Main Management Market Note

July 10, 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

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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.

Investment Committee Leadership

Kim Arthur
CEO / CIO

Dick Fredericks
Founding Partner

Alex Varner
Managing Director, Research

Jim Concidine
Founding Partner

Darol Ryan
Managing Partner

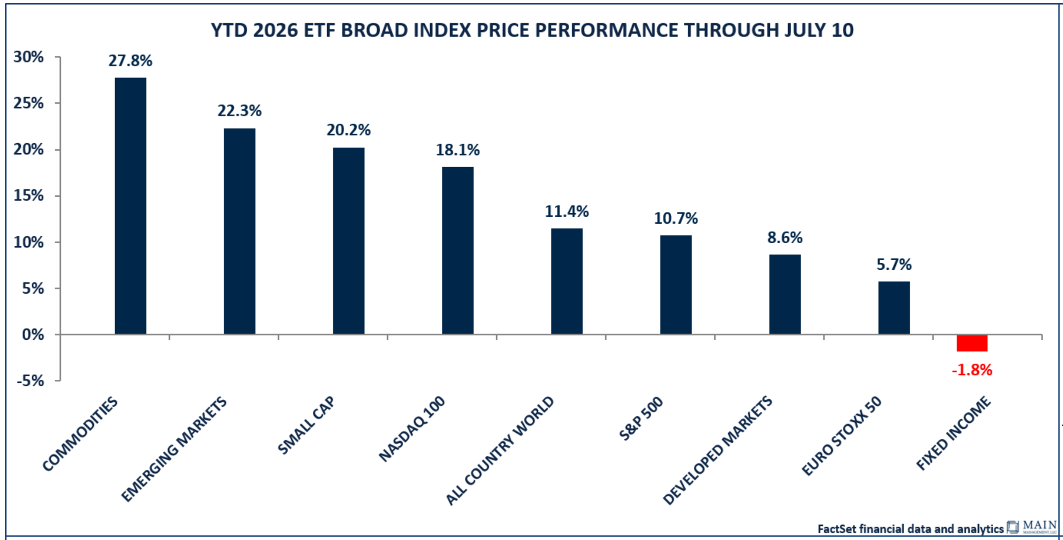
Research backed portfolios

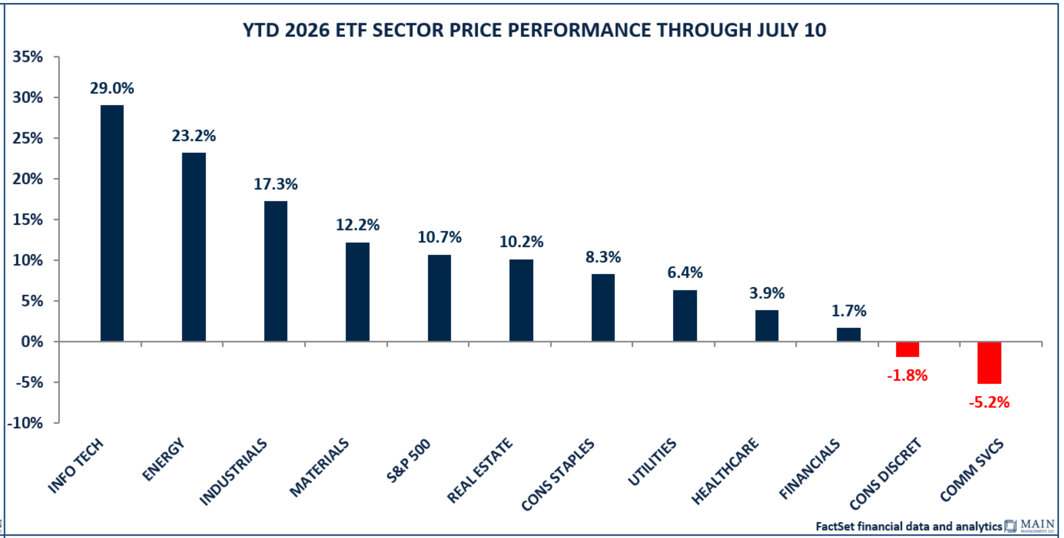
James Maxwell
Director, Research

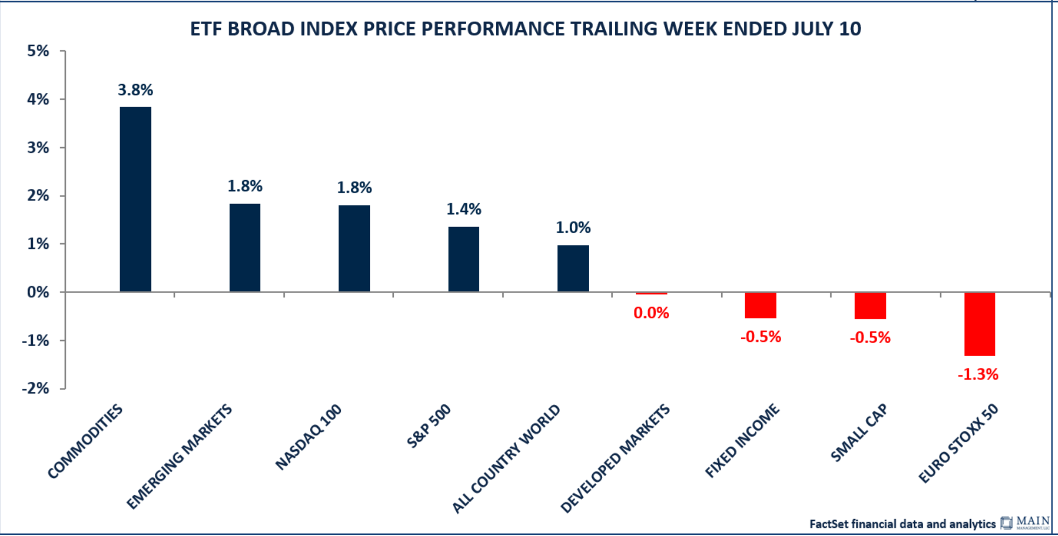
Alex Dippery
Research Analyst

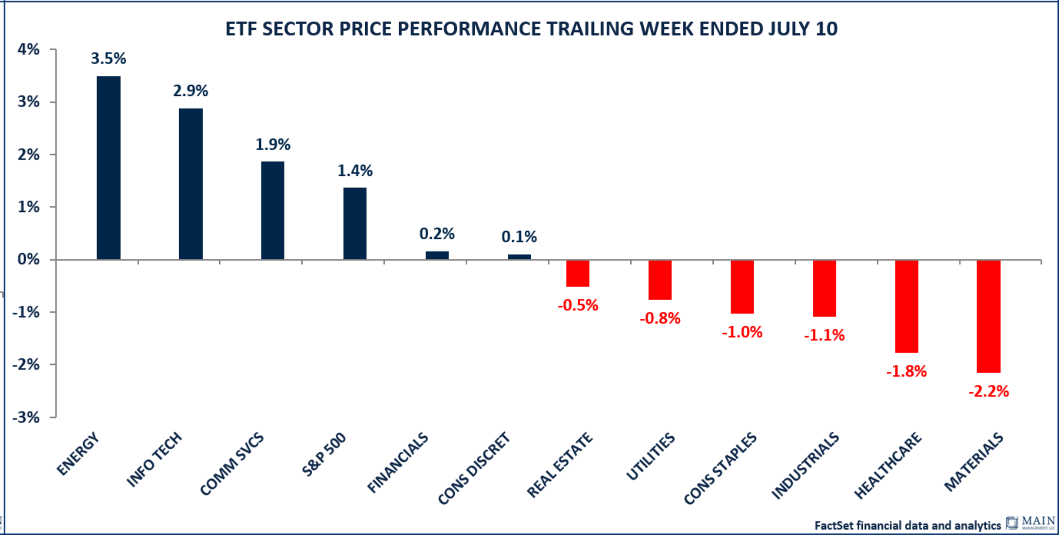
Advisors benefit from our comprehensive due diligence on other asset managers, insightful market commentary, and strategic asset class views.

Performance









Recession Dashboard

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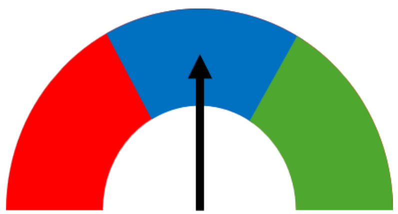
RECESSION START	INFLATION	CONSUMER	YIELD CURVE	HOUSING	SENTIMENT	AUTOS	EMPLOY-MENT	PMI	RETAIL SALES
NOV 1973	↓	—	—	↓	—	—	↓	↓	—
JAN 1980	↓	↓	↓	↓	↔	↓	↓	↓	—
JUL 1981	↓	↓	↓	↓	↔	↓	↓	↓	—
JUL 1990	↓	↓	↓	↓	↔	↓	↓	↔	—
MAR 2001	↔	↓	↓	↔	↔	↔	↓	↓	↔
DEC 2007	↓	↓	↓	↓	↔	↓	↓	↓	↓
DEC 2019	↑	↑	↔	↔	↑	↔	↑	↔	↔
JULY 2026	↓	↔	↑ *	↔	↔	↔	↔	↑	↑
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.*

Trade Balance

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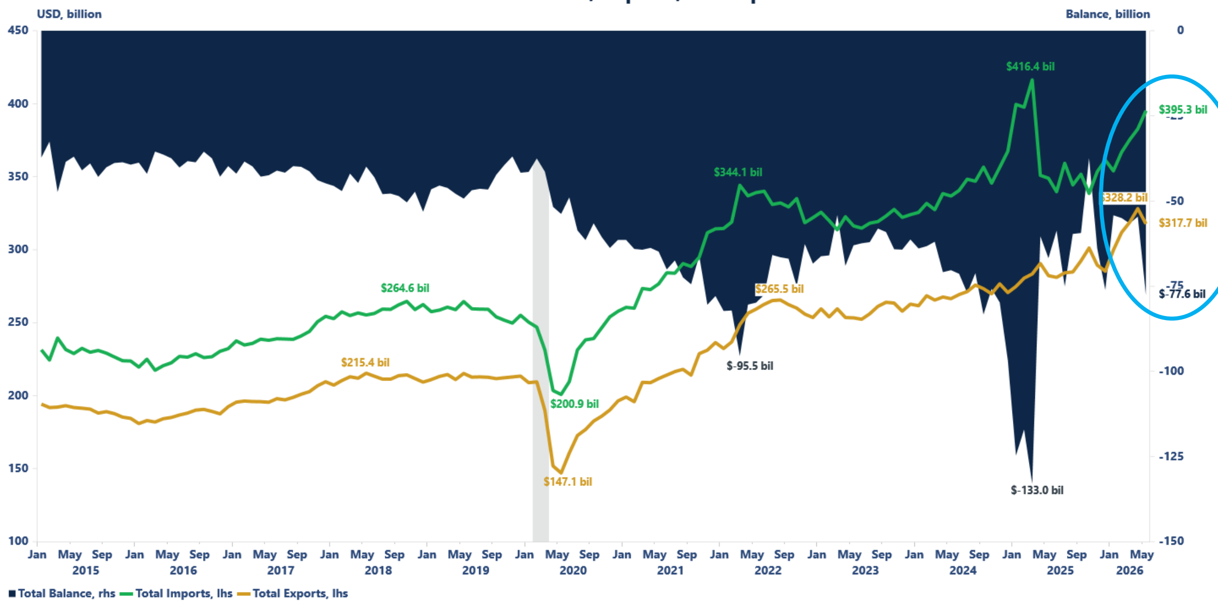
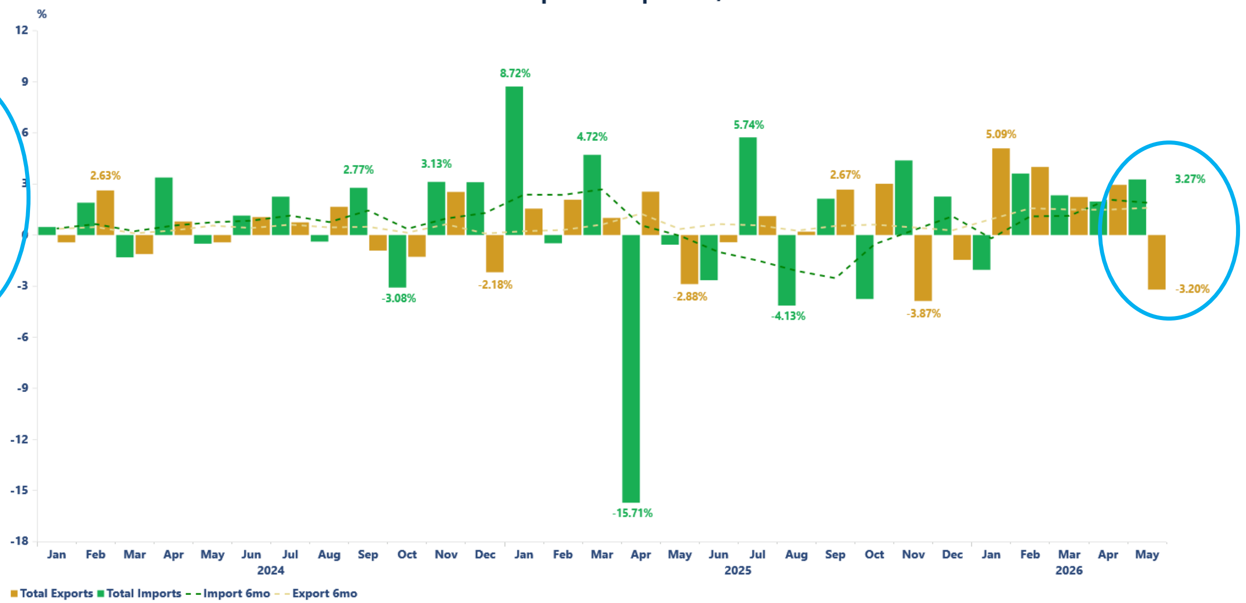
- The Trade Deficit widened markedly in May to -$77.6bil, roughly in line with forecasts for -$78.5bil figure and the widest since March 2025 when we were dealing with the tariff-induced distortions. Imports continued higher to $395.3bil while Exports pulled back a bit to $317.7bil.
- Imports rose +3.3% MoM (right, green), boosted by purchases of consumer goods (pharmaceuticals and cell phones) as well as crude oil and autos. Exports dipped -3.2% MoM and were weighed on by lower shipments of nonmonetary gold, computers, and consumer goods.

U.S. Trade Balance, Imports, and Exports



Source: Main Management, USCB, Macrobond. Data last updated: 7/7/2026

U.S. Imports & Exports M/M



Source: Main Management, USCB, Macrobond. Data last updated: 7/7/2026

NEUTRAL

Goods Imports

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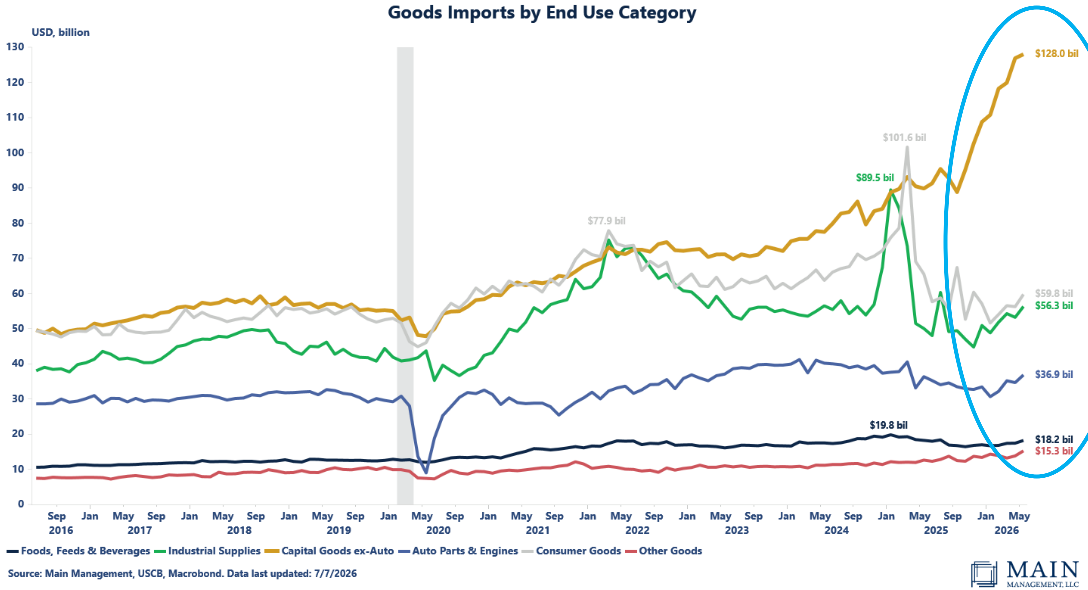
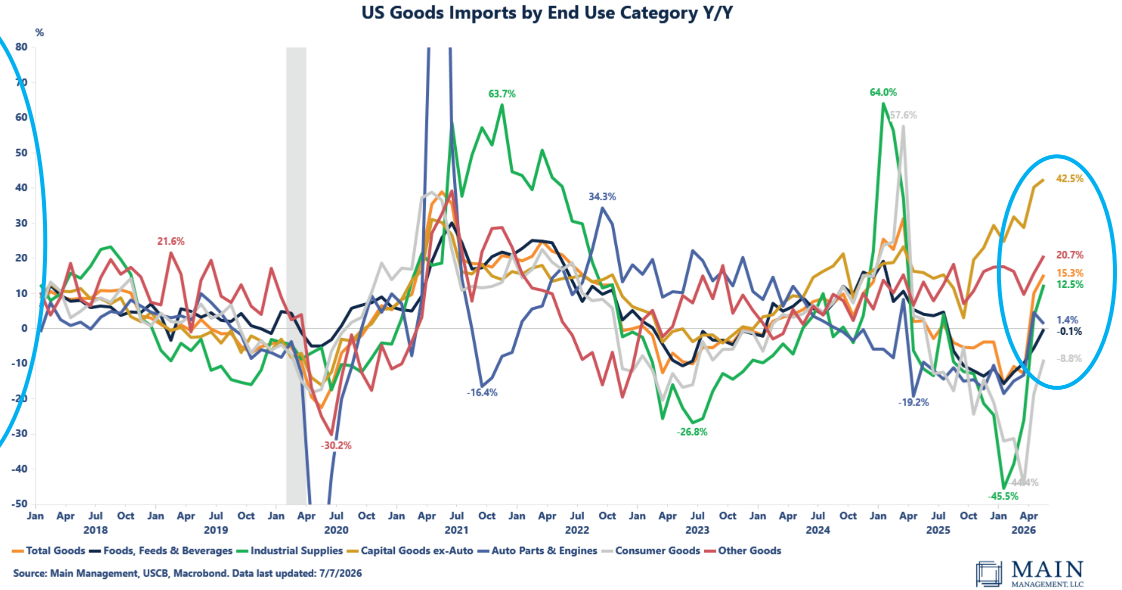
- Goods Imports account for 44.5% of total trade. On the left, we show the categories on a $$ basis and on the right, a YoY basis. Capital Goods ex-Autos (gold) are 39% of imports and have been setting new $$ highs consistently for the last 7-8 months, now at $128bil and up +42.5% YoY, the highest ever! Consumer Goods, Industrial Supplies, and Autos are also chugging higher.
- Autos are the only imports category that didn't accelerate on a YoY basis in May, but they are still up +1.4%. Consumer Goods have moved back up to -8.8% from being down over -40% in March. Industrial Supplies have been on an even bigger tear, now up +12.5% YoY after being down -45% in January.

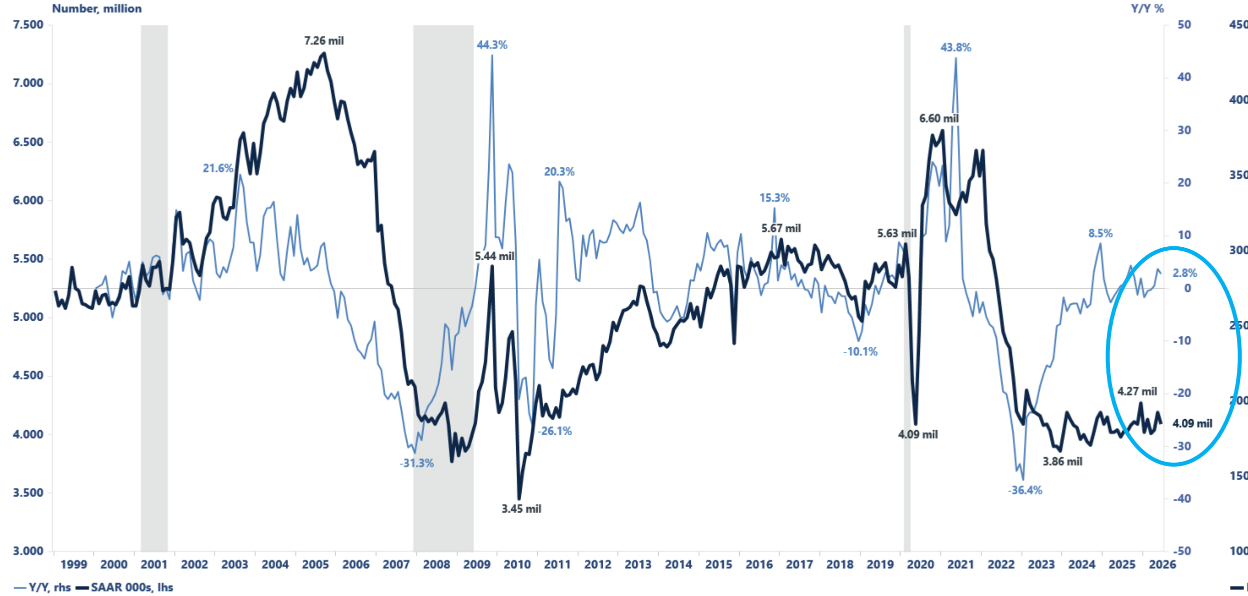




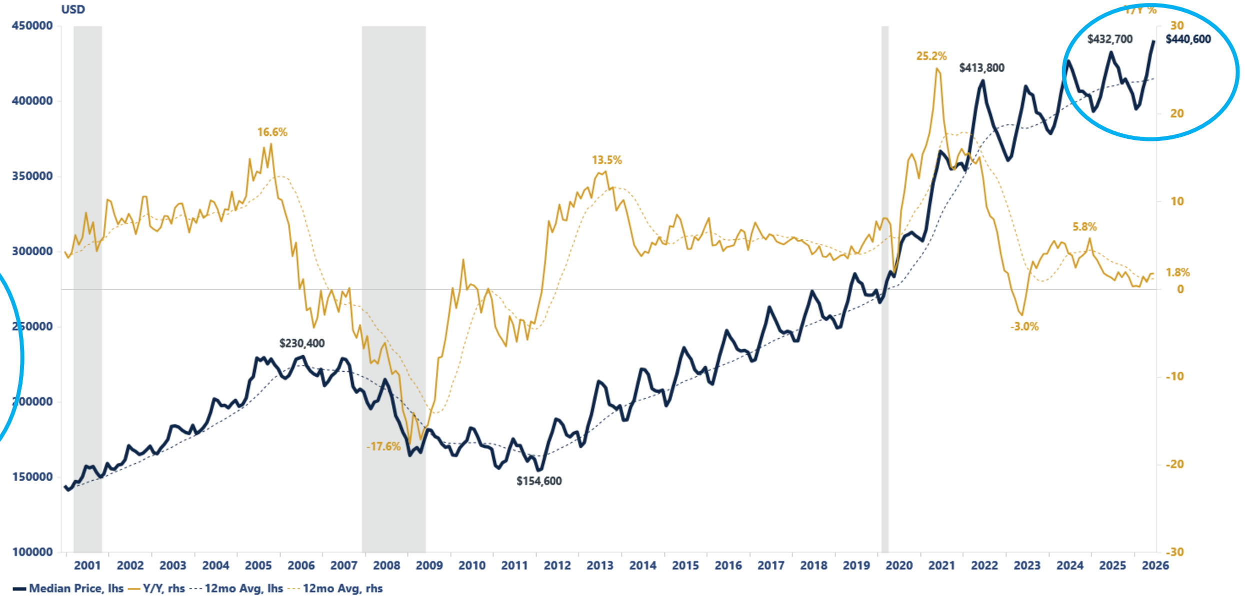
POSITIVE

Existing Home Sales

- June Existing Home Sales (left, black) retreated to 4.09mil units from 4.19mil in May, missing 4.20mil forecasts. The -2.4% MoM decline follows 2 up months and remains consistent with the theme of the housing market being unable to put any sort of prolonged move higher as rates and prices continue to be major headwinds.
- The Median Existing Home Price (right) posted a new all-time high in June at $440,600. That's the 5th straight monthly increase (in line with recent cyclical rises), pushing the YoY figure to +1.8%, the most since Oct. 2025.



Source: Main Management, NAR, Macrobond. Data last updated: 7/9/2026



Source: Main Management, NAR, Macrobond. Data last updated: 7/9/2026

NEUTRAL

U.S. Service PMIs

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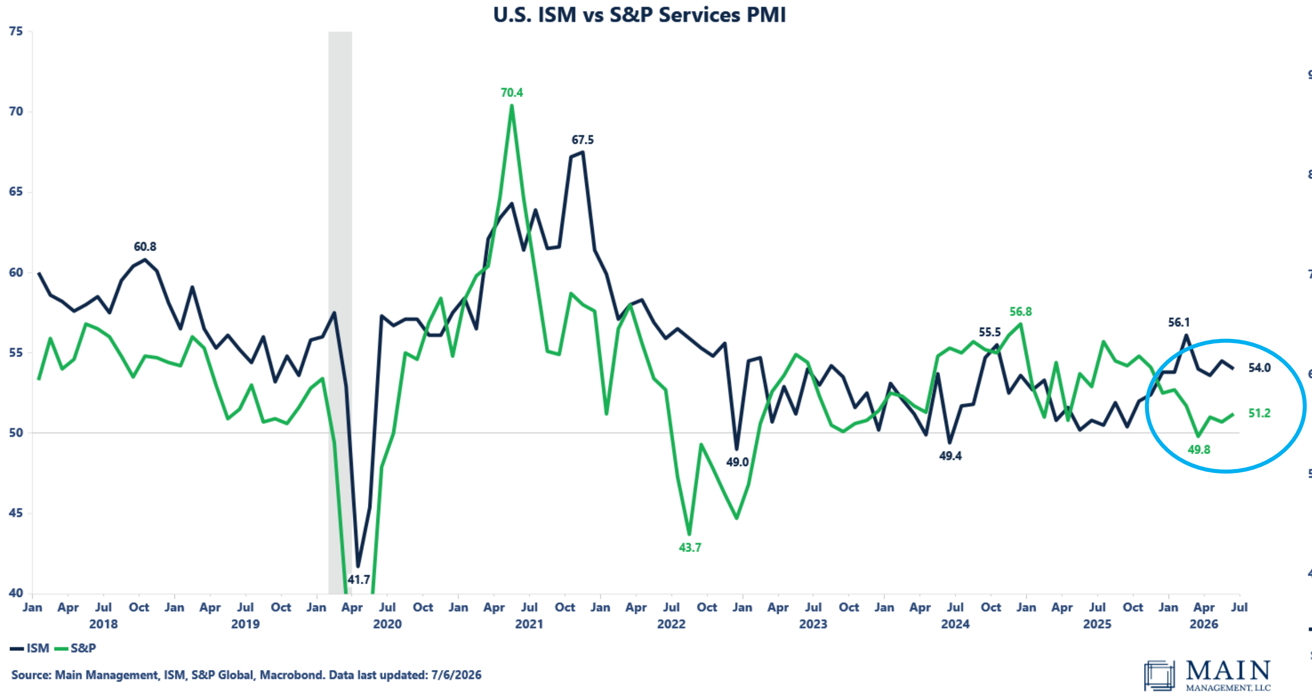
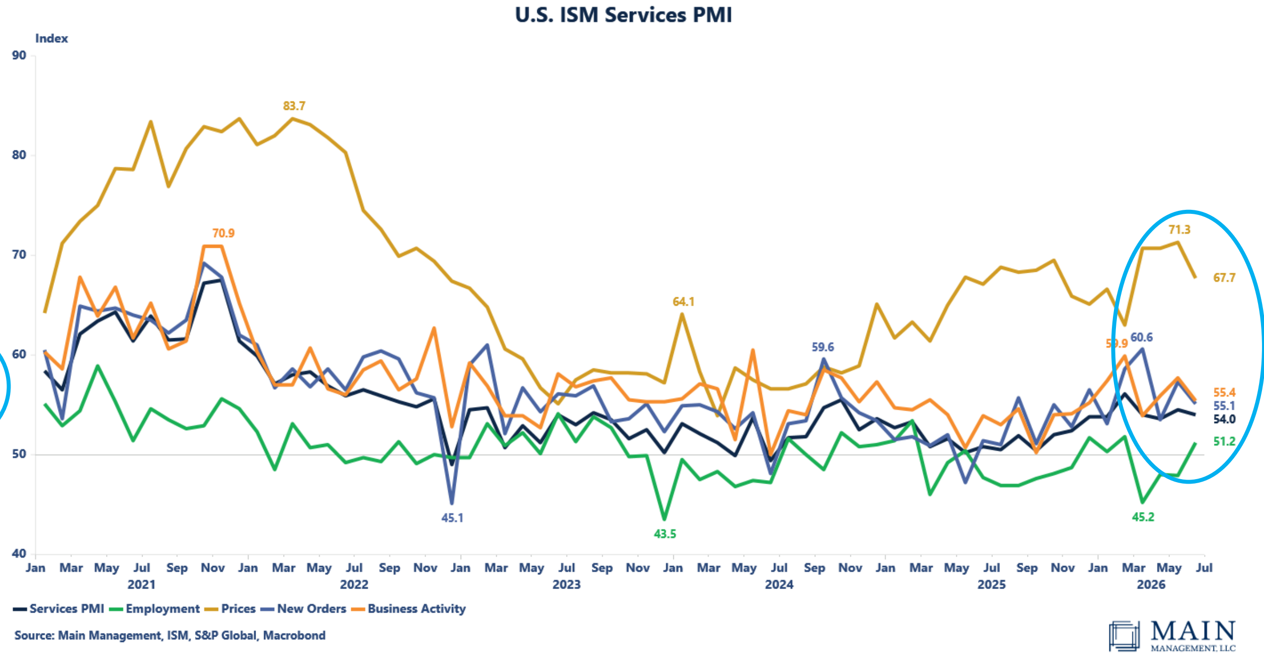
- The U.S. ISM Services PMI (left, black) ticked lower to 54.0, in line with forecasts. The S&P figure (left, green) inched up to 51.2, a slight downward revision from the prelim 51.3 but still the best in a few months.
- On the right, we show the ISM Services sub-indices. Prices (gold) came down to 67.7 but are still quite elevated. Employment (green) moved back up into expansion at 51.2. New Orders (blue) and Business Activity (orange) both declined but are still firmly in expansion at 55.1 and 55.4, respectively.





NEUTRAL

Global PMIs

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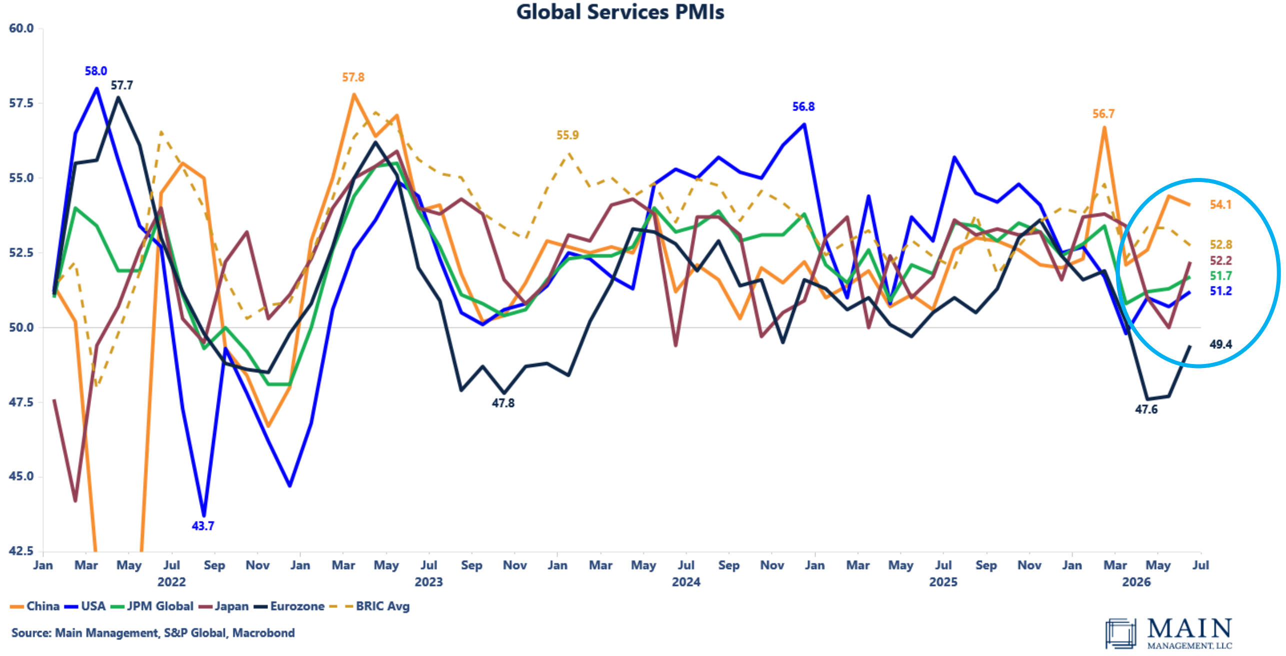
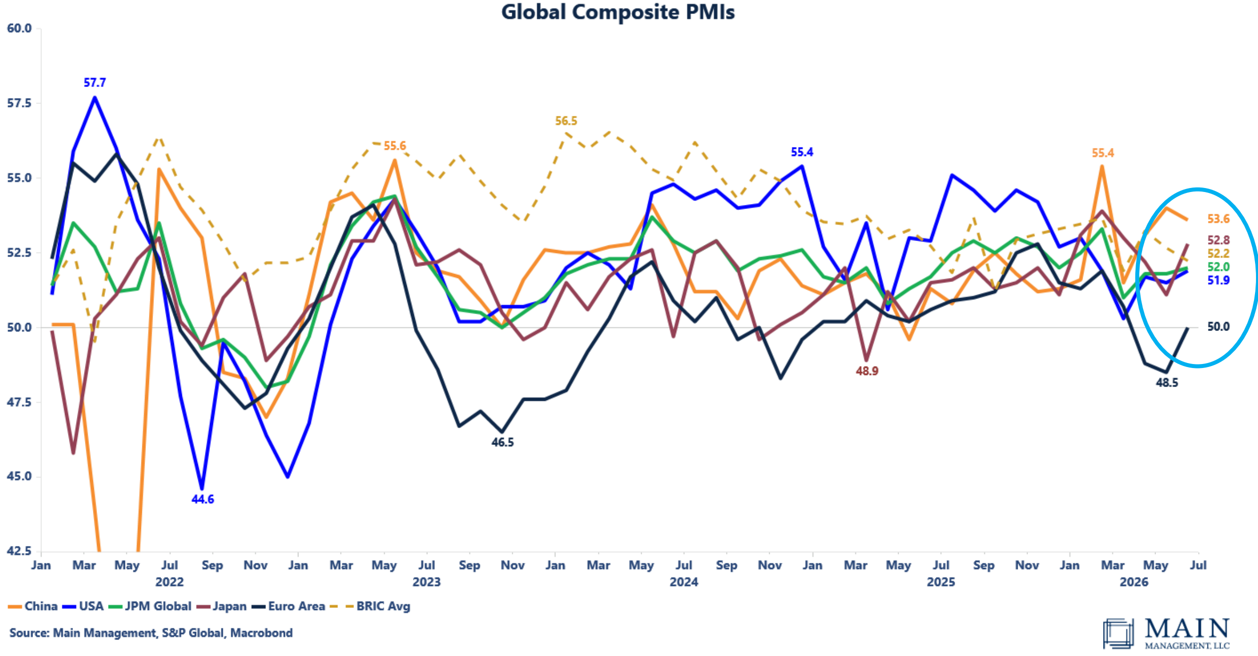
- On the left, global majors Service PMIs were more up than down. The U.S. improved to 51.2, Japan to 52.2, and JPM Global to 51.7. The Euro Area remains in contraction but is back up to 49.4. China declined to 54.1, weighing on the BRICs Average which moved down to 52.8.
- For the global Composite PMIs (right), the U.S. is up to 51.9, Japan to 52.8, and JPM Global incrementally to 52.0. The Eurozone is back to breakeven at 50.0. Similar to the service figures, China dipped down to 53.6 and again weighed on the BRICs Average which declined to 52.2. But none are in outright contraction, which is good.

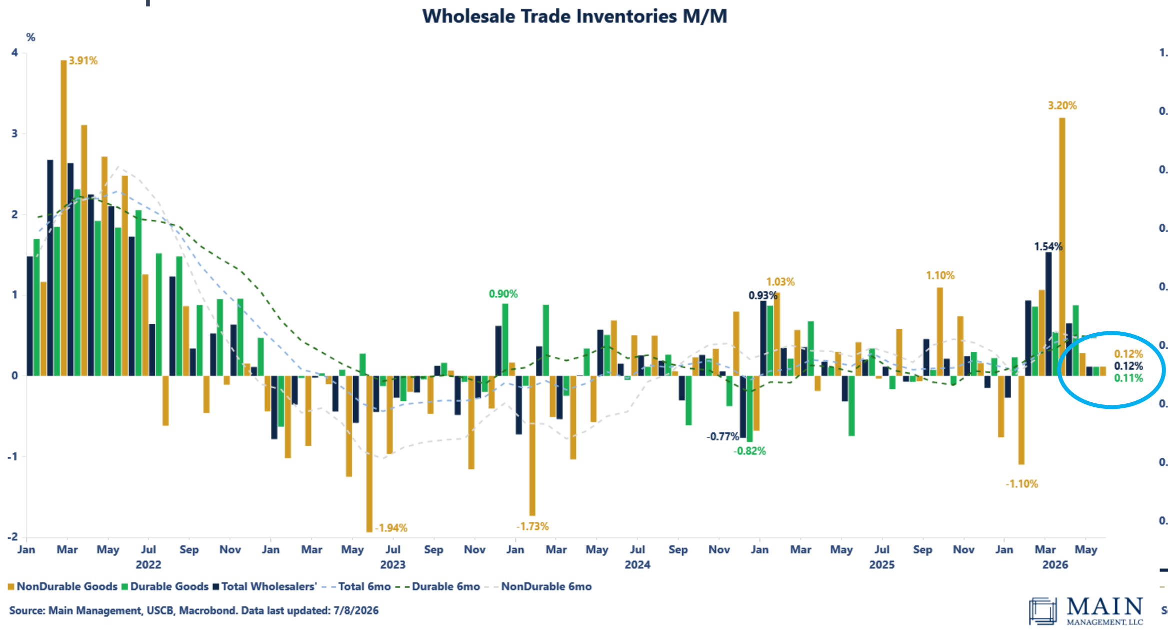


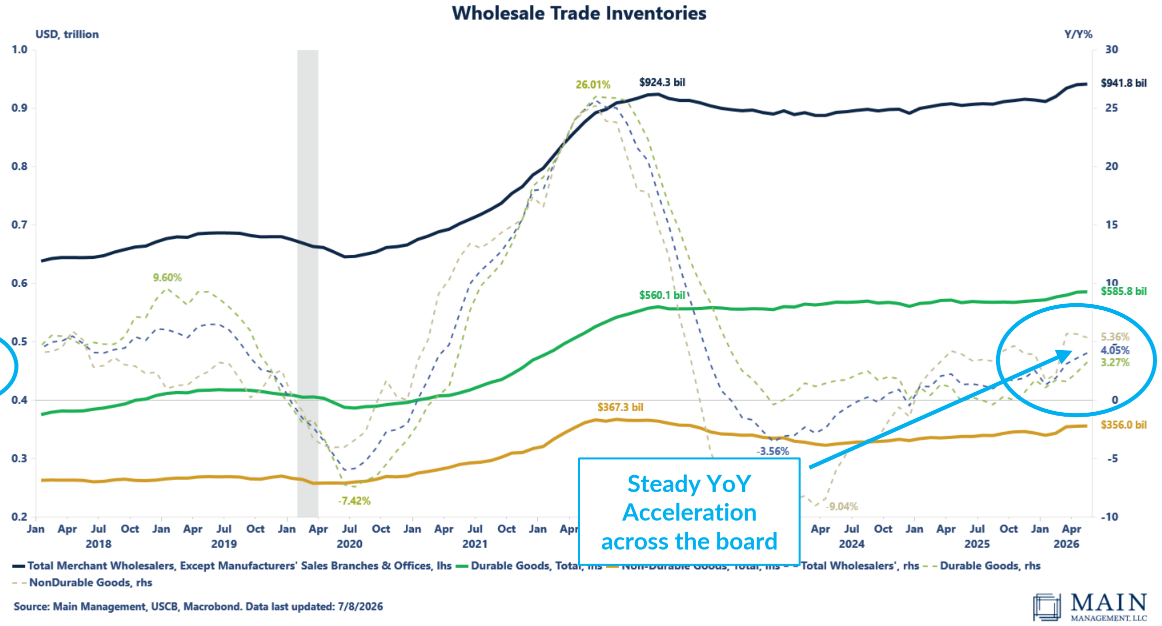


POSITIVE

Wholesale Inventories

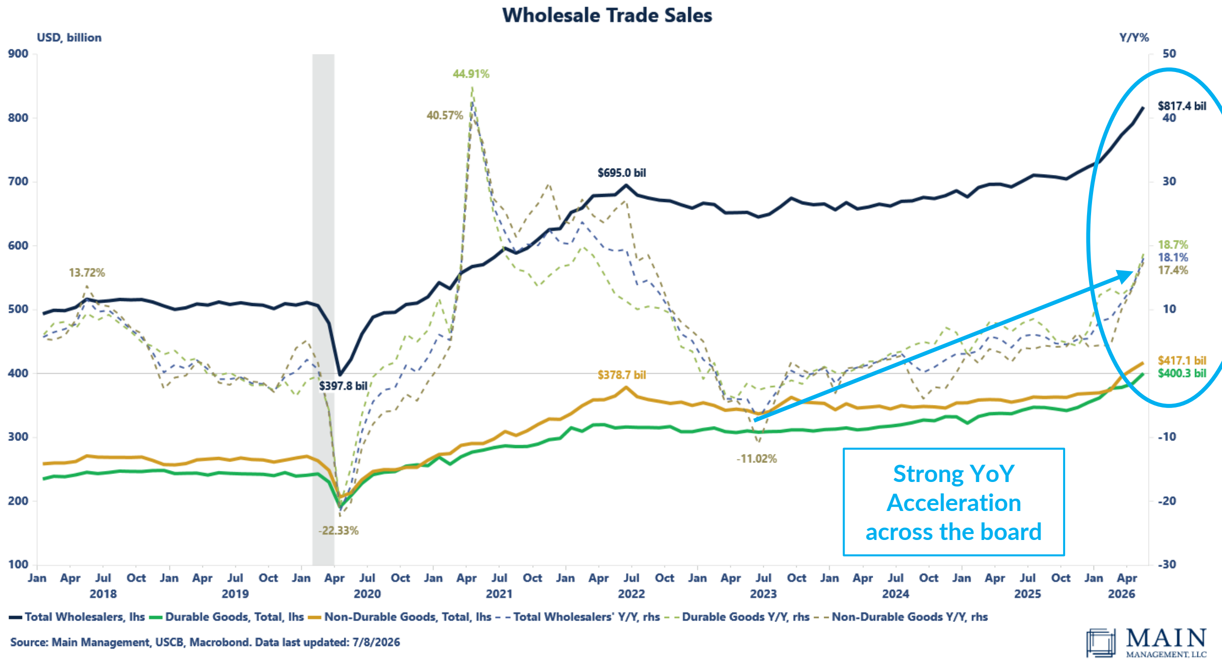
- Wholesale Inventories posted a +0.12% MoM increase in May (left, black), marking the 4th straight monthly increase and slightly below forecasts for a +0.3% reading. Durable Goods (green) up +0.11% and NonDurable Goods (gold) rising +0.12%.
- On a $$ basis (right, solid lines), only NonDurable Goods are not at a new all-time high. Still, all 3 categories are accelerating on a YoY basis (right, dotted lines) with Total Wholesale Inventories now up +4.05%, the most since April 2023.

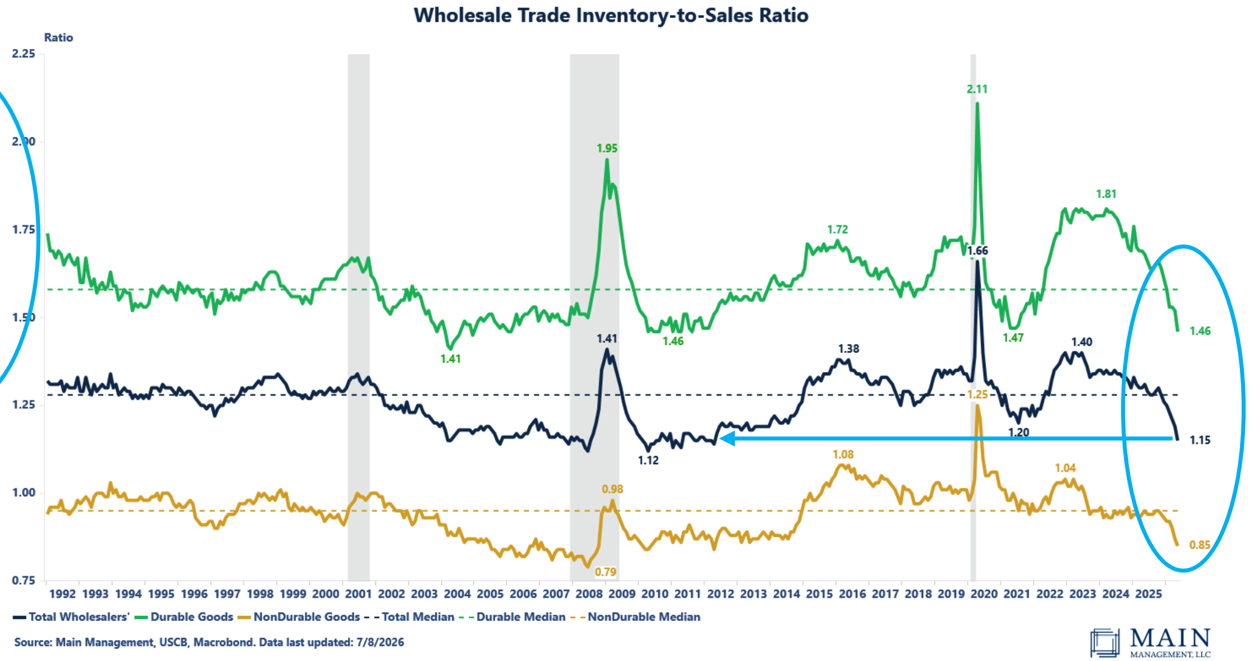




Inventory-to-Sales

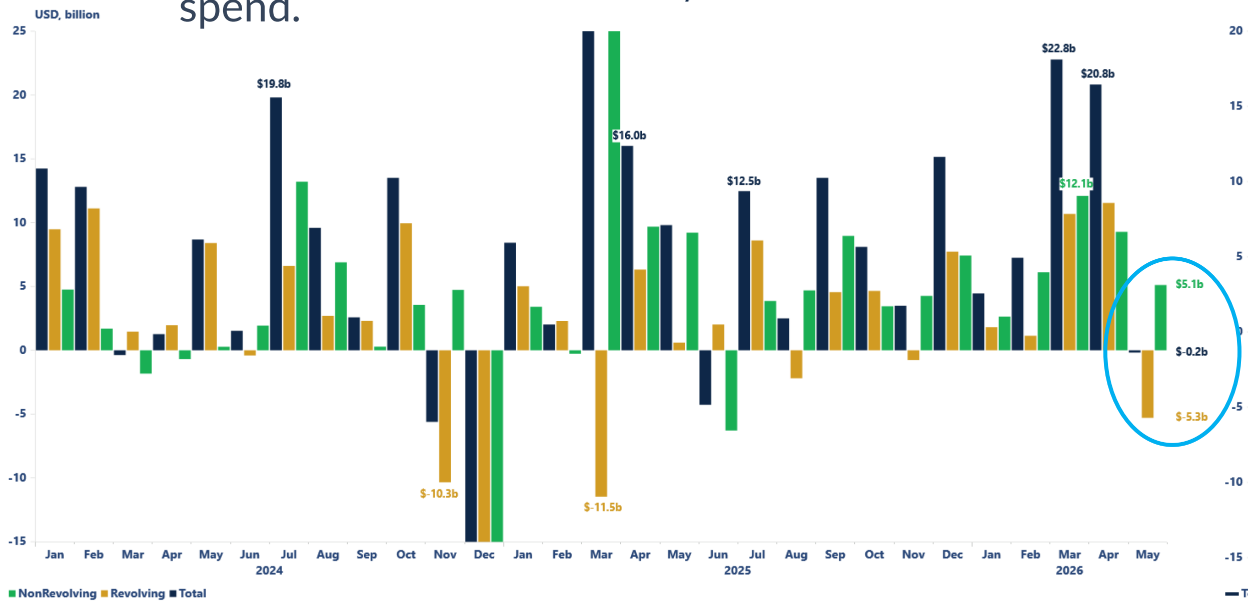
- As Inventories have been building, Sales have been increasing at an even faster pace. Wholesalers' Sales (left, black) have risen for 7 straight months to a record $817.4bil and are now up +18.1% YoY, the highest since mid-2022! Durable and NonDurable Goods are also accelerating on both a $$ and YoY basis.
- As sales growth has outpaced inventory growth, the inventory-to-sales ratios have declined (right). The Total Wholesalers' inventory-to-sales ratio has shrunk to 1.15x, the lowest since April 2012!!



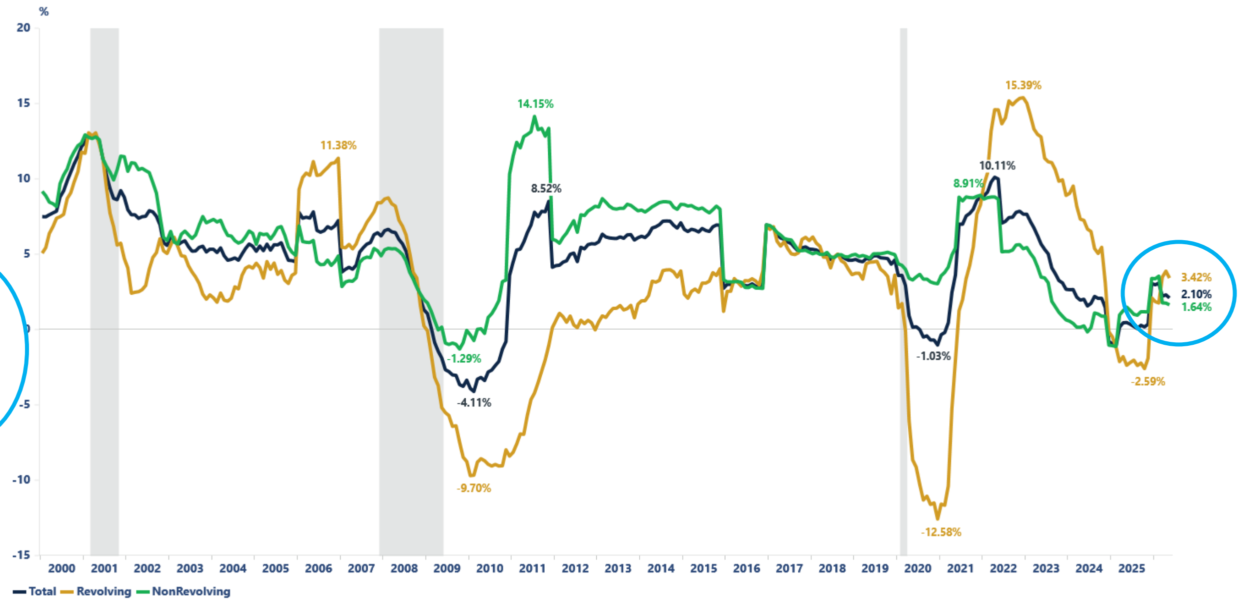


Consumer Credit

- Total Consumer Credit (left, black) ticked down by -$0.2bil MoM, the first dip following 10 straight monthly increases and well below forecasts for a +$17.1bil increase. Revolving Credit (gold) fell by -$5.3bil, the most since March 2025, indicating weaker short-term borrowing. Non-Revolving Credit (green) rose +$5.1bil, it's 11th straight up month!
- On a YoY basis (right), Total Credit slowed to +2.10%, Revolving to +3.42%, and Non-Revolving to +1.64%. But on an absolute basis, they're all at/near record levels, indicating people are continuing to borrow in order to spend.



Source: Main Management, Fed, BEA, USCB, Macrobond. Data last updated: 7/8/2026

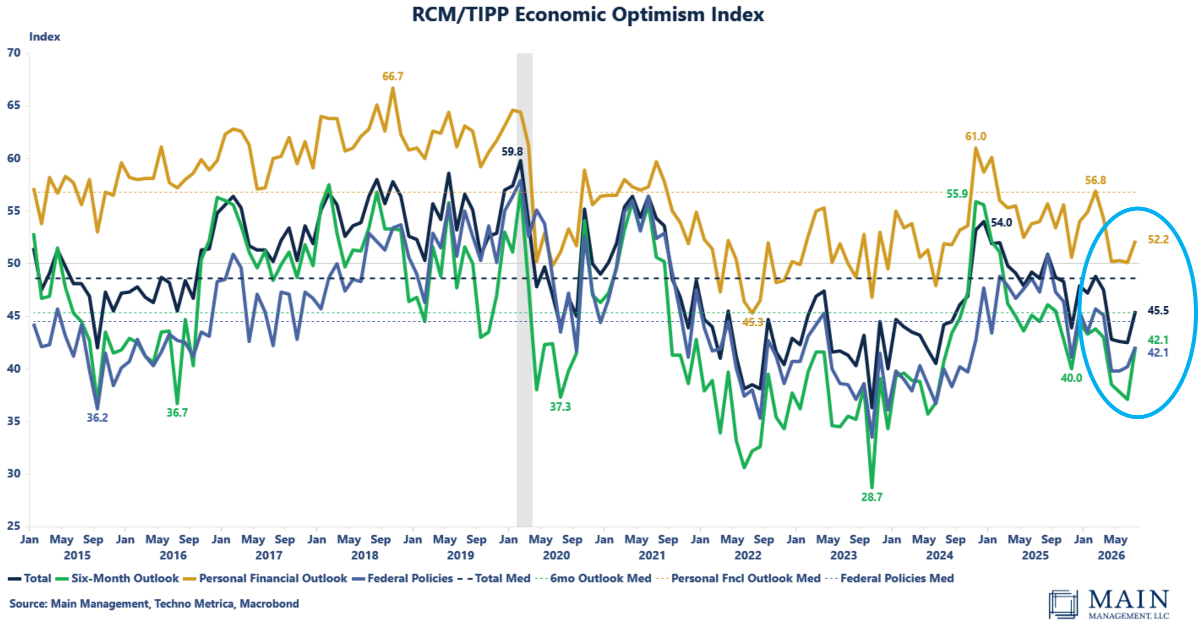


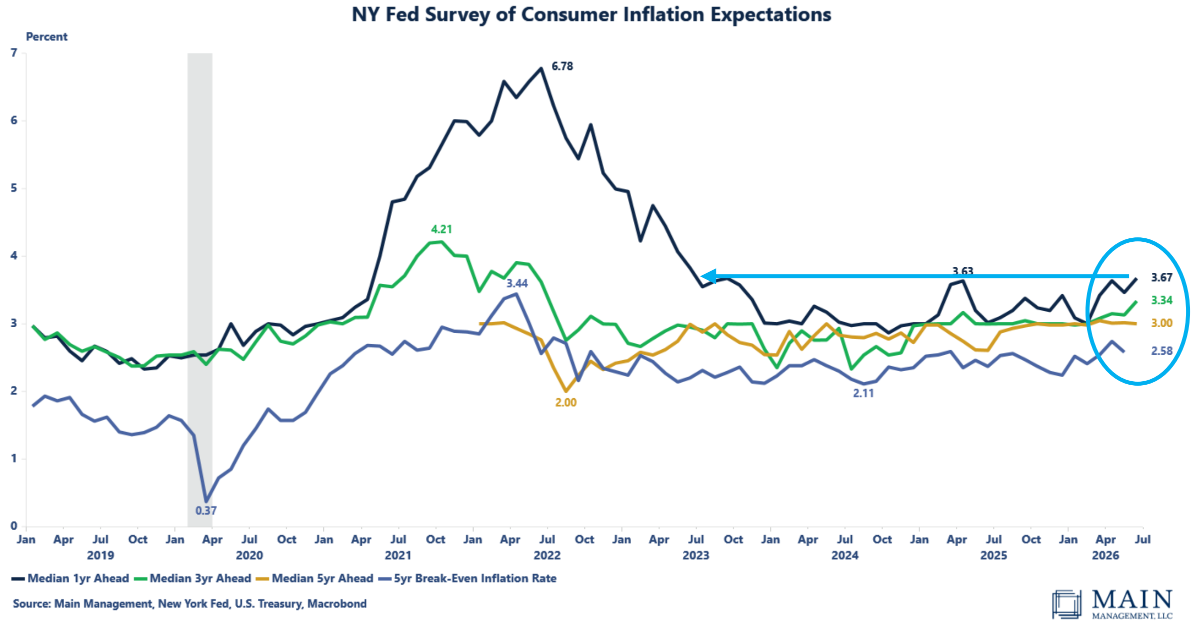
Source: Main Management, Fed, BEA, USCB, Macrobond. Data last updated: 7/8/2026

NEUTRAL

Sentiment & Expectations

- The RCM/TIPP Economic Optimism Index (left, black) bounced to 45.5 in July, beating expectations for a 45.0 figure. The 6mo Outlook (green) popped to 42.1, riding a +5.0-point MoM gain which is the biggest since Nov. 2024! The Personal Financial Outlook improved to 52.2 and Support for Federal Policies moved up to 42.1.
- On the right, we show the NY Fed's Survey of Consumer Expectations. The median 1yr out inflation figure increased to 3.67%, tied for the highest since June 2023! 3yr expectations also rose to 3.34%, the highest since June 2022! Still, on the whole, consumers don't expect their financial situations to deteriorate over coming year.





POSITIVE

Summary

- The trade deficit widened more than expected as imports continued higher while exports pulled back.
- Existing Home Sales fell -2.4% MoM, missing forecasts, while prices posted a new record high at $440,600.
- June Service & Composite PMIs show an ongoing steady expansion in most areas of the world, including the U.S.
- Wholesalers' Inventories increased for the 3rd straight month, outpaced by Sales gains, resulting in the inventory-to-sales ratio dropping to its lowest level in over a decade.
- Total Consumer Credit posted its first decline in 10mos, down -$0.2bil, well below forecasts for a +$17.1bil rise.
- The RCM/TIPP Economic Optimism Index moved higher in July while the NY Fed's SCE showed that inflation and expectations increased to multi-year highs.

- Upcoming data:
    - CPI and NFIB Small Business Optimism (Tues)
    - PPI & NY Fed Manufacturing (Weds)
    - Retail Sales, Pending Home Sales, and Business Inventories (Thurs)
    - Industrial Production, Housing Starts, Building Permits, Import & Export Prices, and UMich Prelim (Fri)

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Appendix

Inflation Watch

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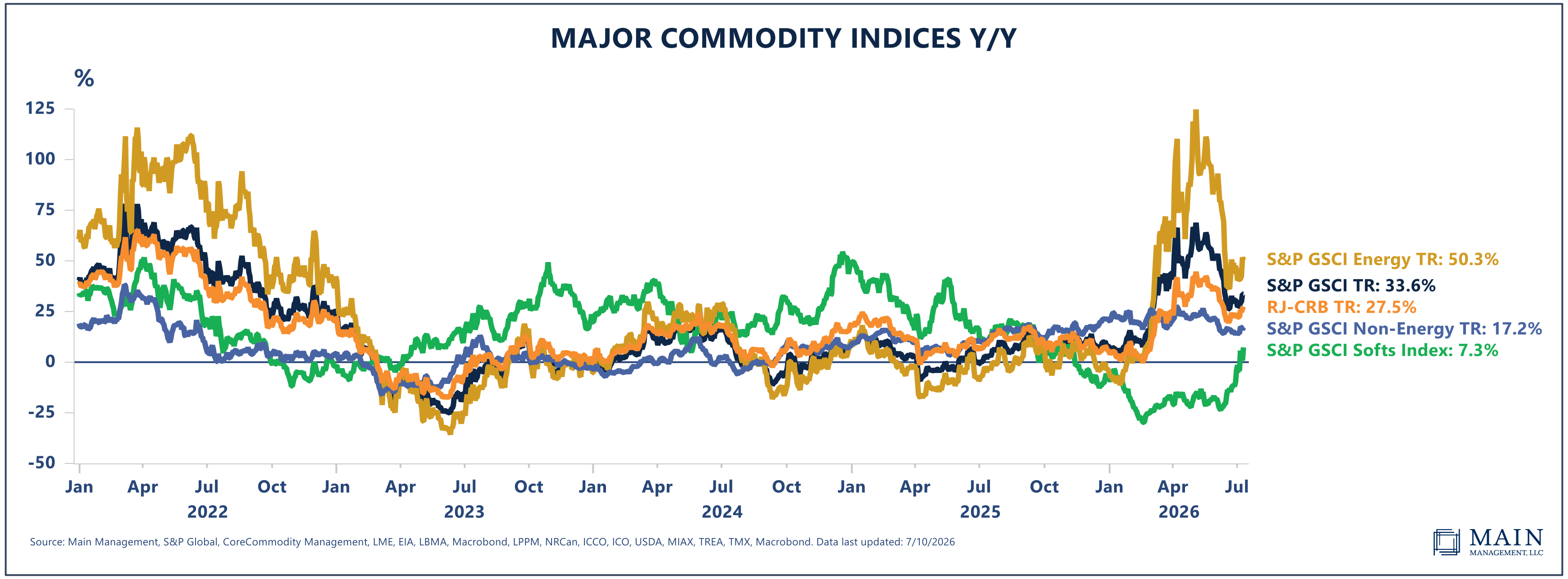

Commodity	1 Month	3 Months	YTD ↓	1 Year
Gasoline	-1.0	1.1	78.2	39.1
S&P GSCI	-6.9	-3.8	28.9	32.3
Crude Oil	-22.8	-26.3	25.2	7.0
Cotton	3.8	6.3	18.5	17.7
Lumber	2.2	6.2	16.2	3.0
BBG Commodity Index	-4.1	-3.1	16.1	23.2
Soybeans	5.7	1.5	14.5	15.2
Copper	-1.2	6.5	7.8	36.7
US Dollar (DXY)	0.9	1.8	2.6	3.5
Coffee	45.2	21.4	2.4	24.2
Corn	2.2	-4.4	-2.9	4.0
Gold	-4.8	-12.6	-4.7	24.9
Silver	-11.8	-19.7	-13.9	65.5
Natural Gas	-4.3	10.6	-18.3	-9.8
Bitcoin	0.2%	-11.1%	-27.8%	-42.0%

Source: Main Management, S&P Global, CME Group, ICE, LME, Macrobond. Data last updated: 7/10/2026

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Disclosures

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