Main Management Market Note

June 12, 2026

Our Offerings

MAIN® MANAGEMENT, LLC

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

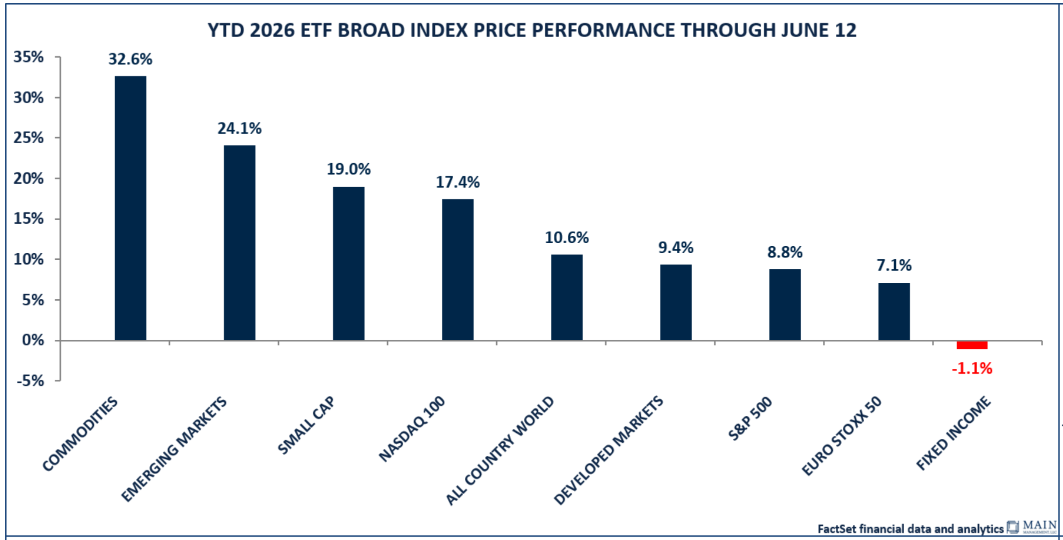
Research backed portfolios

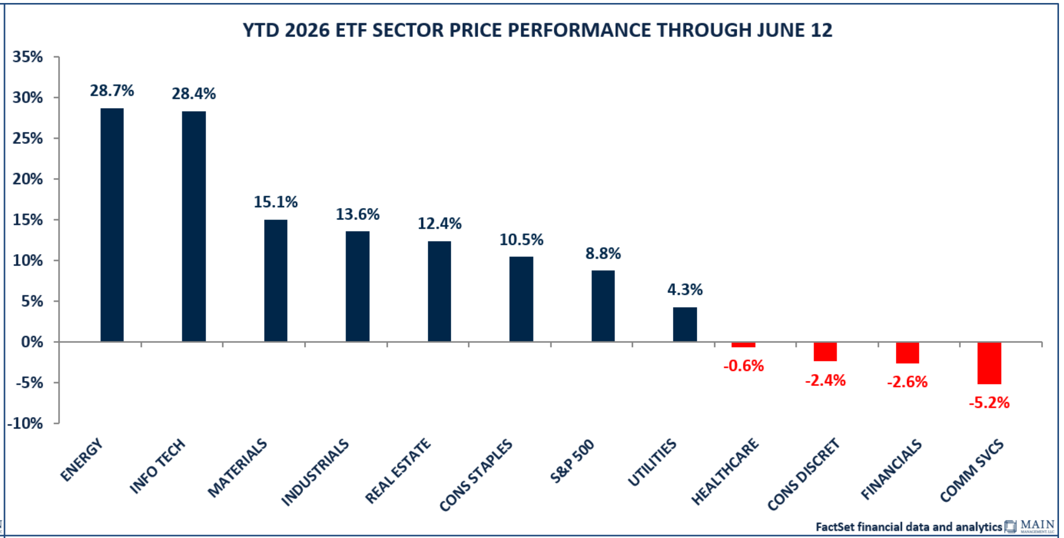
James Maxwell
Director, Research

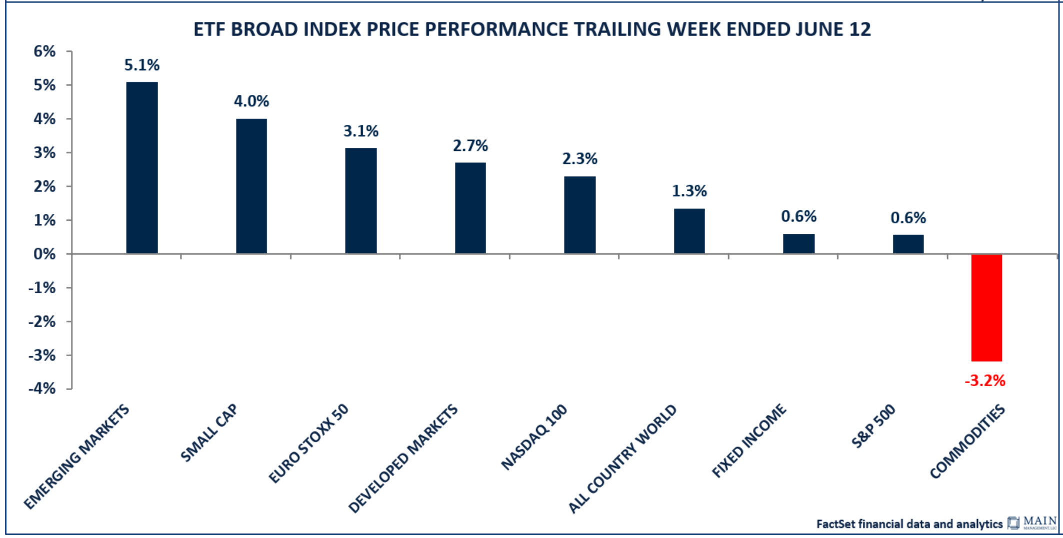
Alex Dippery
Research Analyst

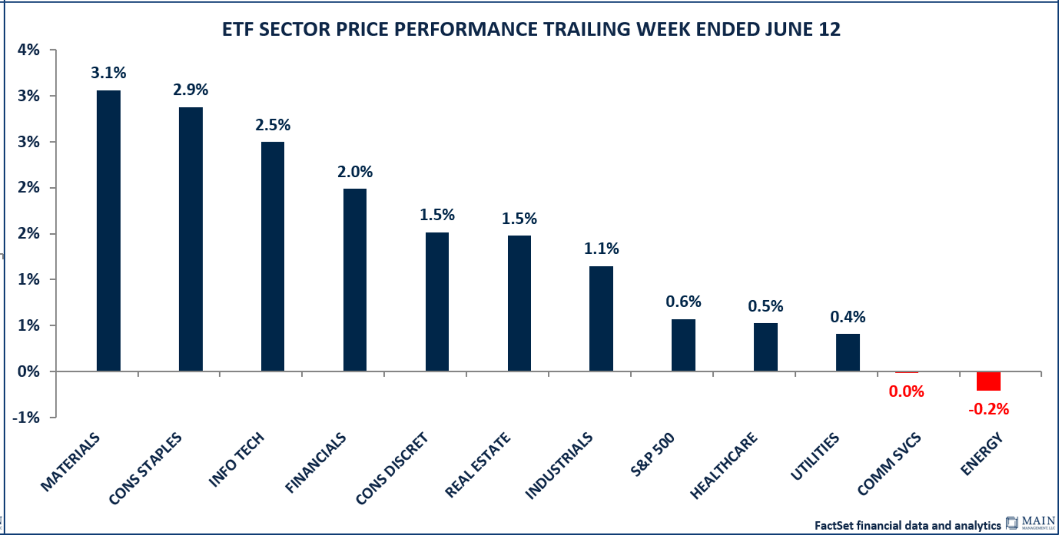
Advisors benefit from our comprehensive due diligence on other asset managers, insightful market commentary, and strategic asset class views.

Performance









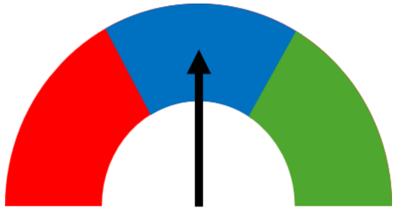
Recession Dashboard

MAIN MANAGEMENT, LLC

RECESSION START	INFLATION	CONSUMER	YIELD CURVE	HOUSING	SENTIMENT	AUTOS	EMPLOY-MENT	PMI	RETAIL SALES
NOV 1973	Negative	—	—	Negative	—	—	Negative	Negative	—
JAN 1980	Negative	Negative	Negative	Negative	Neutral	Negative	Negative	Negative	—
JUL 1981	Negative	Negative	Negative	Negative	Neutral	Negative	Negative	Negative	—
JUL 1990	Negative	Negative	Negative	Negative	Neutral	Negative	Negative	Neutral	—
MAR 2001	Neutral	Negative	Negative	Neutral	Neutral	Neutral	Negative	Negative	Neutral
DEC 2007	Negative	Negative	Negative	Negative	Neutral	Negative	Negative	Negative	Negative
JUN 2026	Negative	Neutral	Positive *	Neutral	Neutral	Neutral	Neutral	Positive	Positive
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

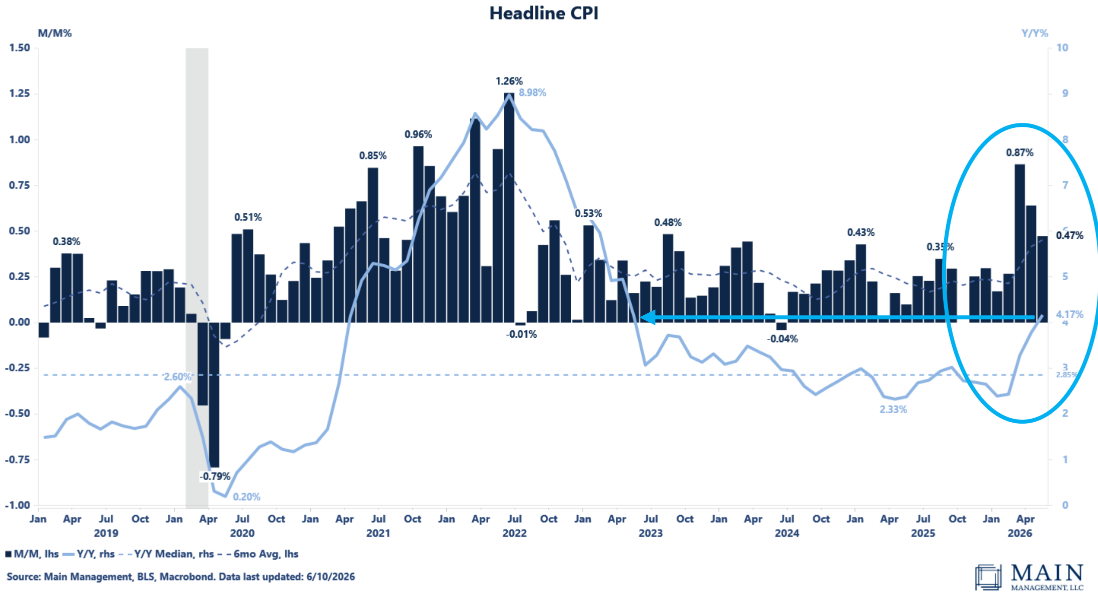
Overall:

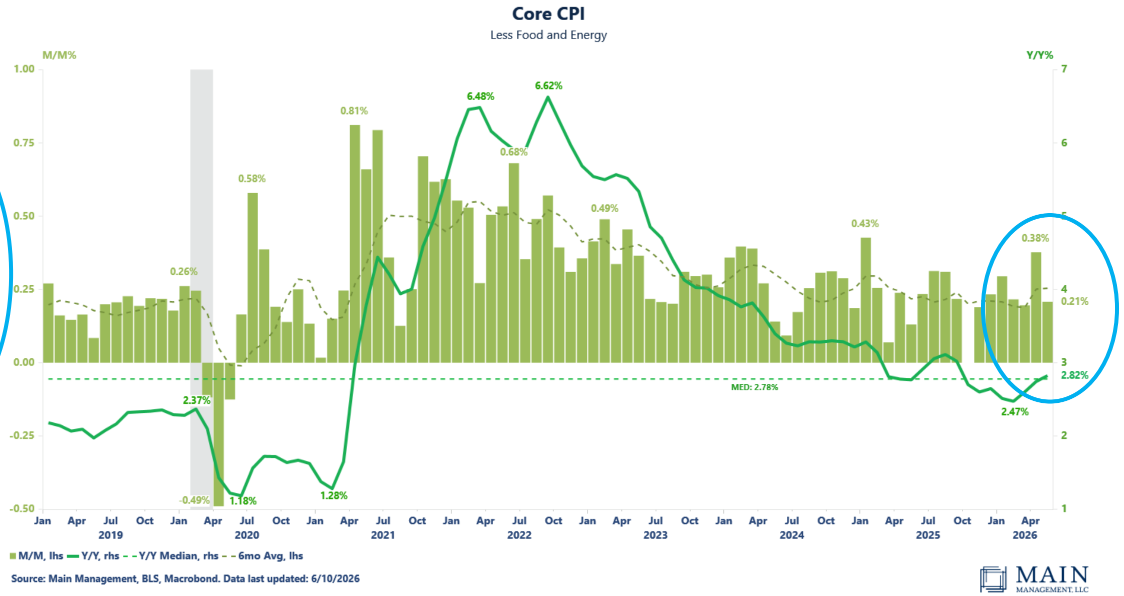


Inflation: *Headline CPI. Source: St. Louis Fed.* **Consumer**: *Conference Board Consumer Confidence. Source: The Conference Board.* **Yield Curve**: *10 year – 3 month Treasury spread. Source: FactSet financial data and analytics.* **Housing**: *Housing Starts & Existing Home Sales. Source: St. Louis 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.*

May CPI

- Headline CPI (left) rose +0.47% MoM in May, in line with forecasts. The YoY figure accelerated to +4.17%, the highest since May 2023! Energy accounted for over 60% of the increase as Gas prices were up +7% MoM.
- Core CPI (right) posted a +0.21% MoM reading, below forecasts for a +0.3% rise. Core CPI is now up +2.82% YoY, the most since last September. Core goods inflation declined, perhaps indicative of waning tariff effects.
- Overall, the cooler-than-expected Core CPI reading is positive for the inflation picture but given the accelerations across CPI, PPI, and PCE, markets are now pricing in roughly 1 rate hike before the end of the year.

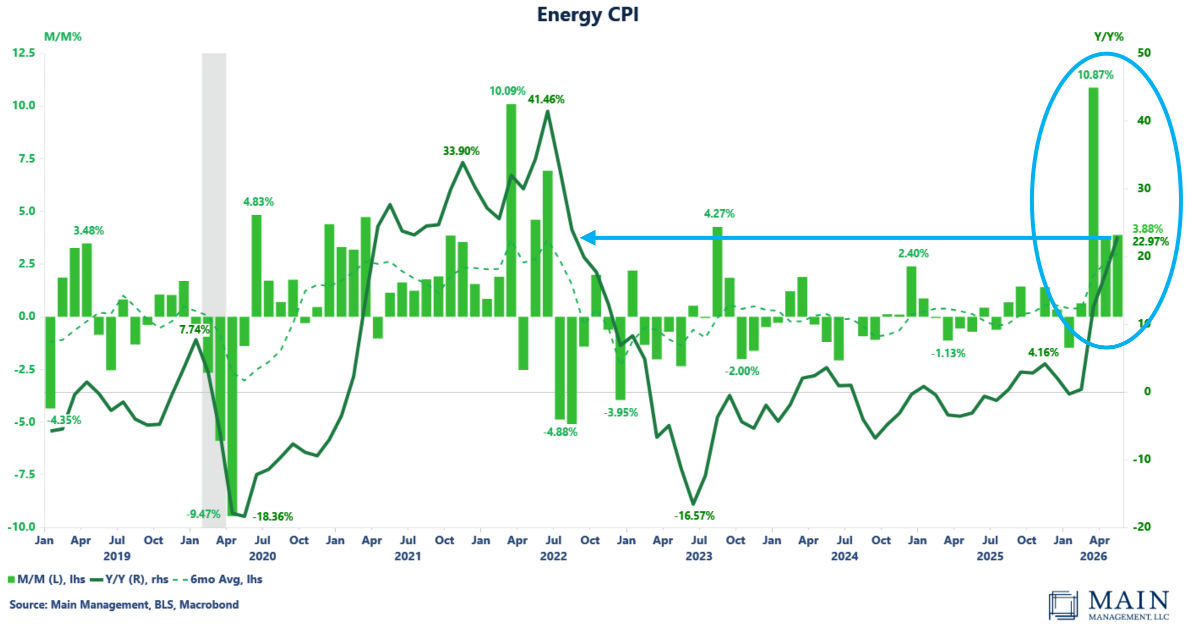


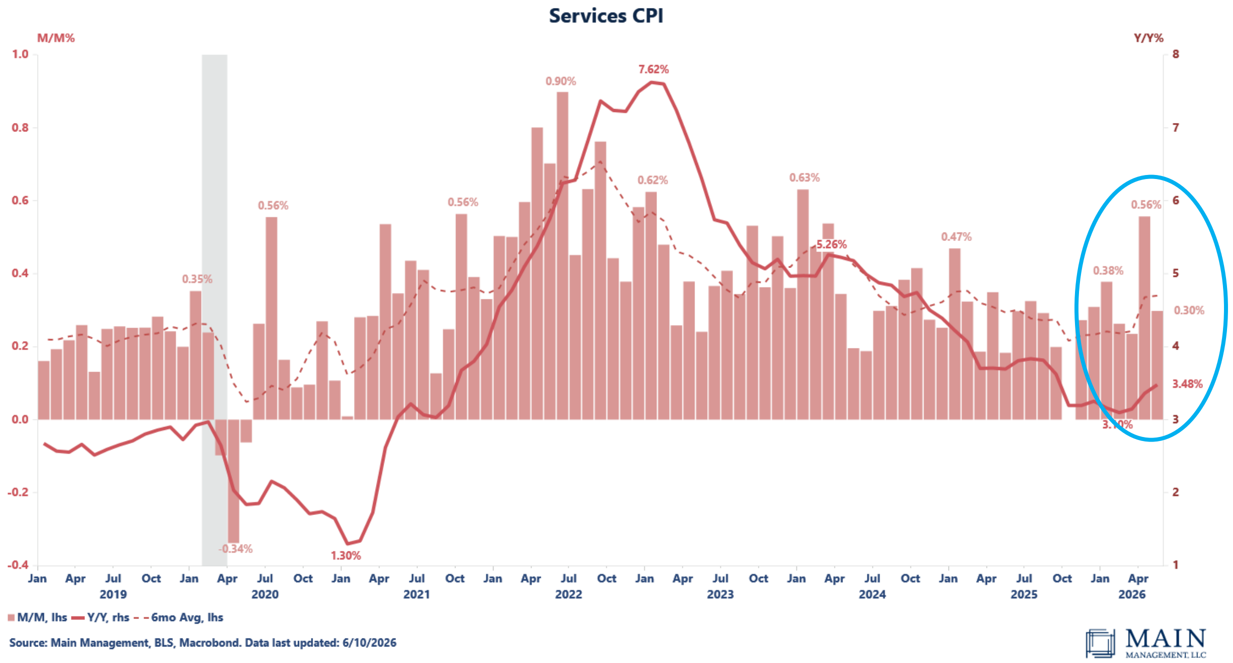


NEUTRAL

Energy & Services CPI

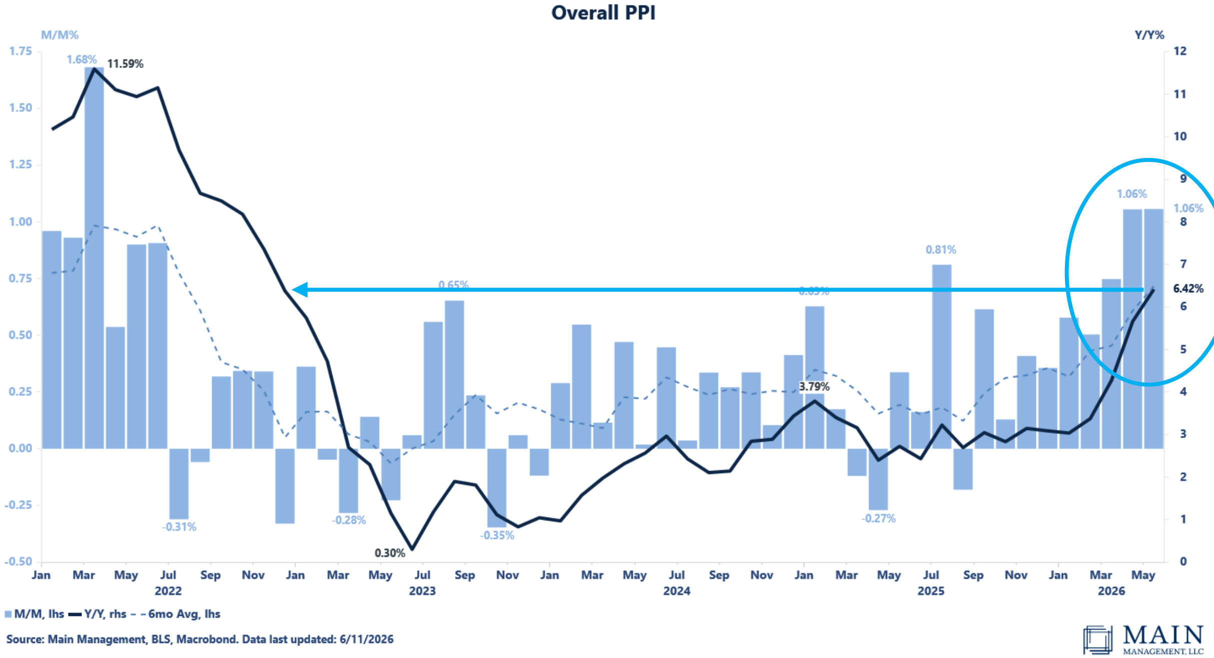
- Energy (left) has been a big driver in the inflation increases over the last few months, having posted consecutive MoM gains of +10.9%, +3.8%, and +3.9%! It's now up +23% YoY, the most since August 2022! In the last 3 months alone, Energy prices have surged +19.6%, pushing Goods CPI up to +5.4% YoY.
- However, it's not just Goods that are accelerating as Services (right) have also been firming, up +0.30% MoM in May following a big +0.6% MoM April reading. They're now up +3.48% YoY, the highest since Sept. 2025. As a result, real wage growth has turned negative as wages are up +3.45% YoY, trailing CPI.

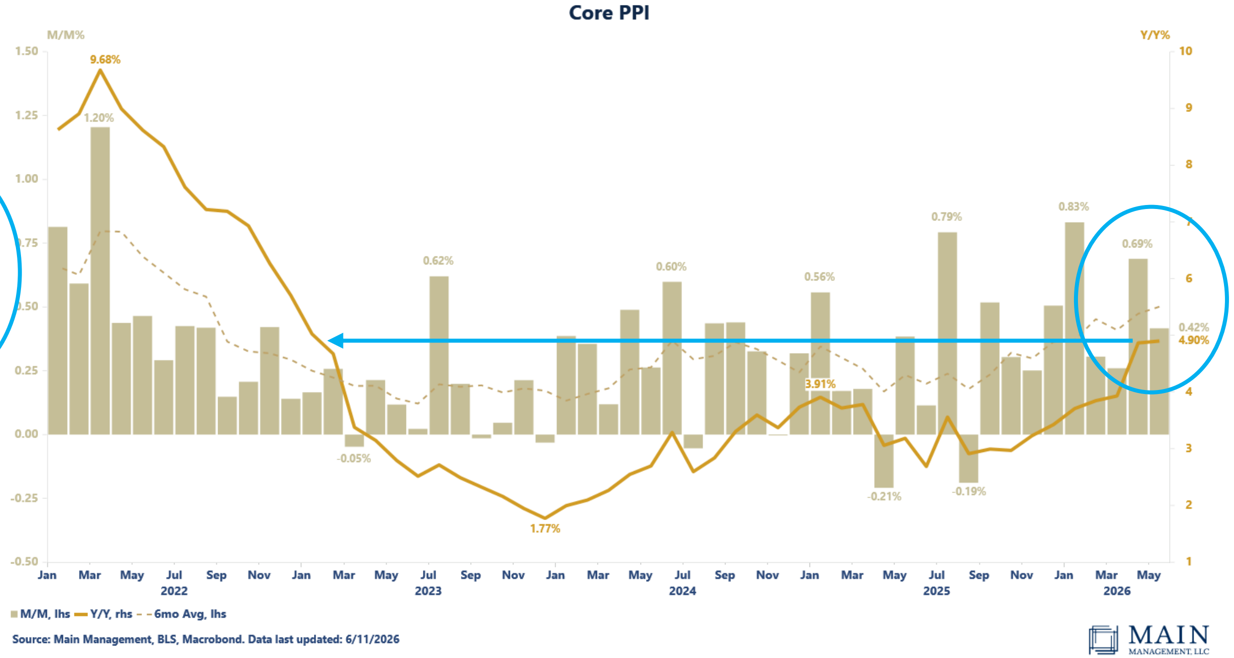




May PPI

- Headline PPI (left) posted another sizeable increase up +1.06% MoM, well above forecasts for a +0.7% rise. April was revised down to 1.06% from 1.38%, though. On a YoY basis, PPI hit +6.42%, the highest since Nov. 2022!
- Energy was the main culprit for the big increase in May – more on that on the next slide.
- Core PPI (right) was up +0.42% MoM, slowing from +0.69% in April, which was also downwardly revised from the initial 1.03% figure. The YoY figure ticked up to +4.90%, the highest since Jan. 2023!

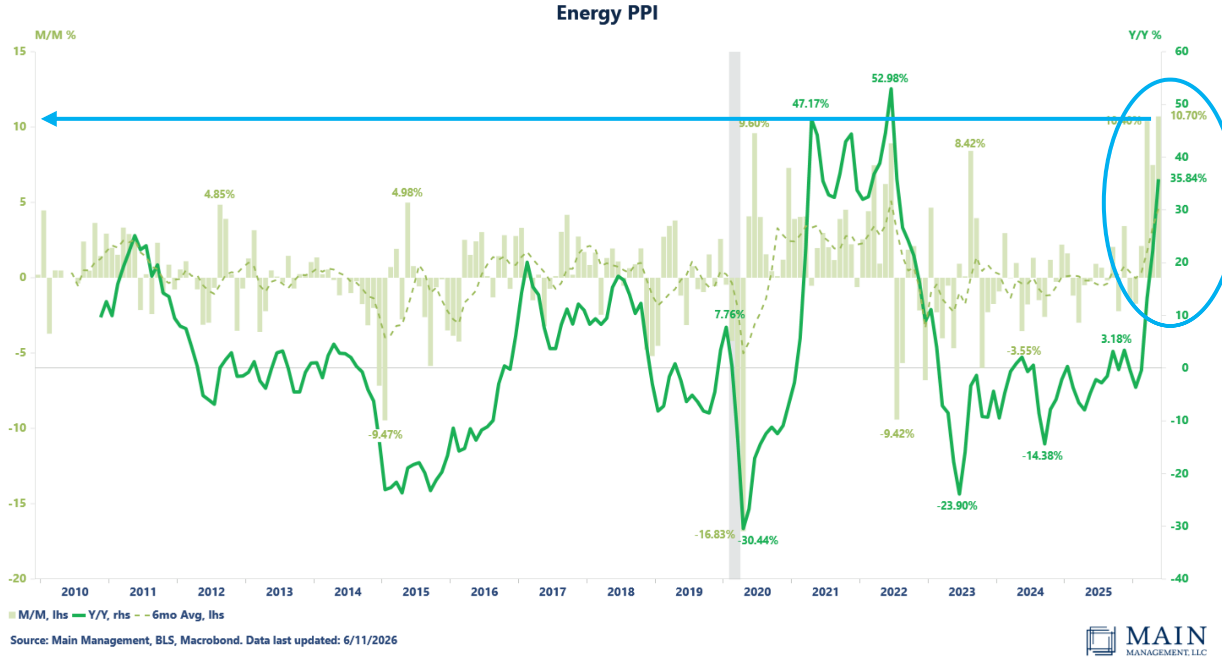


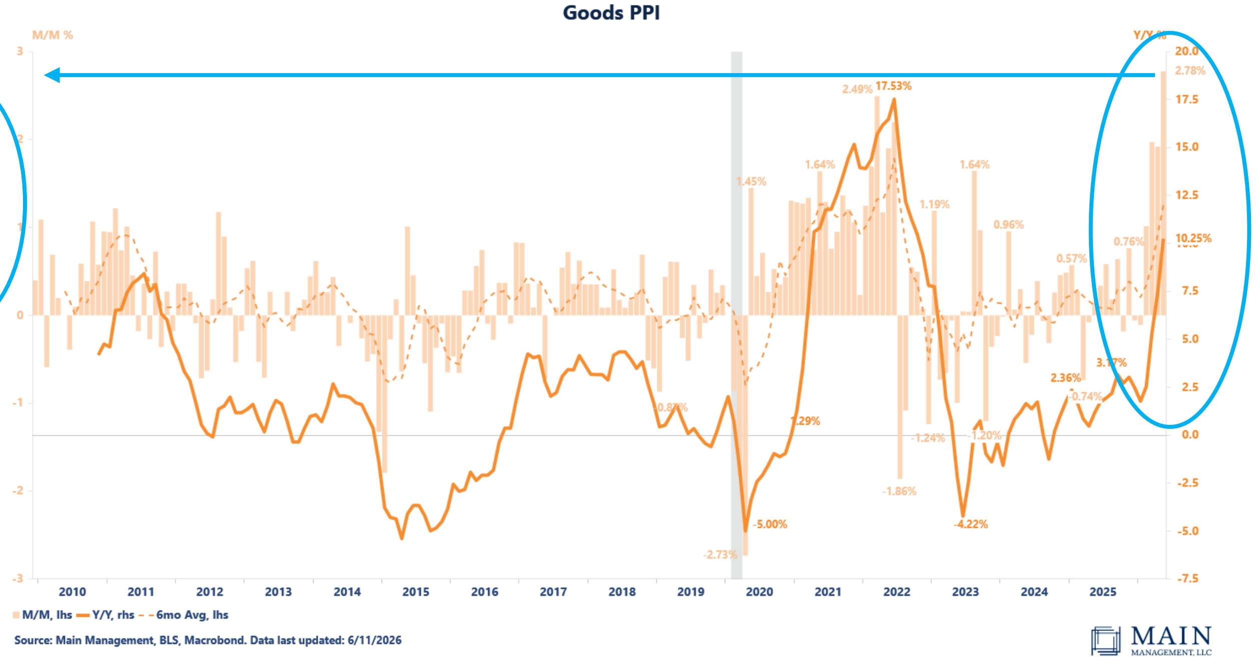


NEGATIVE

Energy & Goods PPI

- Energy PPI (left) posted its biggest monthly gain on record, surging a massive +10.70% MoM!! It's now up +35.84% YoY, the highest since June 2022! In the last 3 months alone, Energy PPI is up +31.4%!!
- That Energy surge pushed Goods PPI (right) up +2.78% MoM, its highest monthly reading ever as well. Goods PPI is now up +10.25% YoY, the highest since Oct. 2022! These readings are worrisome as PPI leads CPI, so we're not seeing any signs of abatement for the time being.

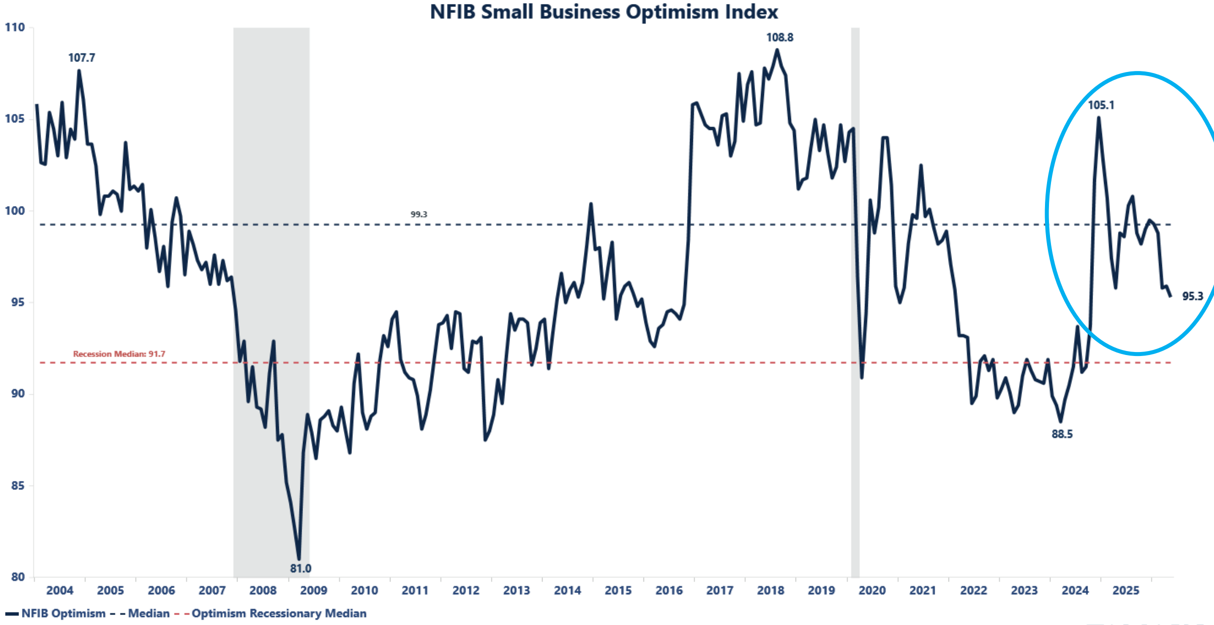




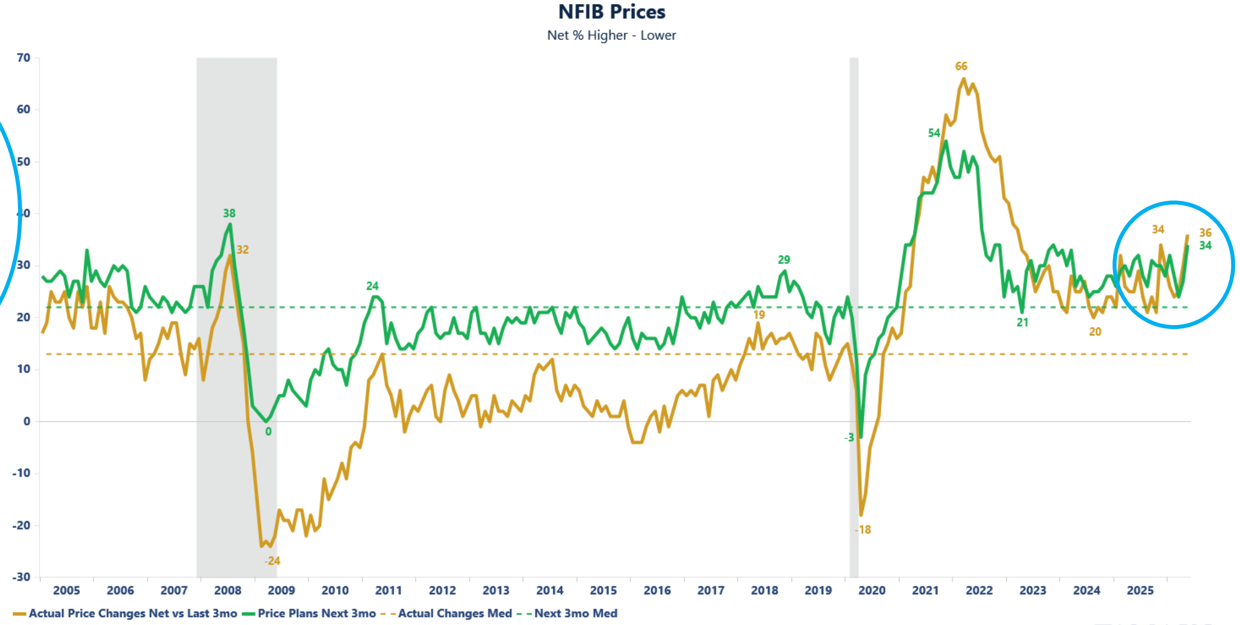
NEGATIVE

NFIB Optimism

- The NFIB Small Business Optimism Index declined to 95.3 in May (left), the lowest since October 2024 and below forecasts for a 96 reading. The Sales outlook deteriorated while actual Sales ticked higher but are still net negative. Hiring plans fell to their lowest level since May 2020!
- The pricing situation (right) has changed markedly in the last couple months. Actual price changes over the last 3 months are at +36% more firms raising vs lowering, the highest since March 2023! A net +34% more firms are planning to raise prices than lower them in the next 3 months as well… Not a great development for consumers.



Source: Main Management, NFIB, NBER, Macrobond. Data last updated: 6/9/2026



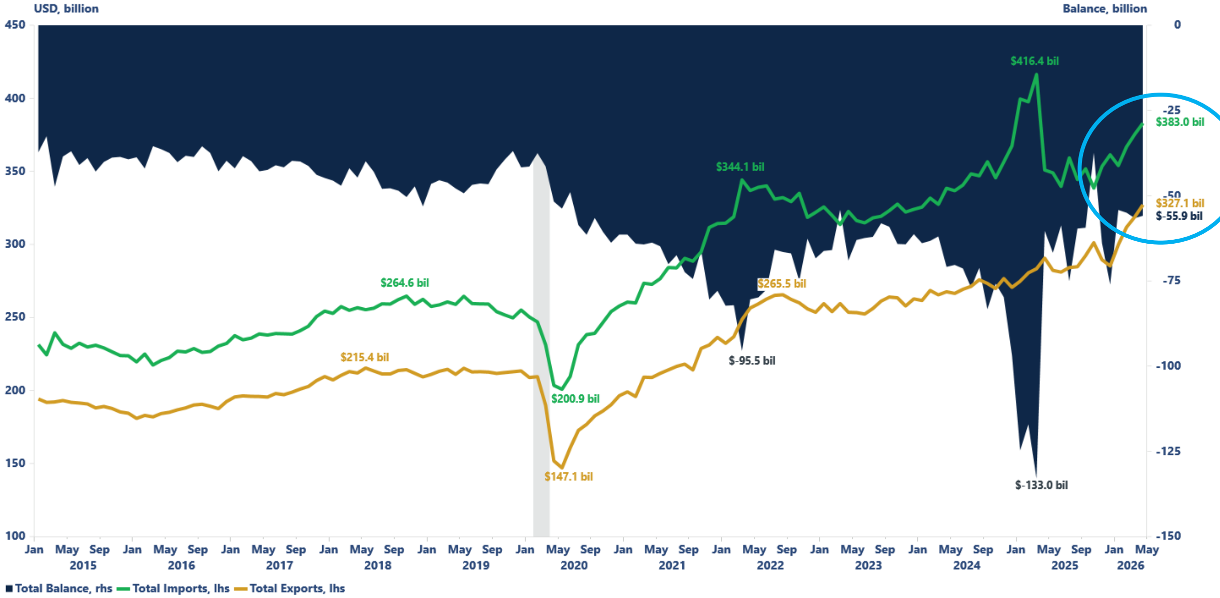
Source: Main Management, NFIB, NBER, Macrobond. Data last updated: 6/9/2026

NEGATIVE

Trade Balance

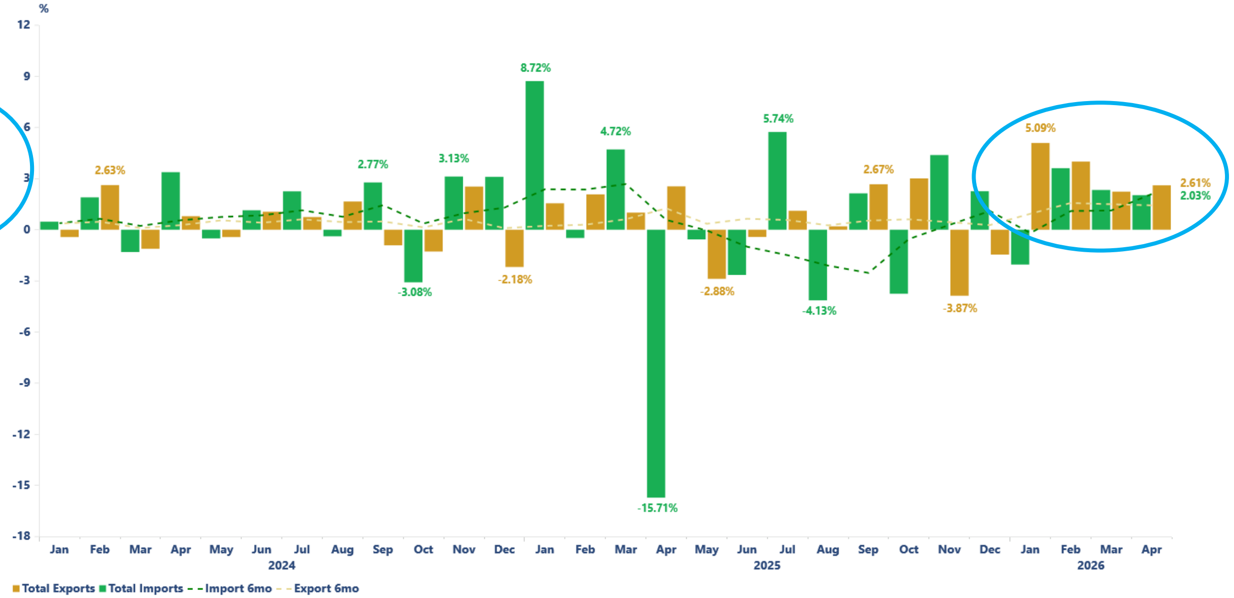
- The trade deficit (left) narrowed to -$55.9bil in April, less than forecasts for a -$56.1bil figure, as both Imports and Exports continued to rise. Exports hit another all-time high at $327.1bil while Imports are at $383.0bil, their highest level since the tariff-induced spike last spring.
- Both Imports and Exports have posted 3 straight monthly increases (right), with Imports up +2.0% MoM and Exports up +2.6% MoM. Imports were led higher by Capital Goods, mostly computers, semiconductors, and telecommunications equipment.

U.S. Trade Balance, Imports, and Exports



Source: Main Management, USCB, Macrobond. Data last updated: 6/9/2026

U.S. Imports & Exports M/M



Source: Main Management, USCB, Macrobond. Data last updated: 6/9/2026

NEUTRAL

Consumer Sentiment

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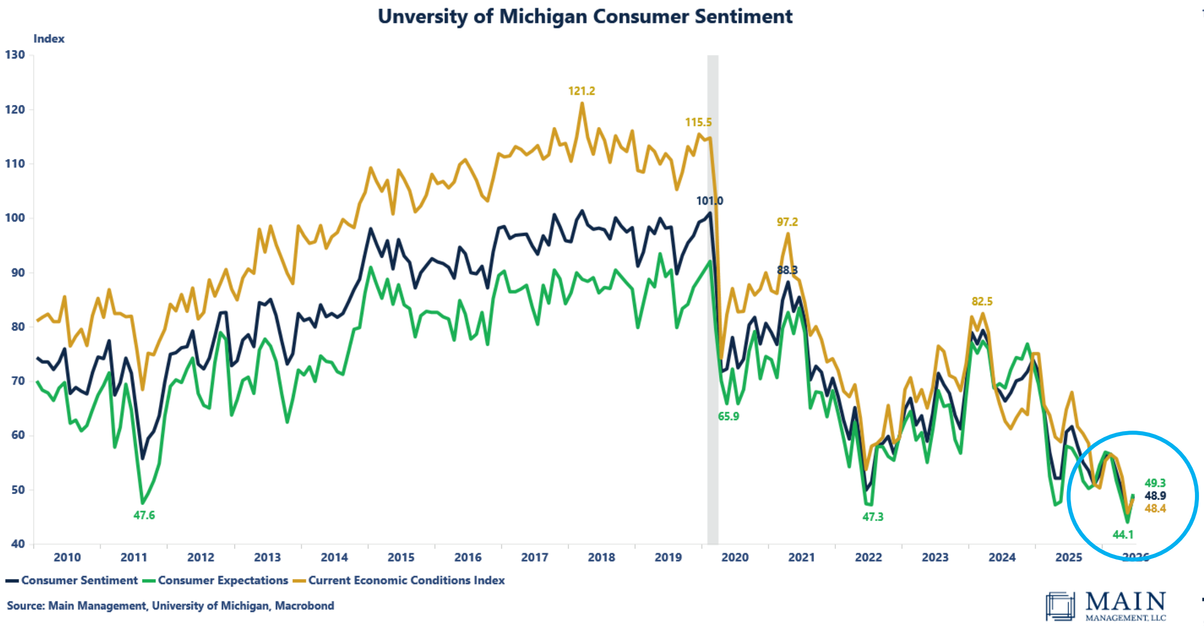
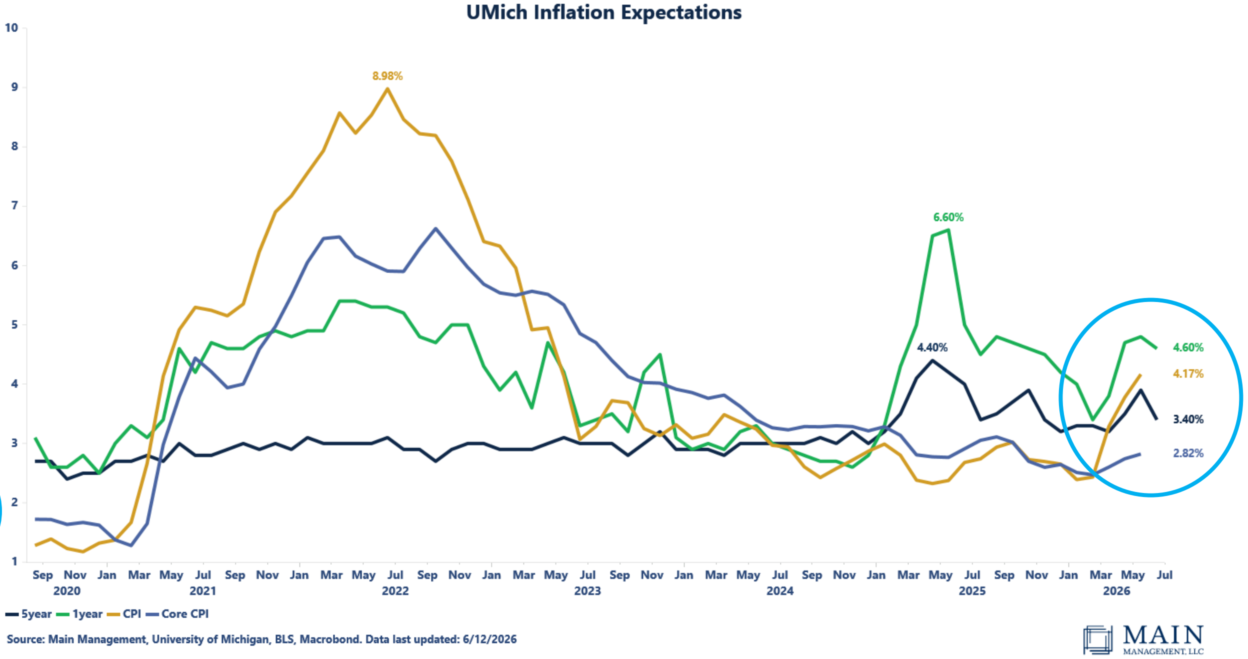
- The preliminary May reading for the University of Michigan Consumer Sentiment Index (left) rebounded from April's all-time low to 48.9, above forecasts for 46. Current Conditions rose to 48.4 and Consumer Expectations to 49.3. That breaks 3 straight down months for the headline index, but sentiment is still depressed.
- Unsurprisingly, as sentiment improved, inflation expectations declined (right). The 1yr figure moved down to 4.6% from 4.8% and the 5yr declined to 3.4% from 3.9%.





NEUTRAL

Existing Home Sales

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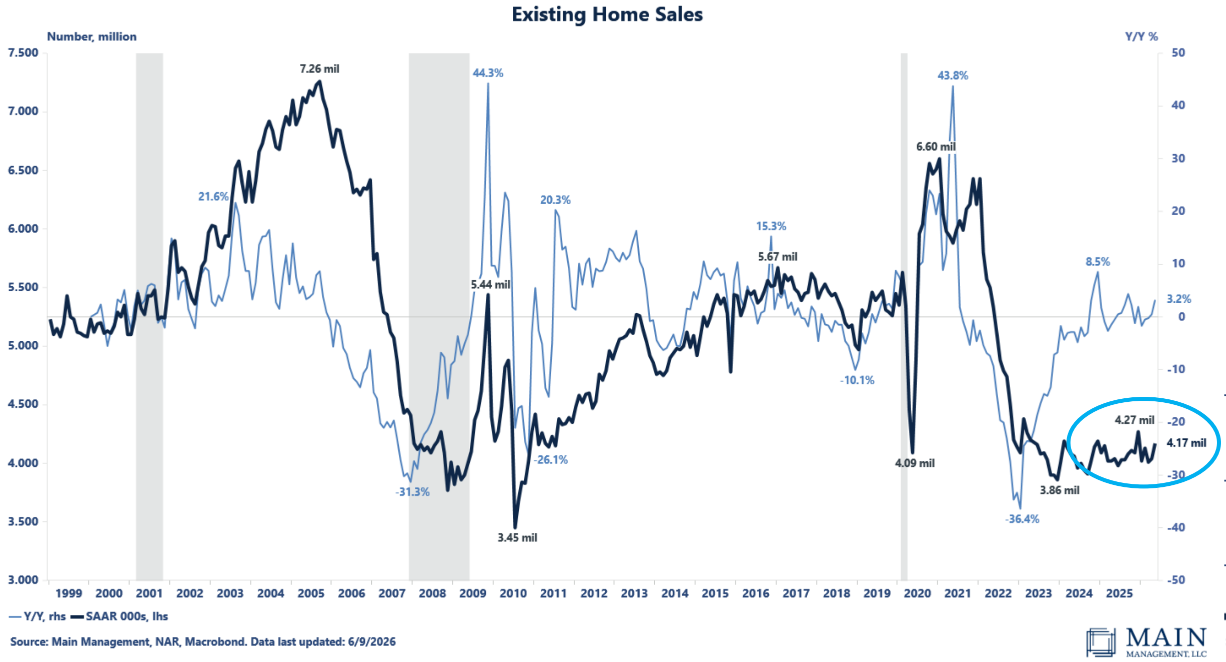
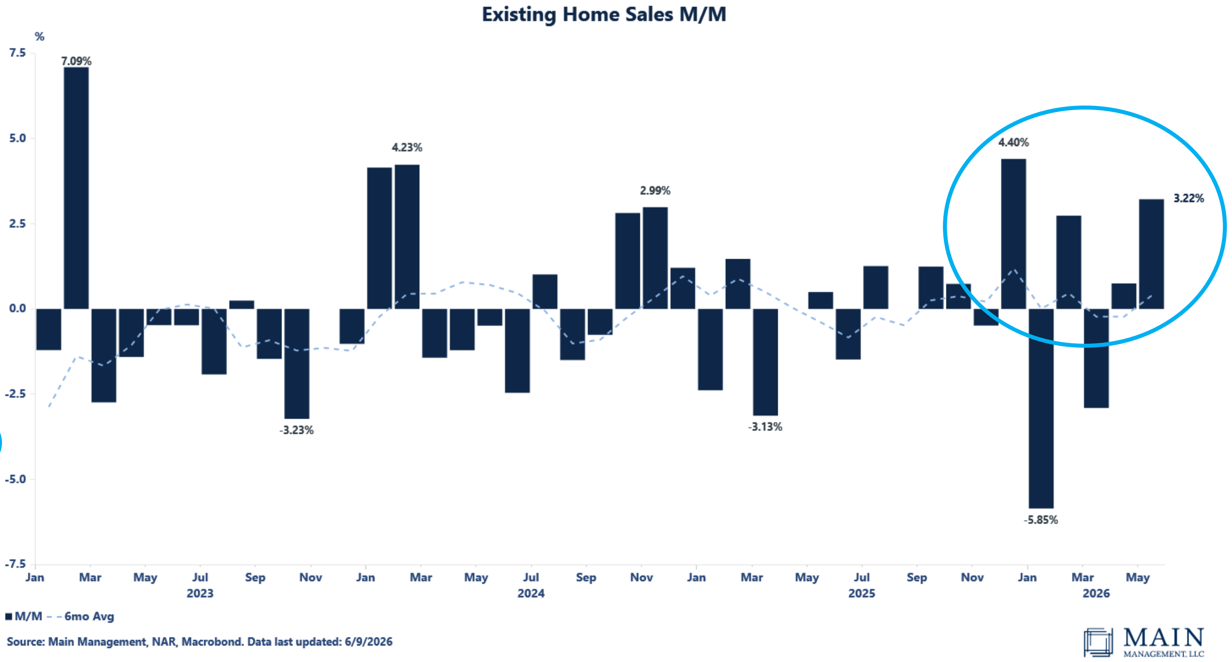
- Existing Home Sales rose to 4.17mil units SAAR in May (left), above forecasts for a 4.07mil figure, despite elevated mortgage rates and prices. Obviously, they remain relatively depressed from the tough combo of high rates and prices, but they're up +3.2% YoY, the most in several months.
- On a MoM basis (right), the +3.22% rise was the best since December 2025 and marks the 3rd increase in the last 4 months. Sales were higher in the South and Midwest.





POSITIVE

Summary

- Headline CPI accelerated to 4.17% YoY in May, in line with forecasts and the highest since May 2023. Core CPI rose to +2.82% YoY, but that was slightly below expectations, which was encouraging.
- Both Headline and Core PPI posted big increases in May, above forecasts. Headline PPI is now up +6.42% YoY, the highest since November 2022! Core is at +4.90%, the highest since January 2023.
- NFIB Small Business Optimism declined in May as more firms are planning to raise prices in the coming months.
- The trade deficit narrowed more than expected in April as both Imports and Exports posted solid gains.
- Michigan Consumer Sentiment rebounded in the preliminary May reading as inflation expectations pulled back.
- Existing Home Sales posted a solid monthly increase despite elevated mortgage rates and prices.

- Upcoming data:
  - Industrial Production and NY Fed Manufacturing (Mon)
  - Building Permits, Housing Starts, and Import & Export Prices (Tues)
  - FOMC, Retail Sales, and Pending Home Sales (Weds)
  - Philly Fed Manufacturing and Unemployment Claims (Thurs)

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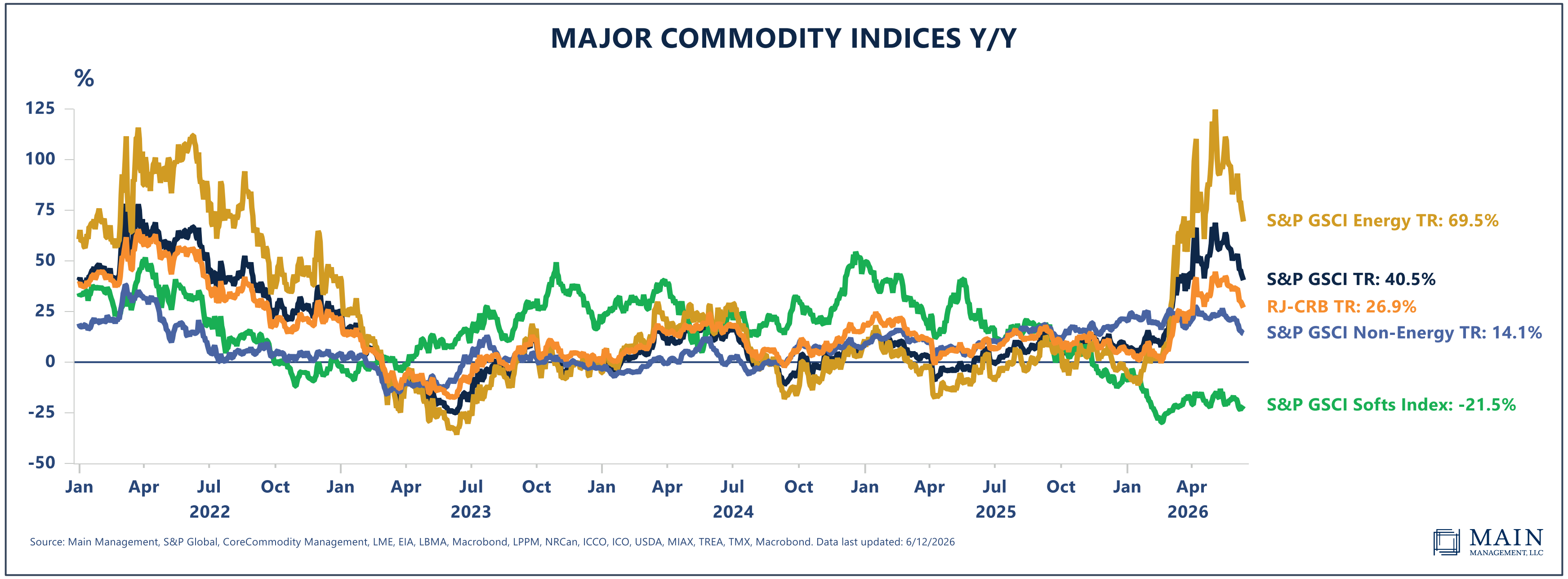
Appendix

Inflation Watch



Commodity	1 Month	3 Months	YTD ↓	1 Year
Gasoline	-12.1	17.5	81.9	48.5
Crude Oil	-12.6	3.3	52.3	35.4
S&P GSCI	-5.5	7.5	35.3	42.7
BBG Commodity Index	-6.2	0.1	18.3	26.3
Lumber	6.8	10.0	15.0	2.8
Cotton	-11.3	11.0	12.8	10.8
Soybeans	-6.6	-6.1	8.2	5.4
Copper	-0.6	3.1	7.9	36.7
US Dollar (DXY)	2.0	1.0	1.6	0.8
Gold	-10.8	-18.9	-2.6	26.7
Corn	-9.8	-5.6	-6.5	-6.2
Silver	-20.5	-28.3	-8.9	74.8
Natural Gas	12.0	2.2	-16.3	-12.6
Coffee	-12.3	-15.5	-27.2	-28.5
Bitcoin	-20.7%	-9.1%	-27.4%	-42.4%

Source: Main Management, S&P Global, CME Group, ICE, LME, Macrobond. Data last updated: 6/12/2026