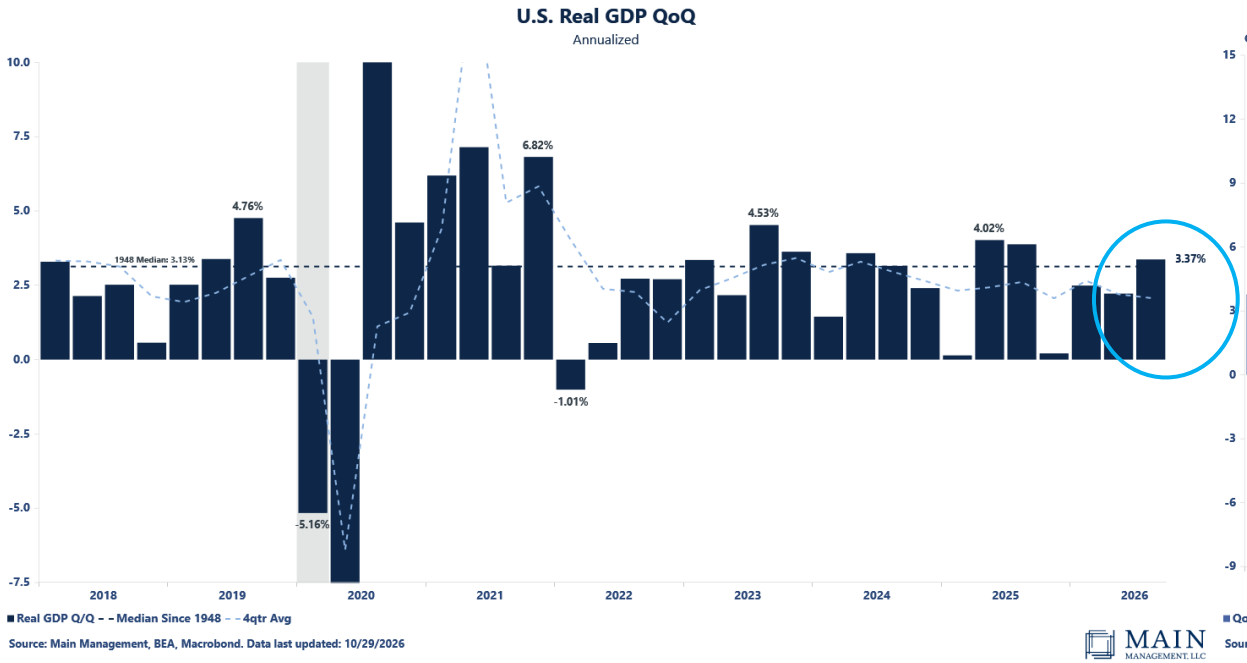


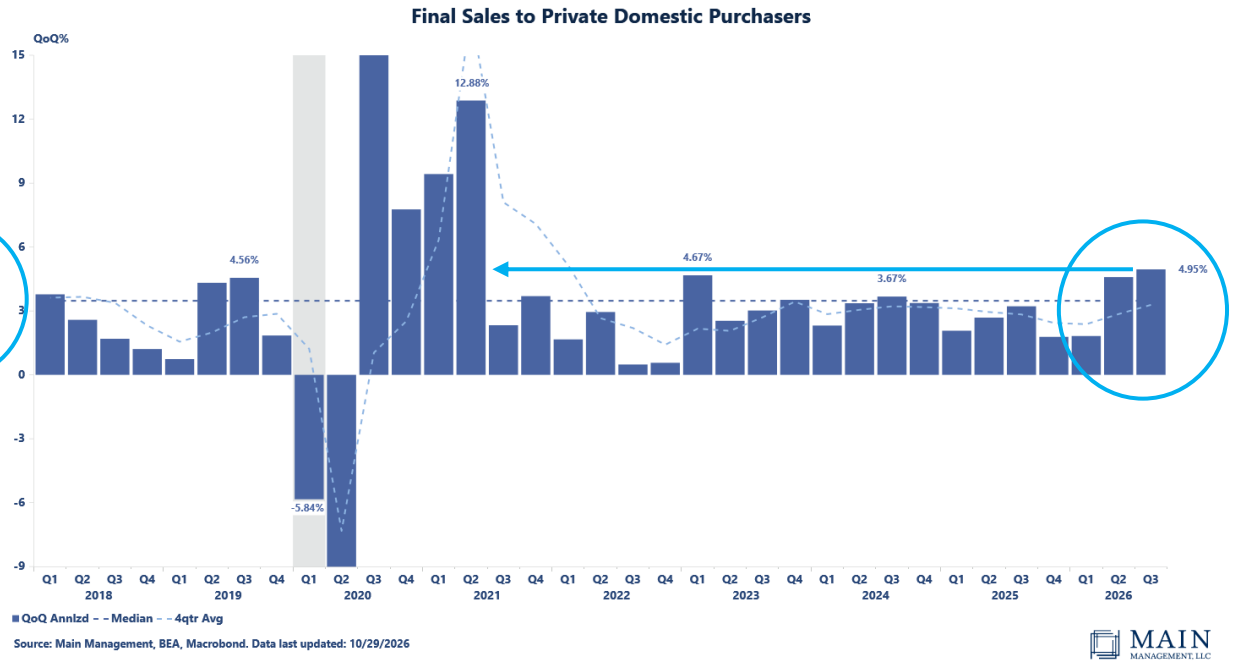


NEUTRAL

Q3 2026 U.S. GDP

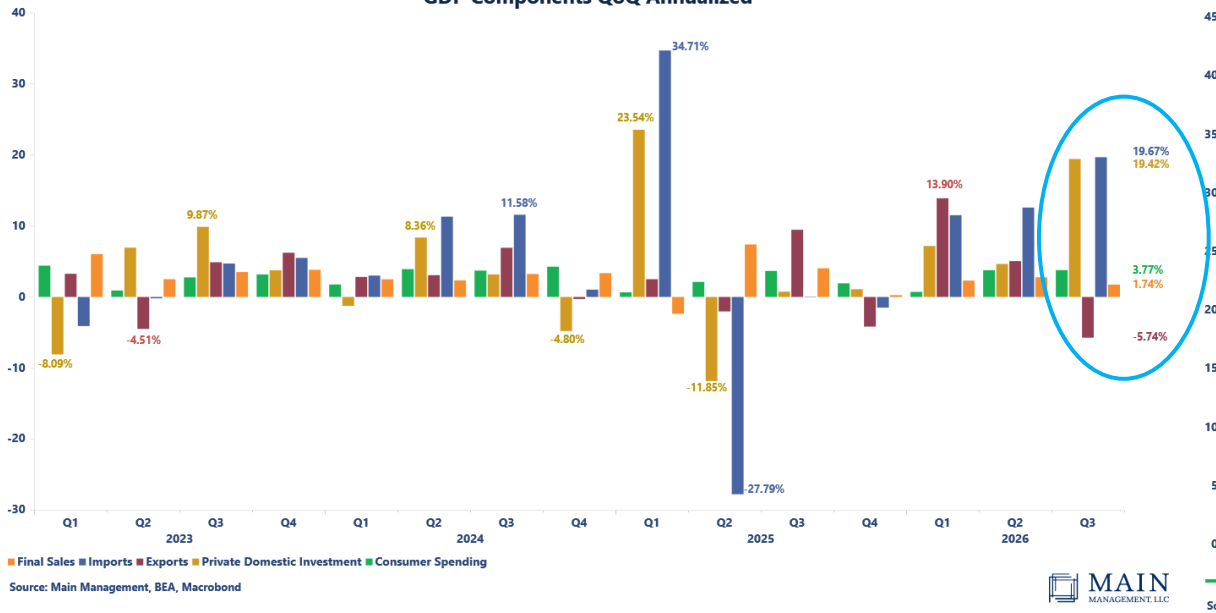
- The preliminary reading for Q3 2026 U.S. GDP (left) came in at +3.37% QoQ, above forecasts for a 3.2% figure and the best in a year. Overall, the report indicates strong economic growth with solid underlying demand.
- Speaking of underlying demand, Final Sales to Private Domestic Purchasers (right) surged +4.95% QoQ, the 2nd robust reading in a row and the highest since Q2 2021!

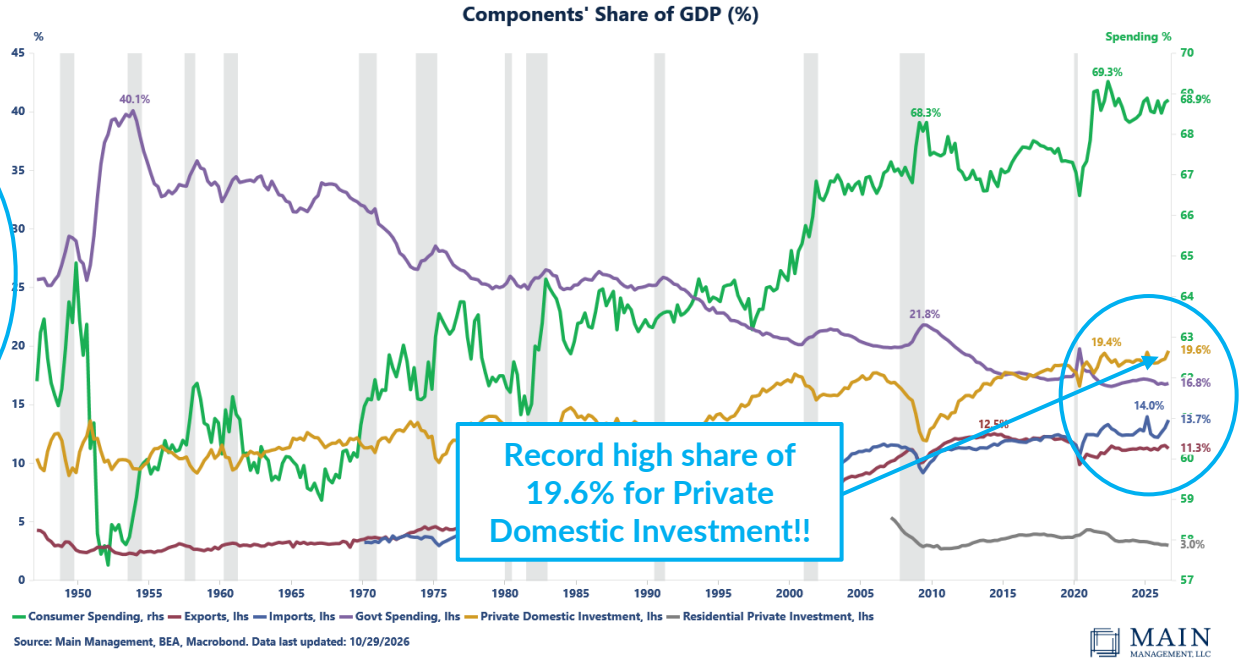




GDP Components

- Looking through at the components (left), broader Final Sales (orange) were more muted at +1.74% QoQ, the 6th straight increase. Consumer Spending (green) was unchanged from Q2 at +3.77%. Imports (blue) were up the most at 19.67% and then Private Domestic Investment (gold) at +19.42%. Exports (maroon) fell -5.74%, the only negative component and the biggest decline since Q2 2020! Trade was a big -3.3% drag on the headline figure!
- As a share of GDP (right), Private Domestic Investment hit a record 19.6%, a good indicator of demand. Imports are at their 2nd highest share at 13.7%, behind only Q1 2025 when we saw the big tariff-induced pull forward.

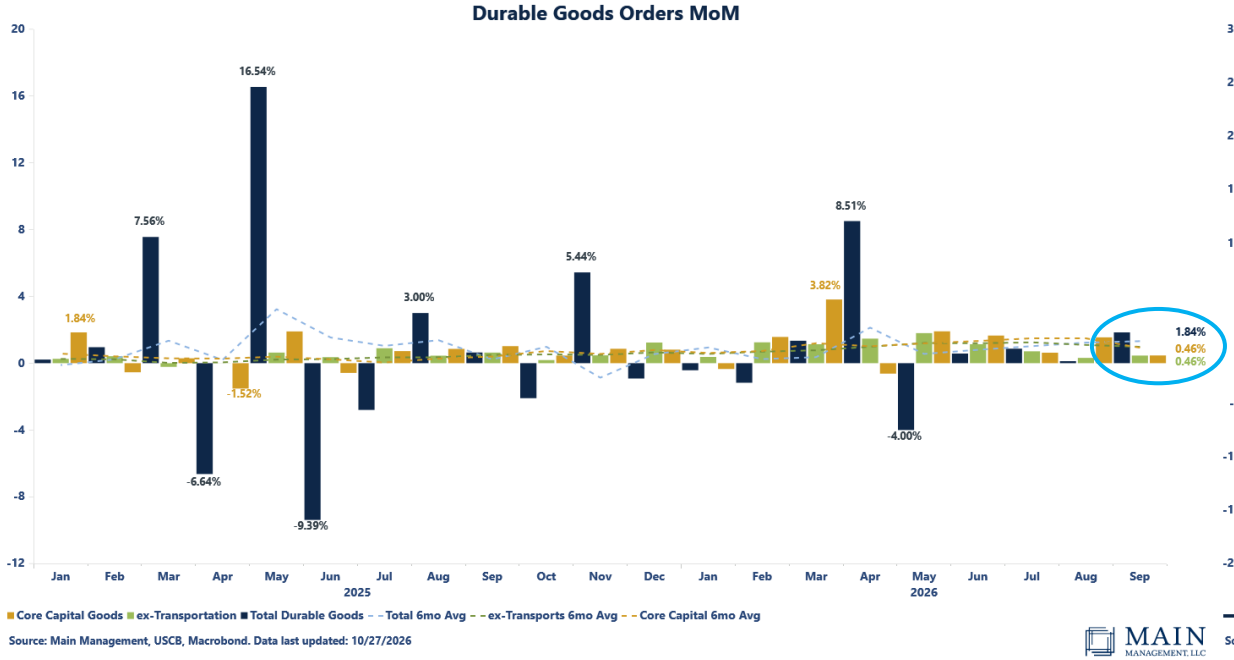


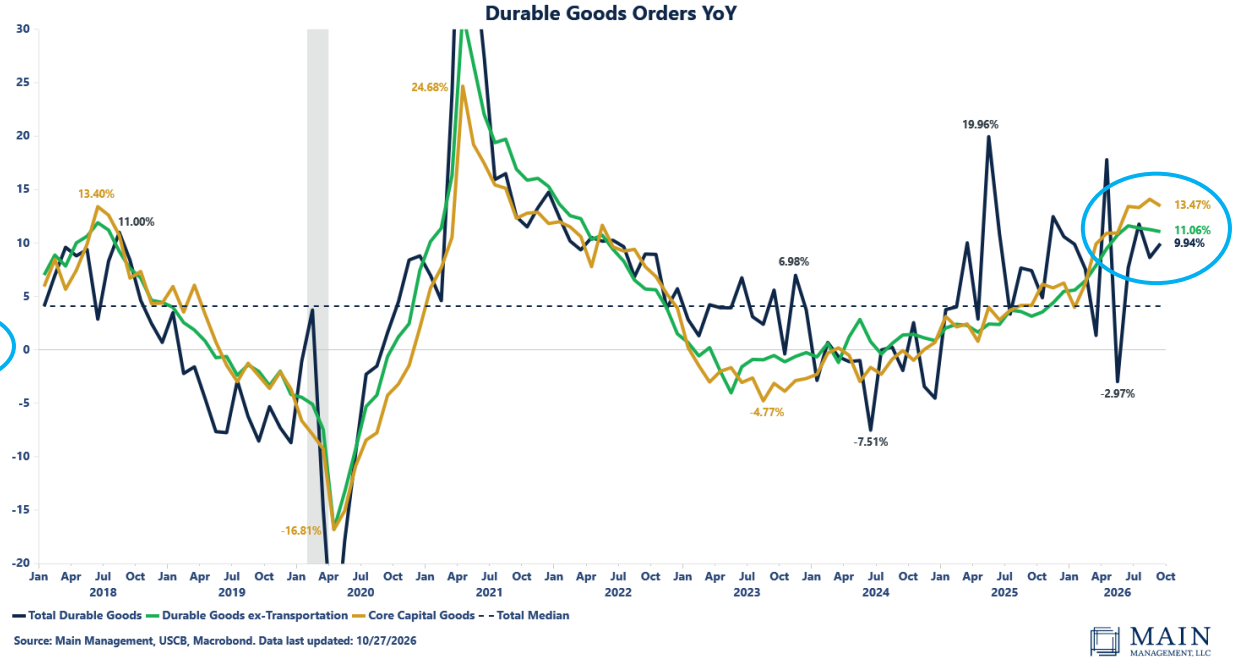


POSITIVE

Durable Goods Orders

- Durable Goods Orders (left, black) posted a solid +1.84% MoM gain in September, beating forecasts for +1.5% and the best since April 2026. Core Capital Goods (gold) were up a more muted +0.46% MoM, below expectations for a +0.7% reading. Goods ex-Transports (green) were up the same. Orders rose for machinery, computers & electronic products, primary metals, and fabricated metal products.
- On a YoY basis (right), Total Durable Goods ticked up to +9.94%. Core Capital Goods slowed to +13.47% and Goods ex-Transports to +11.06%, but both are still elevated relative to recent history.

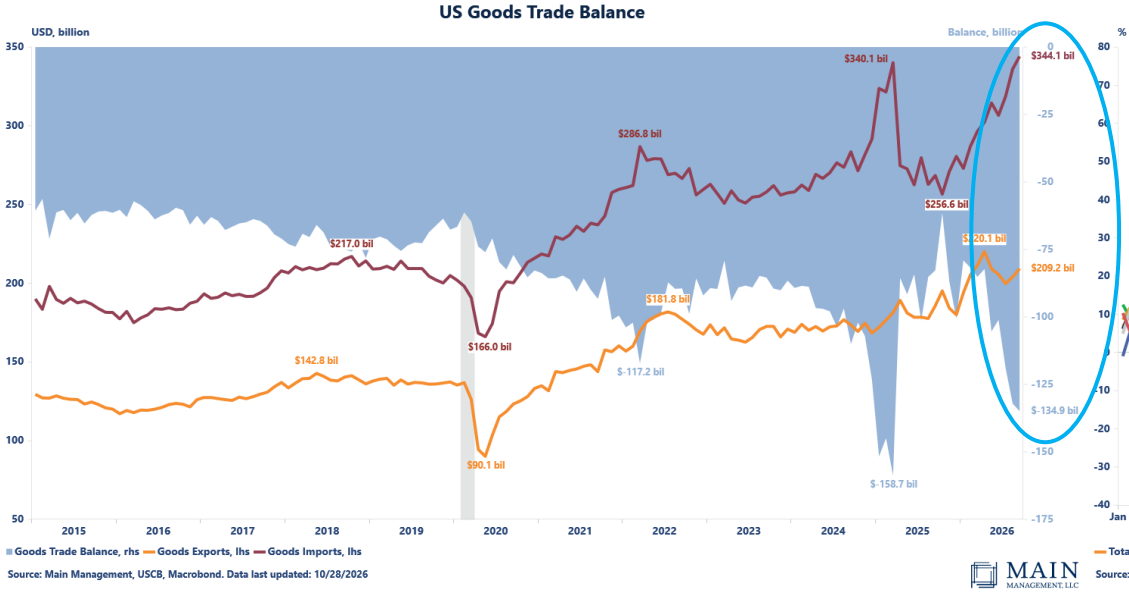


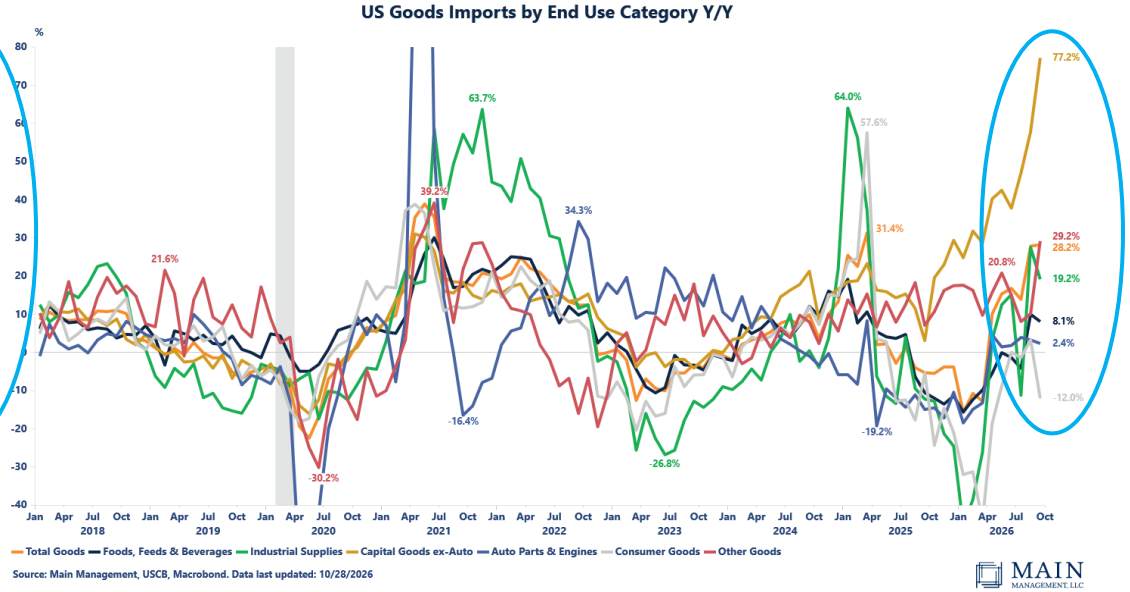


POSITIVE

Goods Trade Balance

- Both Goods Imports and Exports rose in September, with Imports (left, maroon) rising +2.4% MoM to post a new ATH on a $$ basis at $344.1bil. Exports (orange) were up +2.6% MoM, moving back up to $209.2bil. The deficit widened more than expected to -$134.9bil. Imports are now up +28.2% YoY and Exports are up +12.7% YoY.
- Looking through at the imports categories on a YoY basis (right), Capital Goods ex-Autos (gold) have surged to a record +77.2%! Other Goods (red) jumped to +29.2% YoY, the highest since June 2021. Consumer Goods (grey) are down the most as -12.0%. These record imports reflect solid ongoing demand, but the mathematics of the trade deficit and GDP calculation mean this is a drag on the GDP figure.

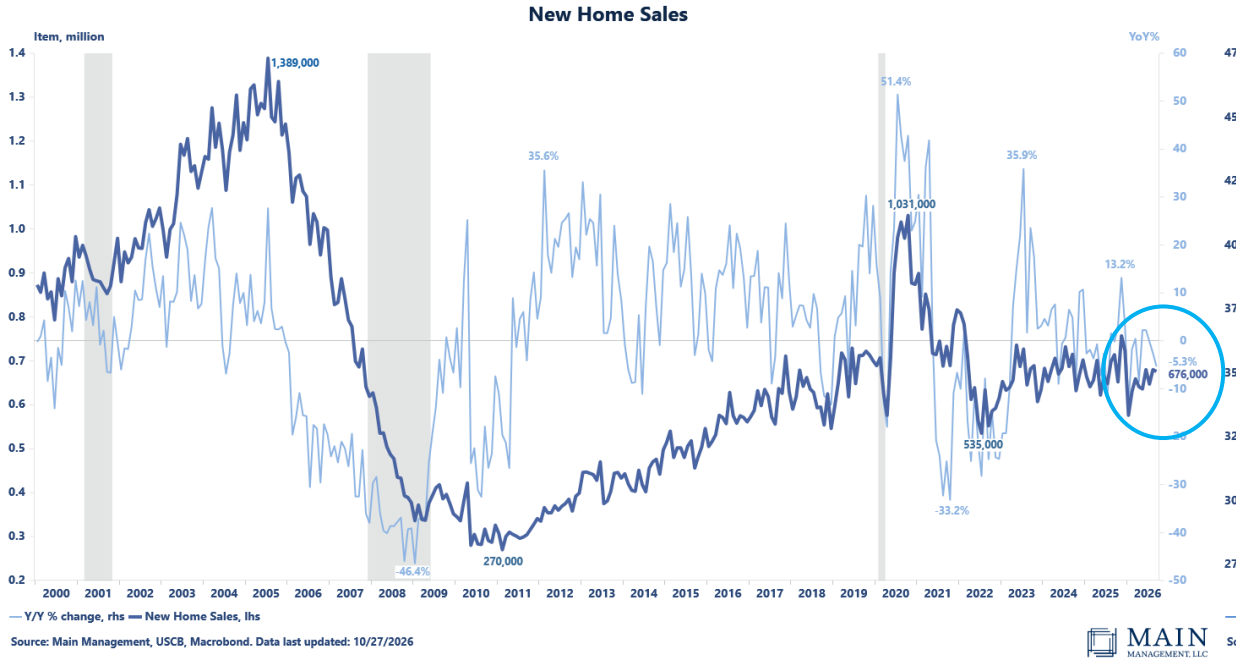


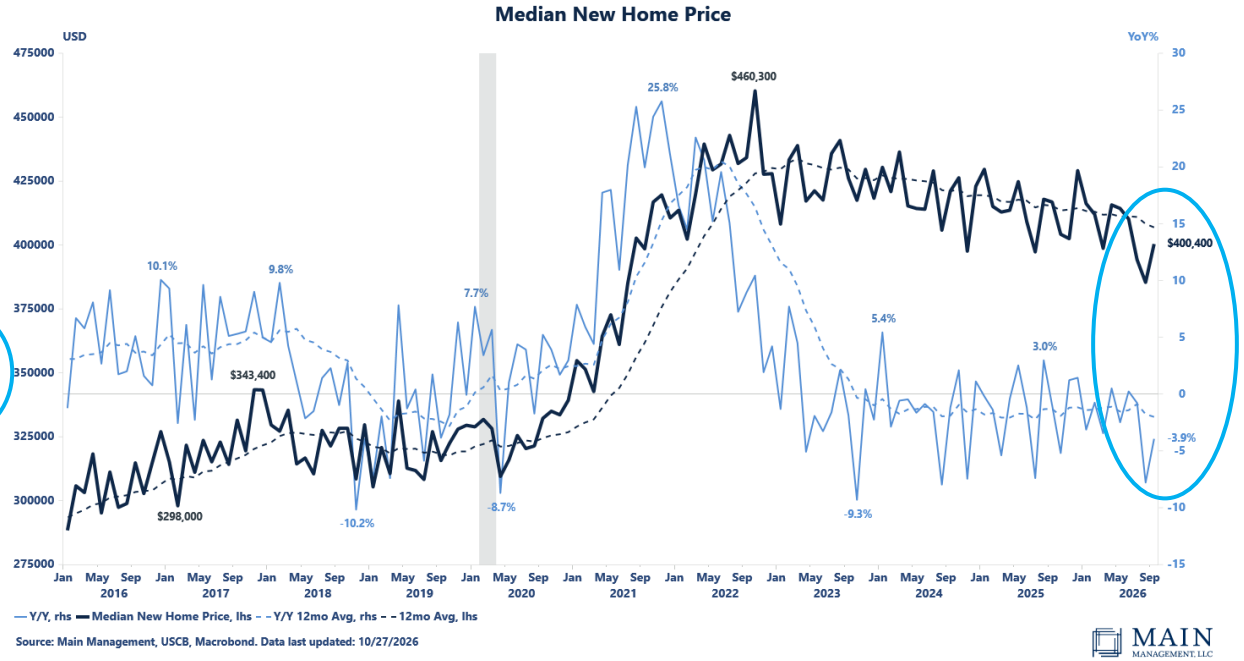


POSITIVE

New Home Sales

- Nothing new to see in the new housing market as New Home Sales (left) ticked down to 676k in September, but still above forecasts for a 650k figure. They're down -5.3% YoY and, as has been the case for a few years now, remain stuck thanks to elevated mortgage rates and prices.
- The Median New Home Price (right) continues to choppily trend lower, now at $400,00, down -13% from the high back in October 2022 and down -3.9% YoY. Hopefully, the decline in prices will start to lure buyers in off the sidelines.

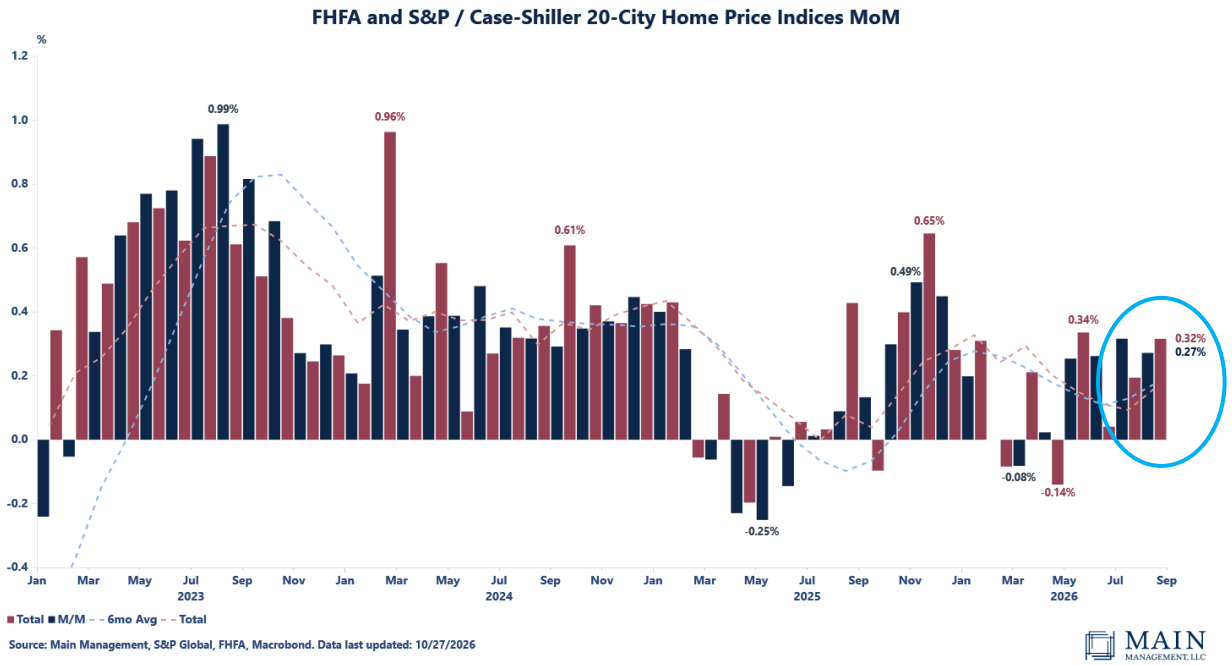


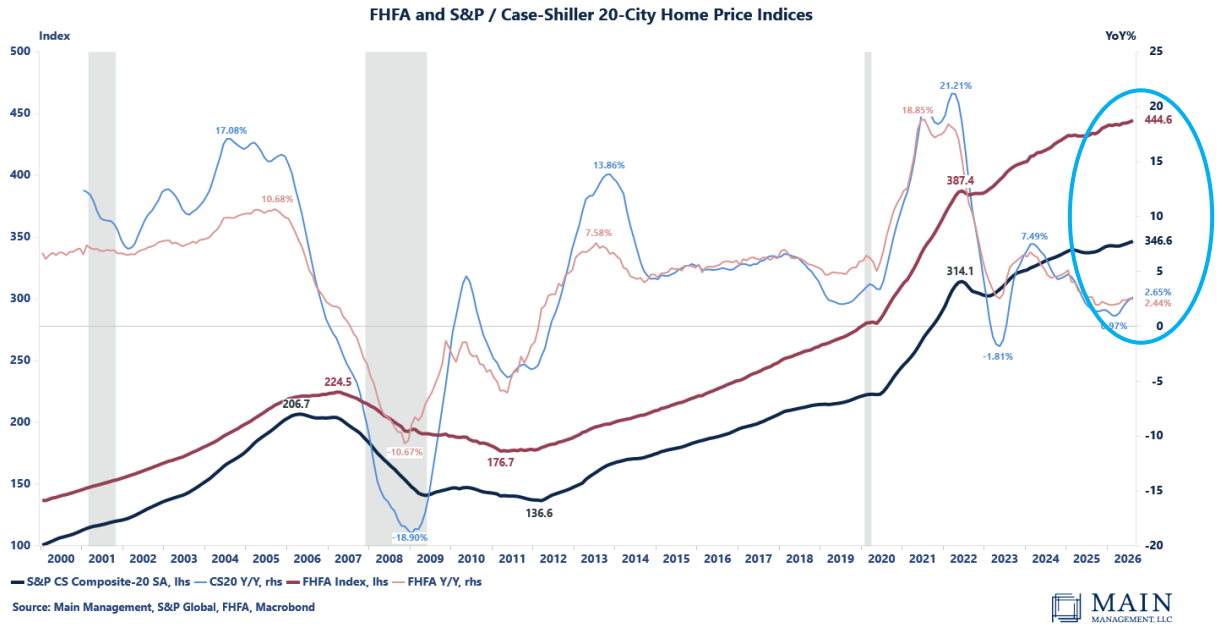


NEGATIVE

Home Price Indices

- Both the FHFA and S&P CS20 Home Price Indices moved higher in August (left). These are more indicative of the existing housing market, which is why they don't necessarily reflet the same MoM moves as new home prices. They've both been up for 4 straight months.
- On an index basis (right, thick lines), both keep rising to new all-time highs. They're also re-accelerating on a YoY basis, with the FHFA Index now up +2.44% and SPCS20 up +2.65%. Not great news for homebuyers...





NEGATIVE

Summary

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- Core PCE rose +0.3% MoM in September, in line with forecasts. The YoY figure stands at 3.12%. Consumer Spending and Incomes both came in below forecasts, however.
- Q3 2026 GDP rose +3.4% QoQ, better than 3.2% forecasted. Underlying demand indicators were quite strong.
- Headline Durable Goods Orders were up more than expected while Core rose a little less, but still solid.
- The Goods Trade Balance widened more than forecasted as Imports posted a new all-time high.
- New Home Sales remain depressed while prices are fading. However, the home price indices continue to rise, indicative of increasing prices for existing homes.

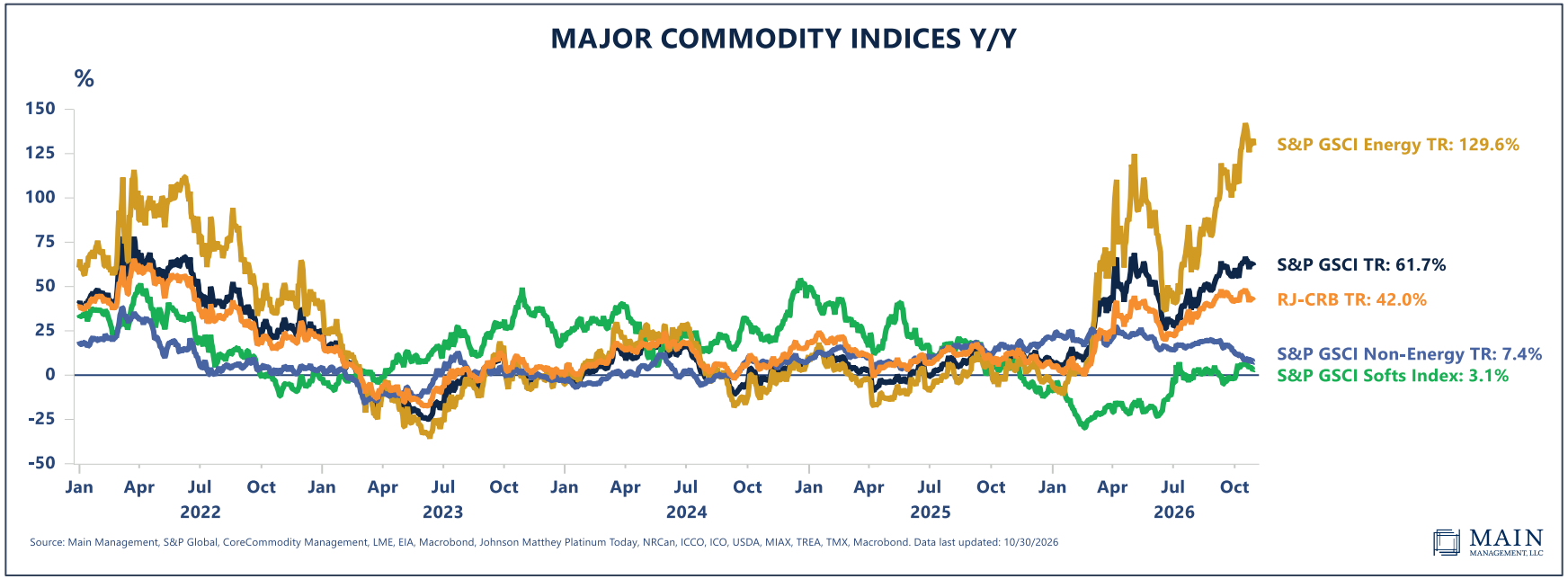
- Upcoming data:
  - Manufacturing PMIs (Mon)
  - Midterm Elections, JOLTS, Factory Orders, and Q3 Household Debt (Tues)
  - Service & Composite PMIs, ADP Payrolls, and Trade Balance (Weds)
  - Job Cuts and Q3 2026 Productivity (Thurs)
  - Nonfarm Payrolls, UMich prelim Consumer Sentiment, and Consumer Credit (Fri)

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Appendix

Inflation Watch

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Commodity	1 Month	3 Months	YTD ↓	1 Year
Gasoline	-4.6	-4.5	86.8	65.4
Crude Oil	11.1	26.0	77.8	69.6
S&P GSCI	3.9	19.1	61.6	62.9
BBG Commodity Index	-0.8	8.4	28.9	33.2
Cotton	-0.7	-0.9	22.1	20.7
Soybeans	-5.3	0.6	18.4	13.1
Copper	0.0	5.3	15.9	30.9
US Dollar (DXY)	0.8	0.6	3.8	3.4
Corn	-13.7	-1.6	2.5	4.4
Lumber	-2.6	-18.8	-3.8	-8.6
Gold	-2.3	-0.2	-7.0	1.8
Bitcoin	-6.9%	21.8%	-11.1%	-31.1%
Coffee	-1.1	-15.9	-18.2	-26.4
Natural Gas	-1.6	10.9	-19.9	-11.7
Silver	-14.7	-8.9	-25.6	10.8

Source: Main Management, S&P Global, CME Group, ICE, LME, Macrobond. Data last updated: 10/30/2026

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