MAIN
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Main Management Market Note

May 22, 2026

Our Offerings

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OUR STRATEGIES

Active	Thematic	International	BuyWrite
Sector Rotation	*Innovation*	*Rotation*	*Hedged Equity*
SECT	**TMAT**	**INTL**	**BUYW**
US CORE EQUITY	GLOBAL MID-CAP GROWTH	NON-US CORE EQUITY	ALTERNATIVE INCOME

mainmgtetfs.com

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.

Investment Committee Leadership

Kim Arthur
CEO / CIO

Dick Fredericks
Founding Partner

Alex Varner
Managing Director, Research

Jim Concidine
Founding Partner

Darol Ryan
Managing Partner

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

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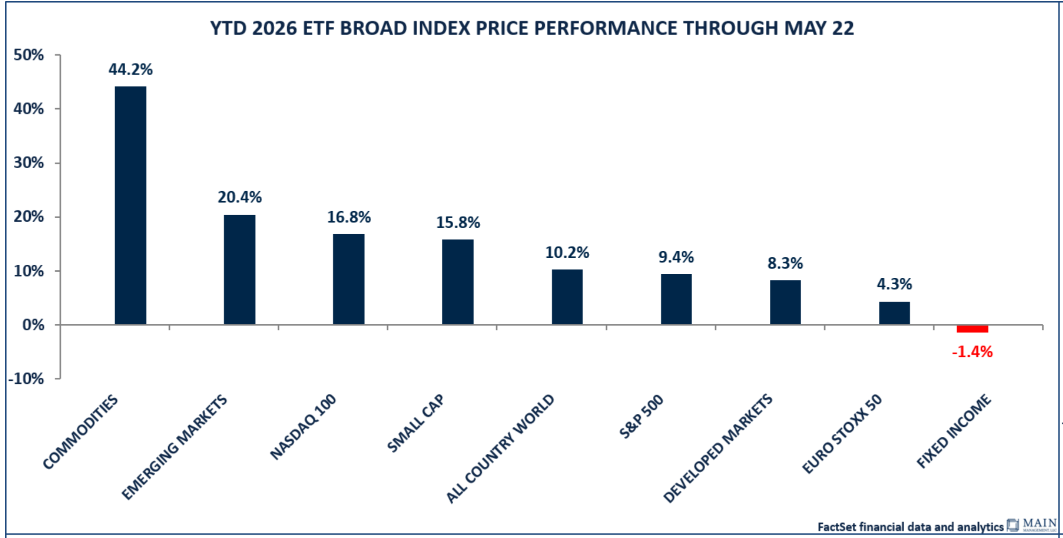

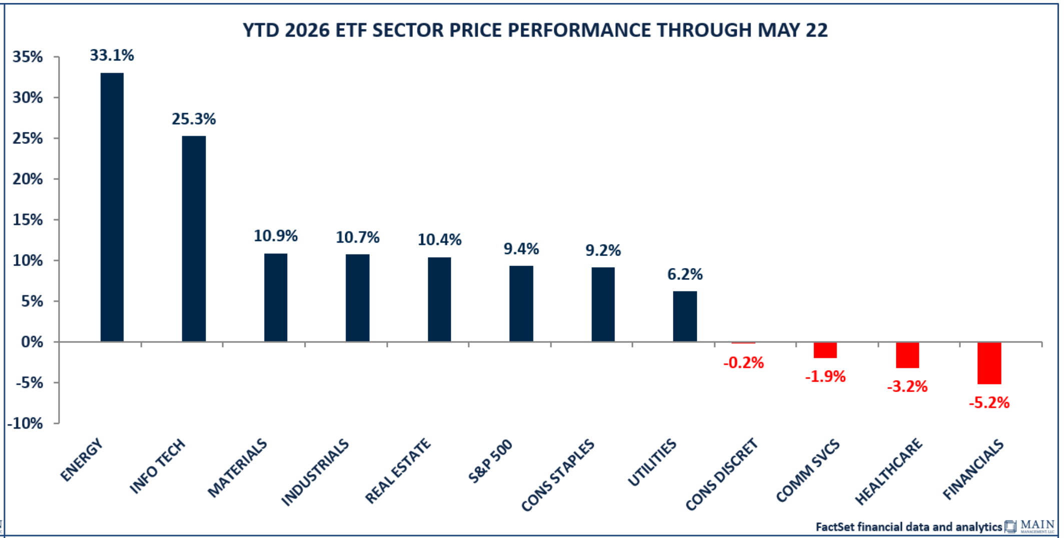

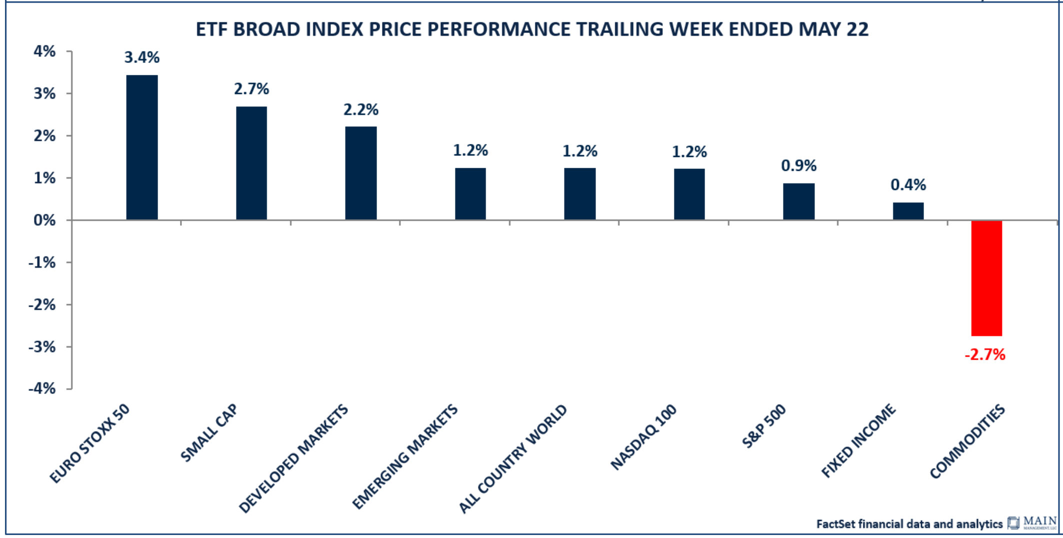

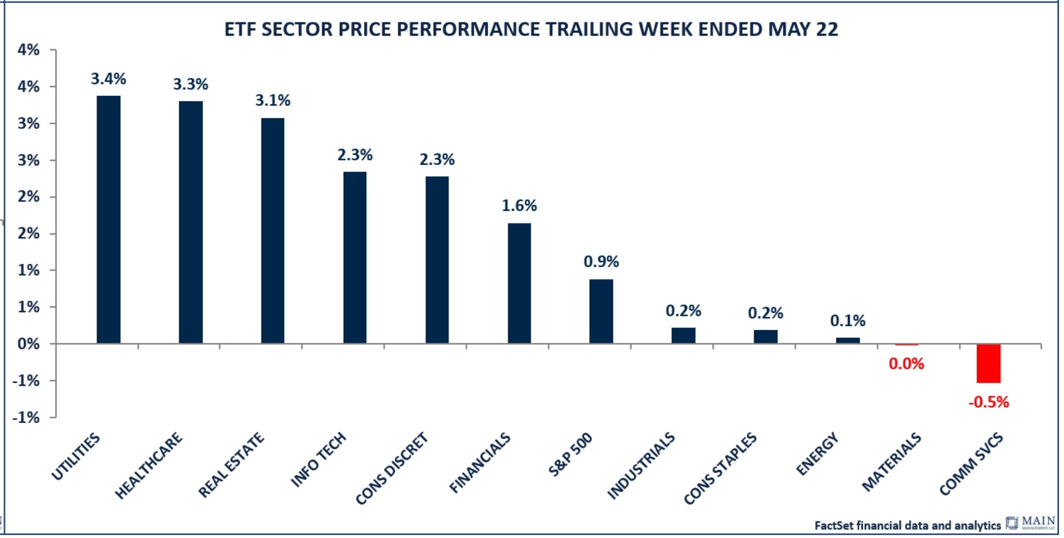

Recession Dashboard

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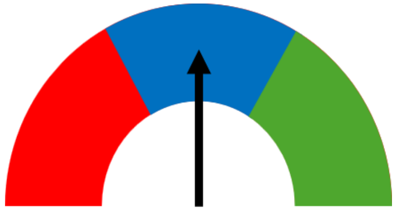
RECESSION START	INFLATION	CONSUMER	YIELD CURVE	HOUSING	SENTIMENT	AUTOS	EMPLOY-MENT	PMI	RETAIL SALES
NOV 1973	↓	—	—	↓	—	—	↓	↓	—
JAN 1980	↓	↓	↓	↓	↔	↓	↓	↓	—
JUL 1981	↓	↓	↓	↓	↔	↓	↓	↓	—
JUL 1990	↓	↓	↓	↓	↔	↓	↓	↔	—
MAR 2001	↔	↓	↓	↔	↔	↔	↓	↓	↔
DEC 2007	↓	↓	↓	↓	↔	↓	↓	↓	↓
DEC 2019	↑	↑	↔	↔	↑	↔	↑	↔	↔
MAY 2026	↓	↔	↑*	↔	↔	↔	↔	↑	↑
LAST CHANGE	BLUE MAY '26	GREEN APR '25	BLUE JAN '26	GREEN DEC '24	GREEN APR '25	RED JAN '25	RED JUL '25	BLUE JUL '25	BLUE DEC '24

↑ *Positive* ↔ *Neutral* ↓ *Negative*

Overall:



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. * 10 year – 3 month Treasury spread inverted on 11/2/22.*

Memorial Day Gas Prices

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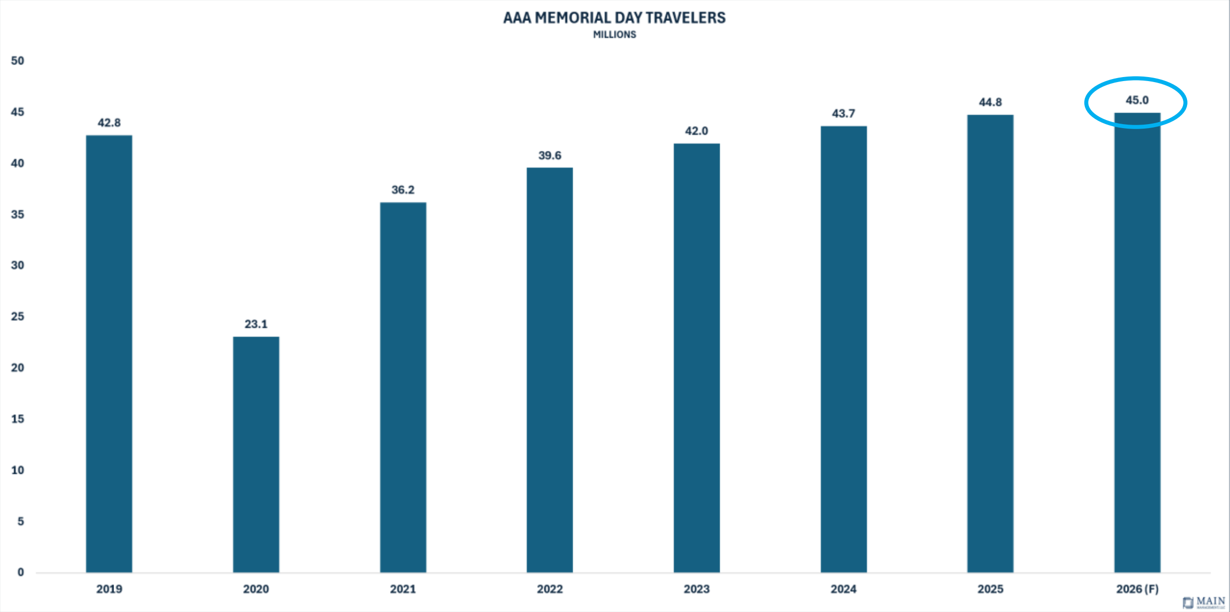
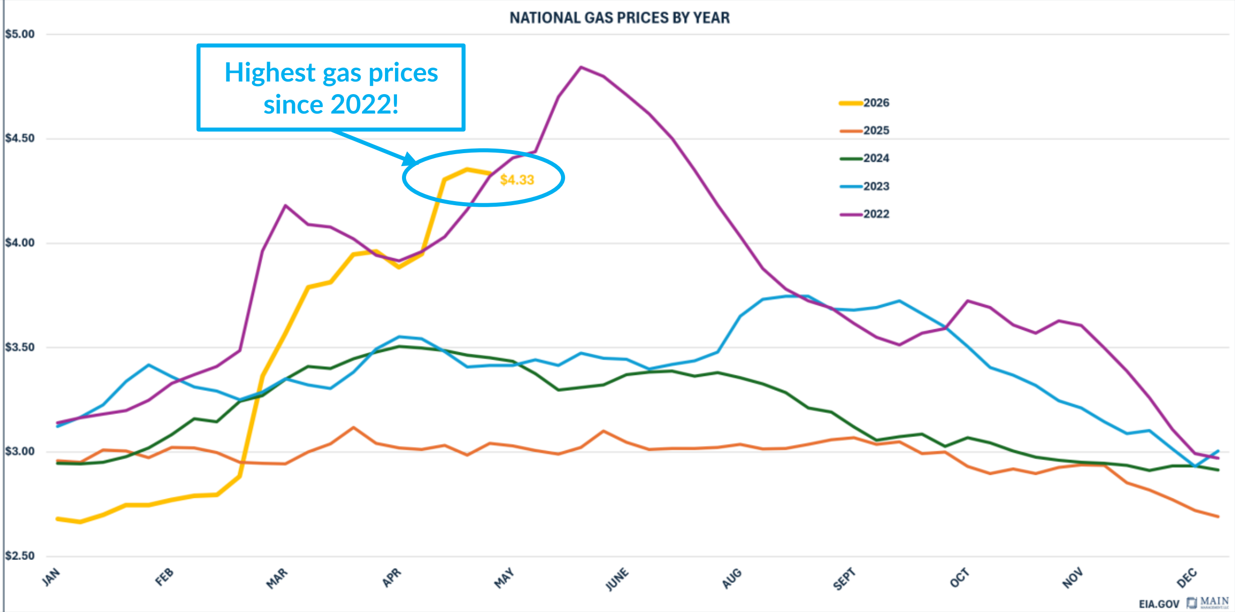
- Memorial Day kicks off summer and with the extra day off, many folks plan to travel via plane or car. AAA forecasts a record 45 million people (left) will travel over the long weekend, a +0.4% increase from 2025. About 87% of those people will travel by car.
- But gas prices (right) are the highest they've been since 2022, currently at $4.33/gallon according to the EIA. We wonder how many people will reconsider their travel plans in the face of such high fuel prices.





FOMC

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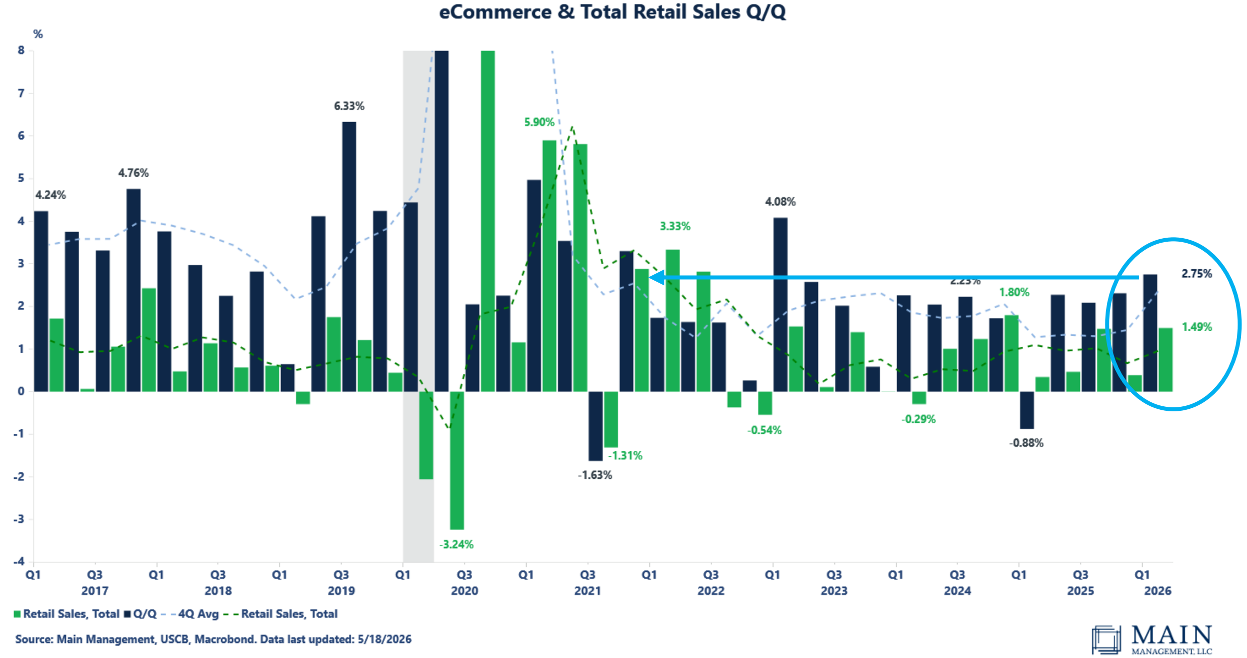
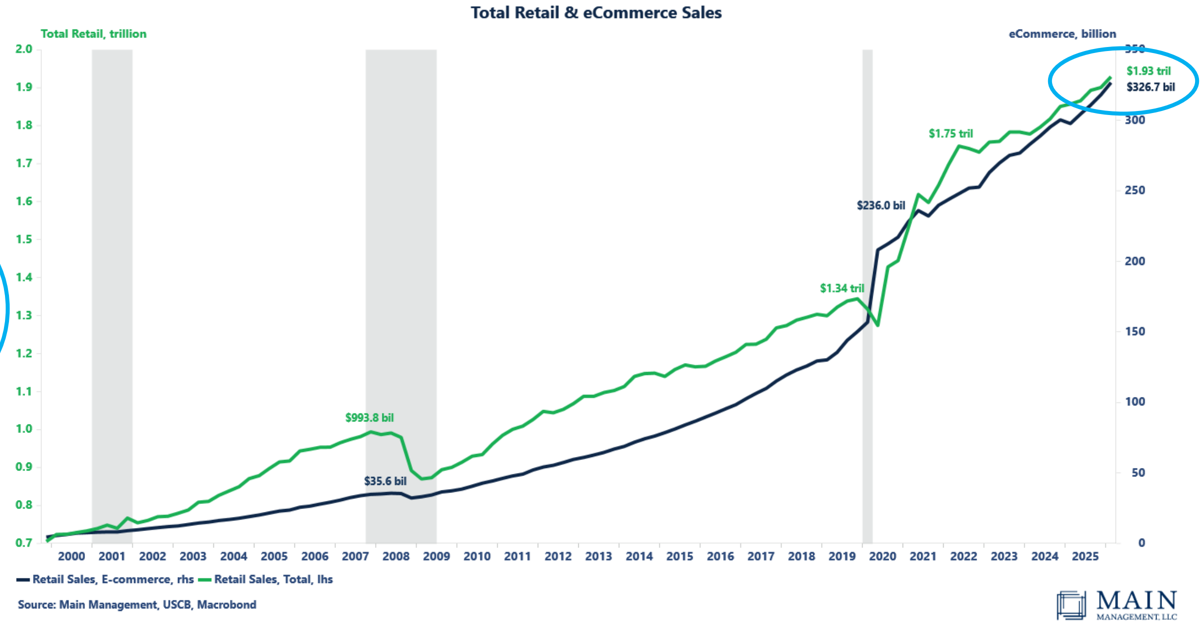
- The FOMC Minutes released this week showed a more obvious hawkish tilt relative to prior meetings. A “majority” thought “some policy firming would likely become appropriate if inflation were to continue to run persistently above 2 percent.” Several members are now looking for rate cuts only after “clear indications that disinflation is firmly back on track” or labor market weakness.
- The market’s pricing of Fed actions has shifted from 2-3 cuts at the beginning of the year to 0-1 hikes by the end of the year, mostly due to the move back up in inflation. Bond yields have risen as inflation expectations have increased. Notably, the 30-year Treasury (below) yield hit ~5.18% this week, levels not seen since 2007!!

NEUTRAL

Q1 eCommerce Sales

- Q1 2026 eCommerce Sales (left, black) posted a strong +2.75% Q/Q figure, the biggest gain since Q1 2023! Broader Retail Sales (green) posted a solid +1.49% increase, the best since Q4 2024.
- Both series have continued to post new all-time highs on a Dollar basis (right). Since the data began in Q4 1999, eCommerce has grown at a 17.6% CAGR, nearly 5x faster than Total Retail, which has grown at 3.9%. However, since Q4 2019, eCommerce has slowed a bit, growing at a 12.7% CAGR, while Total Retail has accelerated to a 5.7% CAGR.

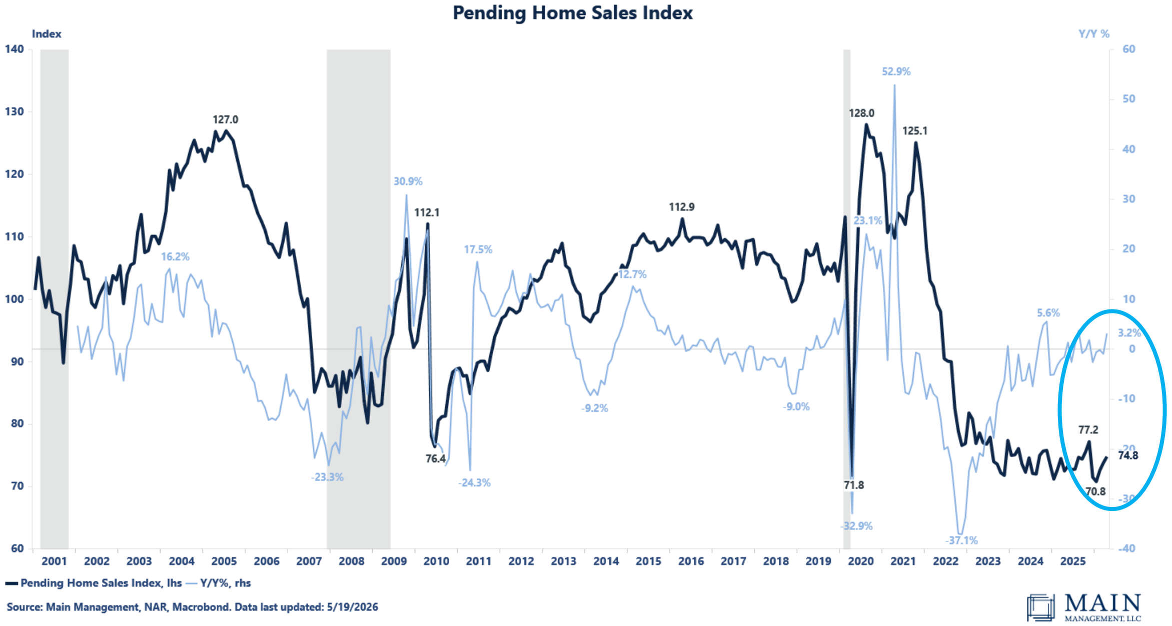


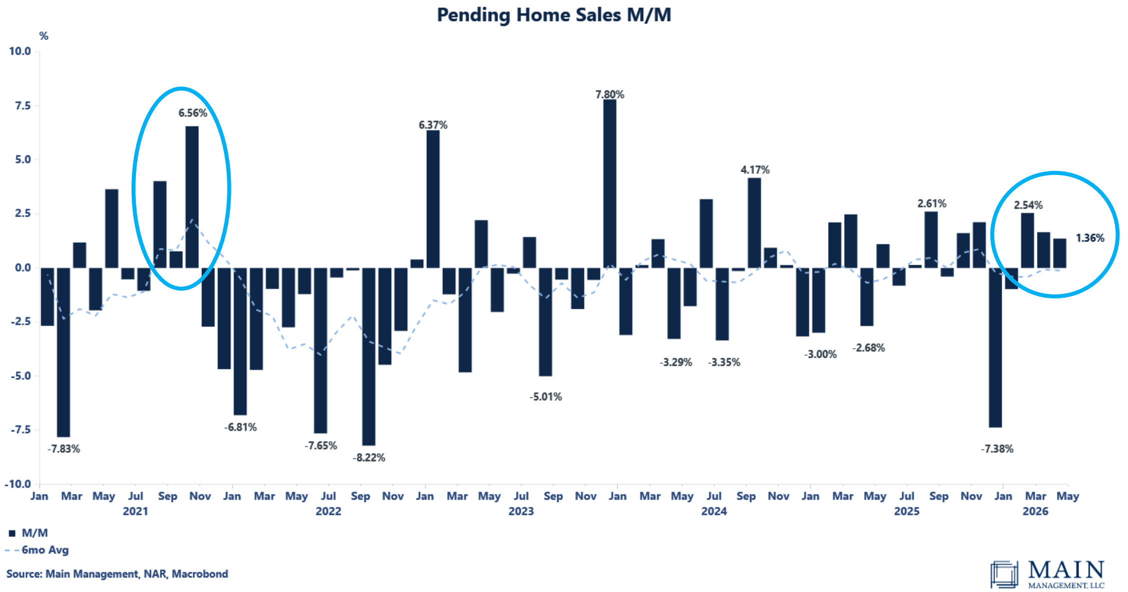


POSITIVE

Pending Home Sales

- The Pending Home Sales Index (left) rose to 74.8 in April, slightly above forecasts. The Index is now up +3.2% Y/Y, back into positive territory and the most since August 2025.
- The +1.36% M/M gain was above forecasts for a +1% rise and marks the 3rd consecutive monthly increase, the longest streak since August – October 2021!
- The index remains at depressed levels, but the release noted that buyers are cautiously returning despite the ongoing economic uncertainty and elevated prices and mortgage rates.





Building Permits

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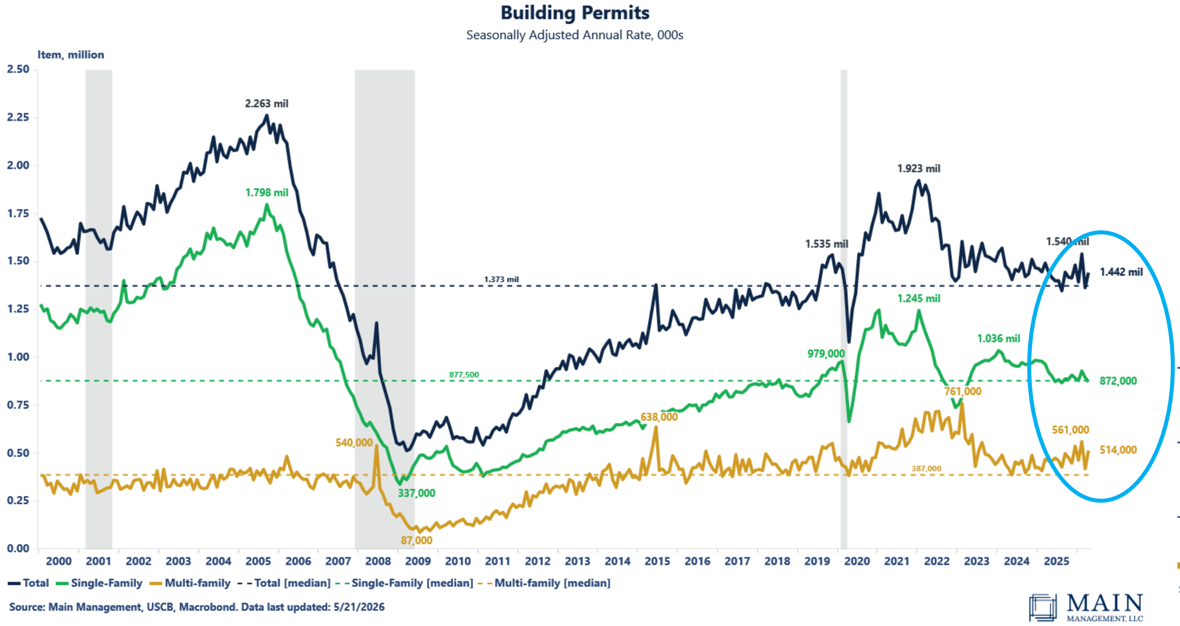
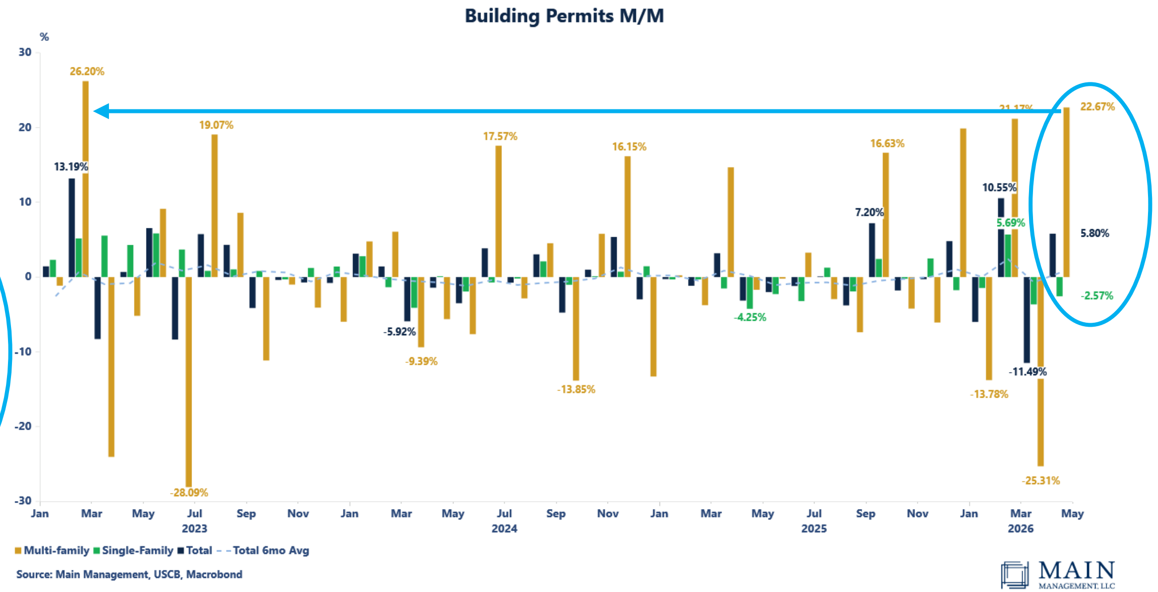
- Total Building Permits (left, black) rebounded to 1.442mil units SAAR, beating forecasts for a 1.39mil reading. Multi-Family (gold) lifted the overall figure, bouncing to 514k, while Single Family (green) declined to 872k.
- On the right, Multi-Family Permits (gold) surged +22.7% M/M, the biggest monthly increase since February 2023! Single Family Permits have declined in 4 of the last 5 months, though. They're 60% of the market.
- Overall, the release implies that demand for new homes remains solid despite affordability issues related to elevated mortgage rates and prices.

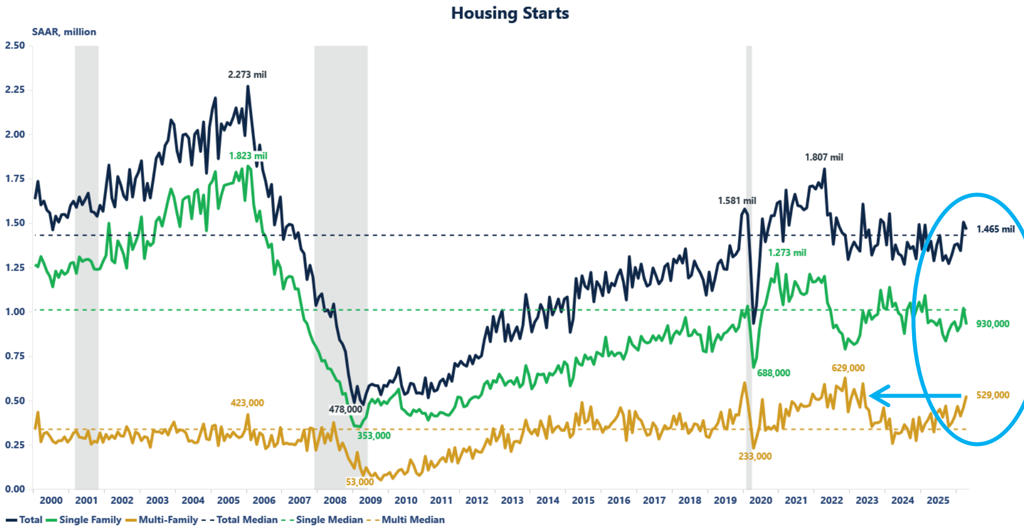




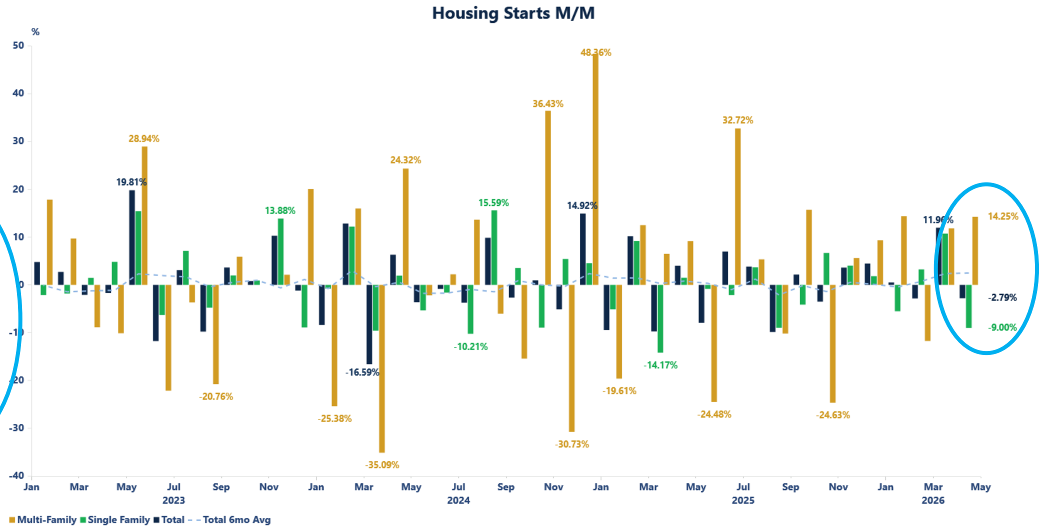
POSITIVE

Housing Starts

- Total Housing Starts (left, black) ticked down to 1.465mil units in April from March's upwardly revised multi-year high of 1.507mil units. Similar to permits, Single Family Starts fell back to 930k while Multi-Family Starts jumped to 529k units, the most since May 2023!
- On a M/M basis (right), Multi-Family rose +14.3%, the 5th gain in the last 6 months. Single Family Starts fell -9.0%, the biggest monthly drop since March 2025, and dragged Total Starts down -2.8%.
- Still, the recent upward trend in starts echoes the permits figures, indicating solid demand despite ongoing affordability issues.



Source: Main Management, USCB, Macrobond. Data last updated: 5/21/2026

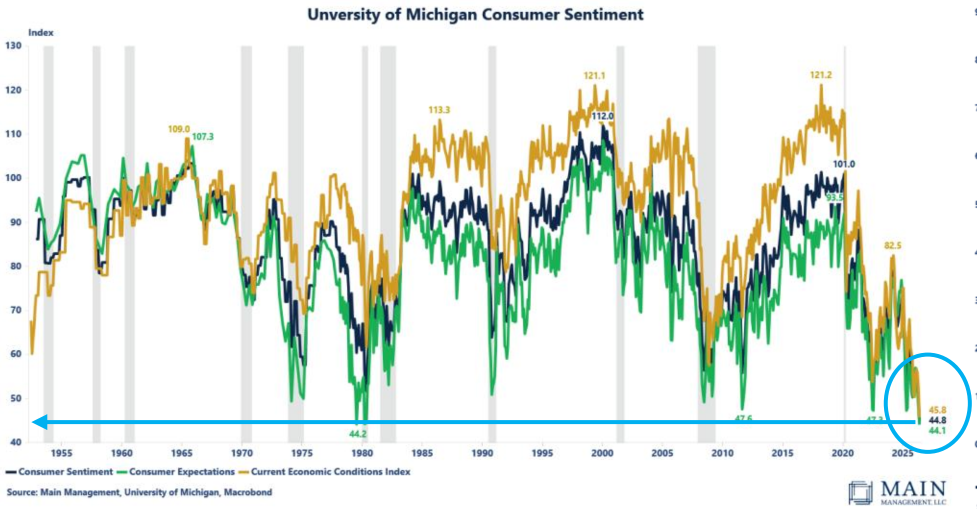


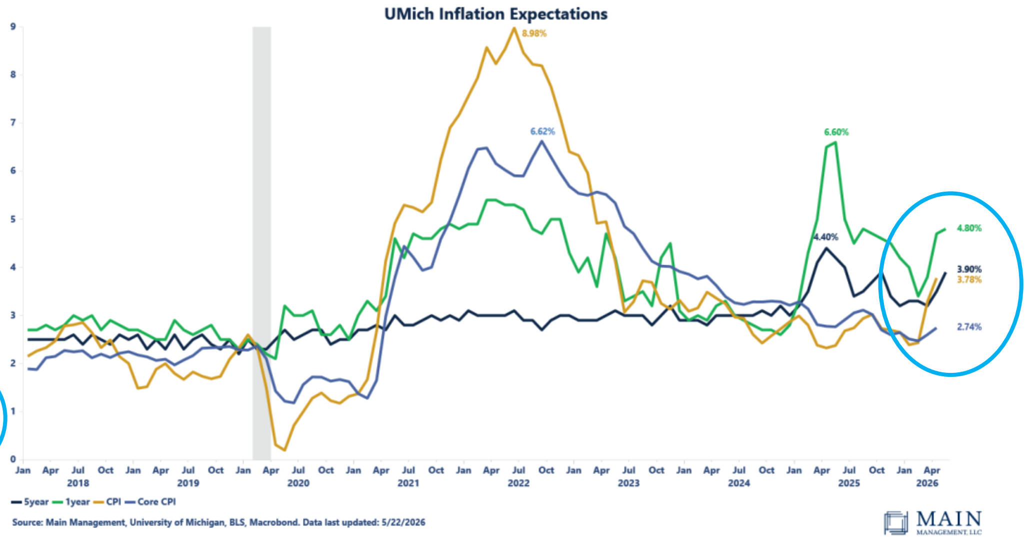
Source: Main Management, USCB, Macrobond. Data last updated: 5/21/2026

NEUTRAL

UMich Consumer Sentiment

- The final May reading for Michigan Consumer Sentiment (left, black) was revised considerably lower from the prelim 48.2 to the final reading of 44.8, a record low! Both the Consumer Expectations (green) and Current Economic Conditions (gold) Indices were revised down, to 44.1 and 45.8, respectively, also both record lows. This is the 3rd month in a row all 3 indices have moved lower. The -5.0-point drop in the headline index was the biggest since March 2025, when tariffs were hitting.
- 1yr inflation expectations (right, green) were revised up to 4.8% from 4.5%, the highest since August 2025. 5yr inflation expectations were also revised up, to 3.9% from 3.4%, the highest since October 2025. Consumers are acutely feeling the negative effects of high gas prices stemming from the ongoing Middle East conflict.





NEGATIVE

May Flash PMIs

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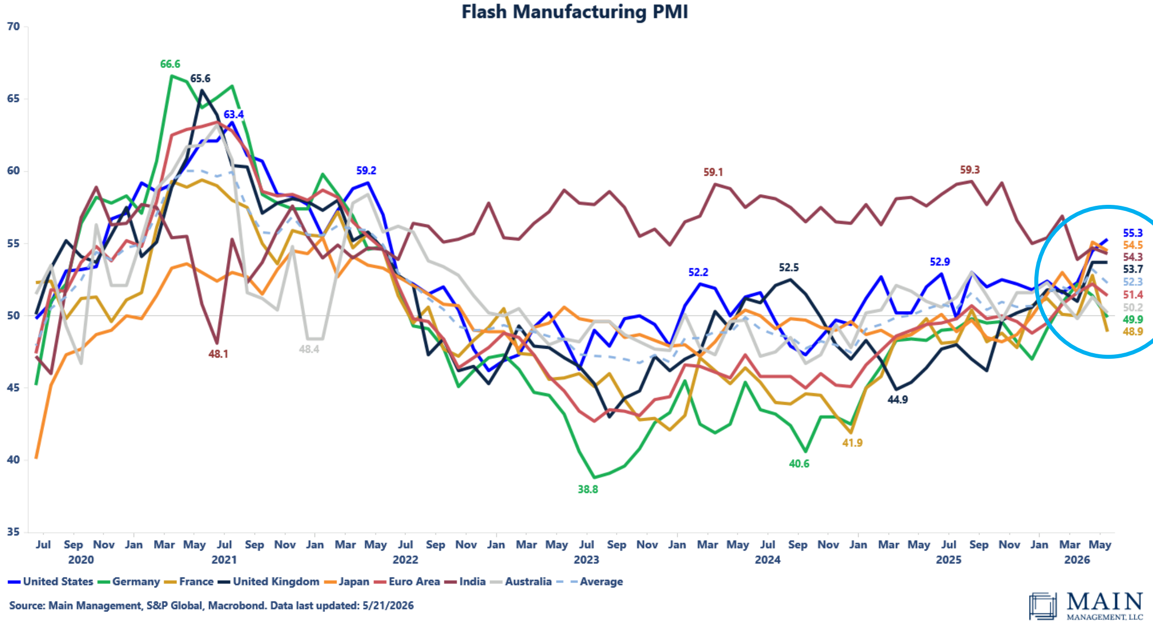
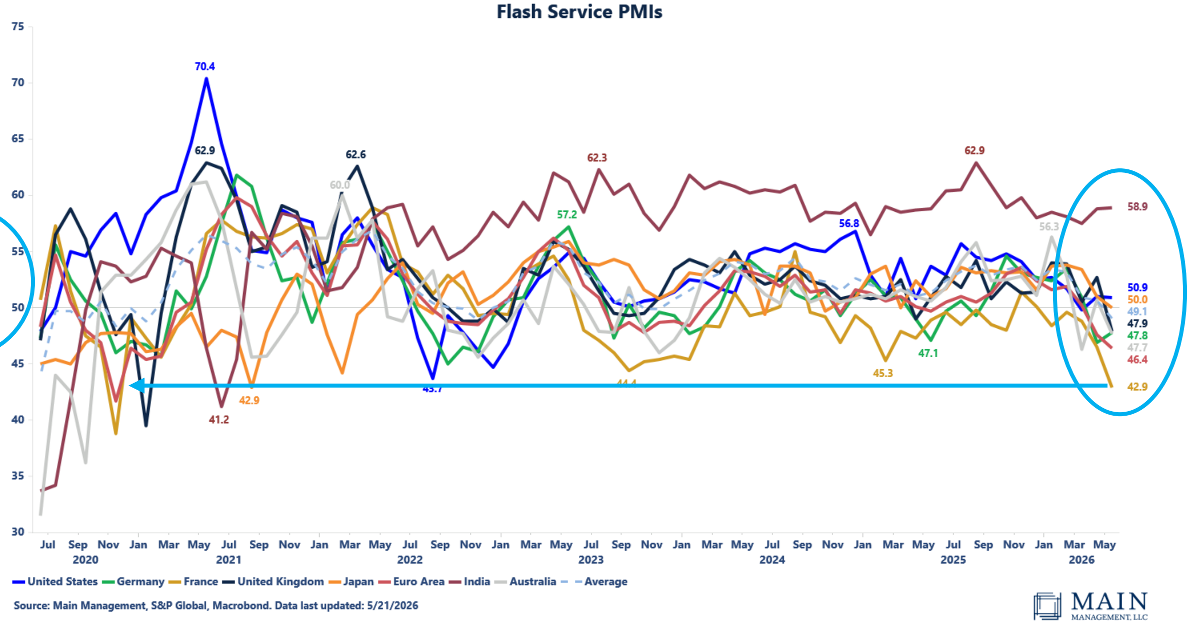
- May flash PMIs were more down than up with the U.S. bucking the trend. On the manufacturing side (left), the U.S. improved to 55.3, above forecasts for a 53.8 reading and the best since May 2022! The rest of the flash readings declined except for the UK which was unchanged at 53.7. France was down the most, falling to 48.9.
- For Services (right), Germany and India ticked higher while the U.S. inched down to 50.9 from 51.0. France fell to 42.9, its lowest level since Nov. 2020! The Euro Area declined to 46.4, the lowest since Feb. 2021. The UK, Japan, and Australia all weakened as well.





NEGATIVE

Summary

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- The FOMC Minutes were released this week, revealing a more hawkish tone relative to prior meetings this year. This shift feels appropriate given the rise in inflation and ongoing resilience of the labor market. Markets are pricing in 0-1 cuts for the rest of the year and the 30yr Treasury Yield has moved back up to levels not seen since 2007!
- Q1 2026 eCommerce Sales accelerated to +2.75% Q/Q, the best since Q1 2023, while Total Retail Sales posted a solid +1.49% Q/Q gain. Both series continue to post new all-time highs on a $$ basis.
- Pending Home Sales came in slightly above forecasts in April, but the index remains near historically low levels.
- Building Permits & Housing Starts were mixed in April but continue to imply demand remains resilient even in the face of elevated mortgage rates and prices.
- The final May reading for Michigan Consumer Sentiment was revised down markedly to a new record low.
- Global flash PMIs were more down than up, but the U.S. did hit a multi-year high on the manufacturing side.

- Upcoming data:
  - Home Price Indices (Tues)
  - Core PCE, Income & Spending, Q1 2026 GDP 2nd estimate, Durable Goods (Thurs)
  - Goods Trade Balance, Wholesale & Retail Inventories (Fri)

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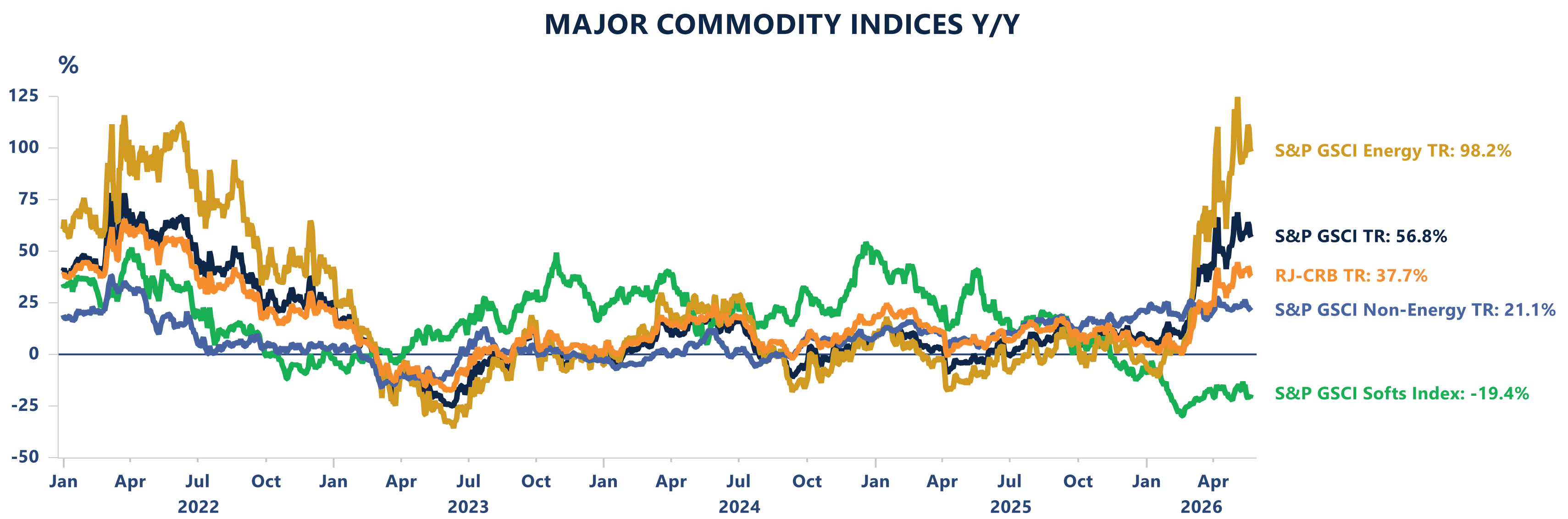
Appendix

Inflation Watch



Source: Main Management, S&P Global, CoreCommodity Management, LME, EIA, LBMA, Macrobond, LPPM, NRCan, ICCO, ICO, USDA, MIAX, TREA, TMX, Macrobond. Data last updated: 5/22/2026

Commodity	1 Month	3 Months	YTD ↓	1 Year
Gasoline	8.4	68.4	98.2	57.0
Crude Oil	13.2	53.0	77.2	61.5
S&P GSCI	7.6	31.6	44.9	55.9
BBG Commodity Index	4.5	17.2	26.6	35.9
Cotton	0.5	25.9	21.3	17.9
Soybeans	2.4	4.7	15.9	13.4
Silver	-4.4	-1.5	9.0	131.7
Lumber	-0.3	2.8	8.4	-2.5
Copper	1.9	5.9	8.3	41.3
Gold	-5.8	-9.1	5.0	38.1
Corn	2.3	8.6	5.0	1.7
US Dollar (DXY)	1.2	1.4	1.0	-0.9
Bitcoin	2.2%	15.8%	-11.4%	-27.4%
Natural Gas	12.2	0.7	-18.1	-11.9
Coffee	-6.4	-4.9	-21.6	-26.0

Source: Main Management, S&P Global, CME Group, ICE, LME, Macrobond. Data last updated: 5/22/2026