Main Management Market Note

July 2, 2026

Our Offerings

MAIN
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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

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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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CEO / CIO


Dick Fredericks
Founding Partner


Alex Varner
Managing Director, Research


Jim Concidine
Founding Partner


Darol Ryan
Managing Partner

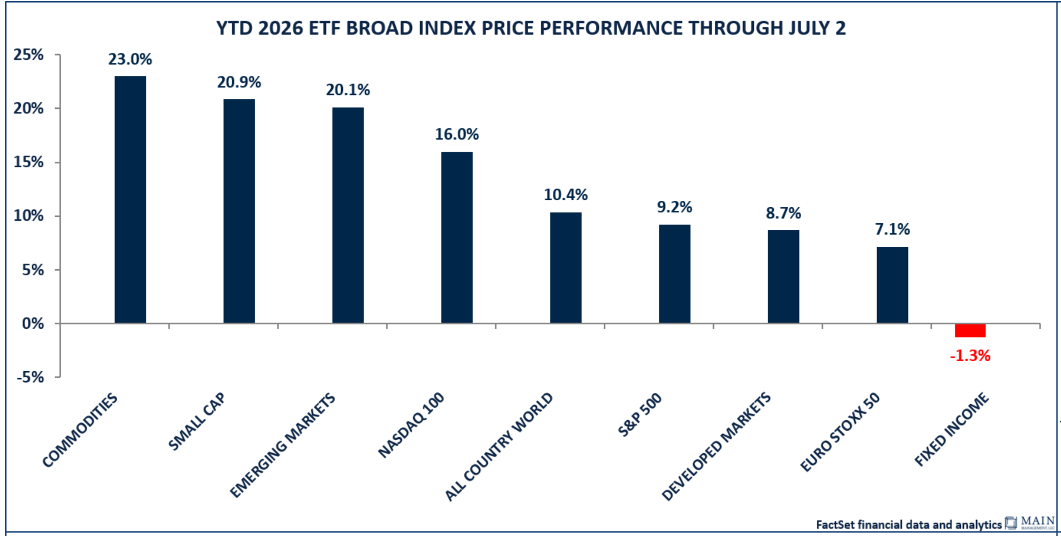
Research backed portfolios

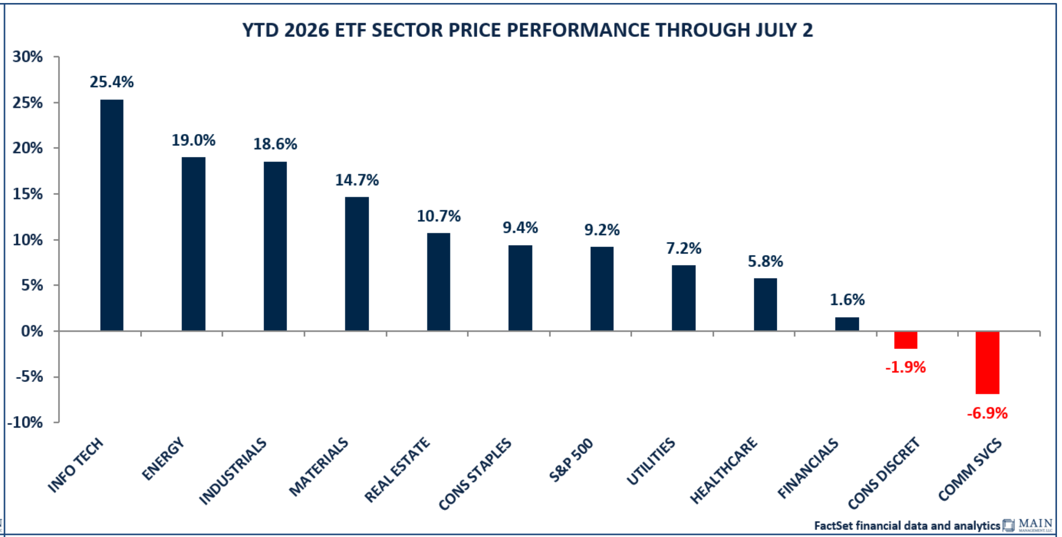

James Maxwell
Director, Research

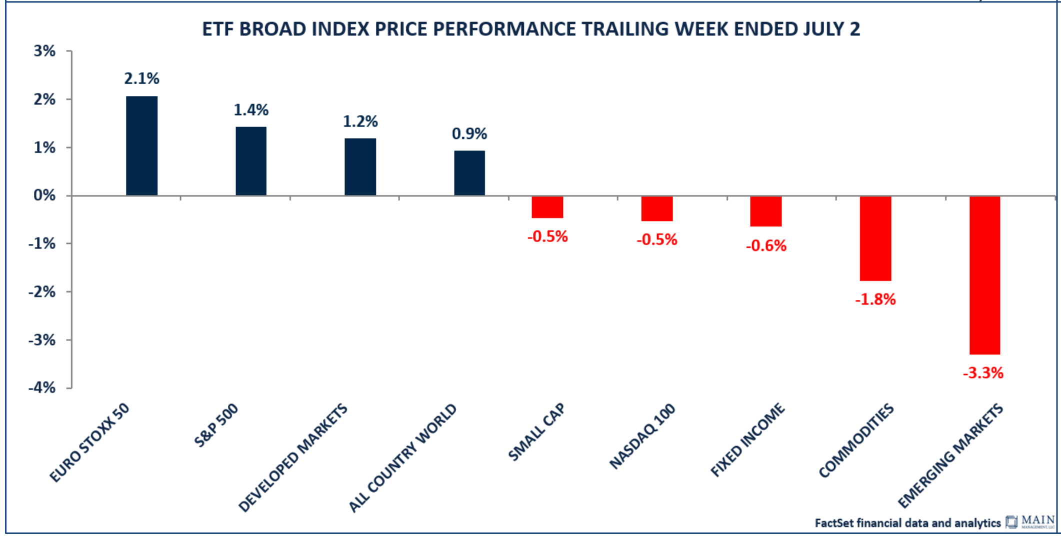

Alex Dippery
Research Analyst

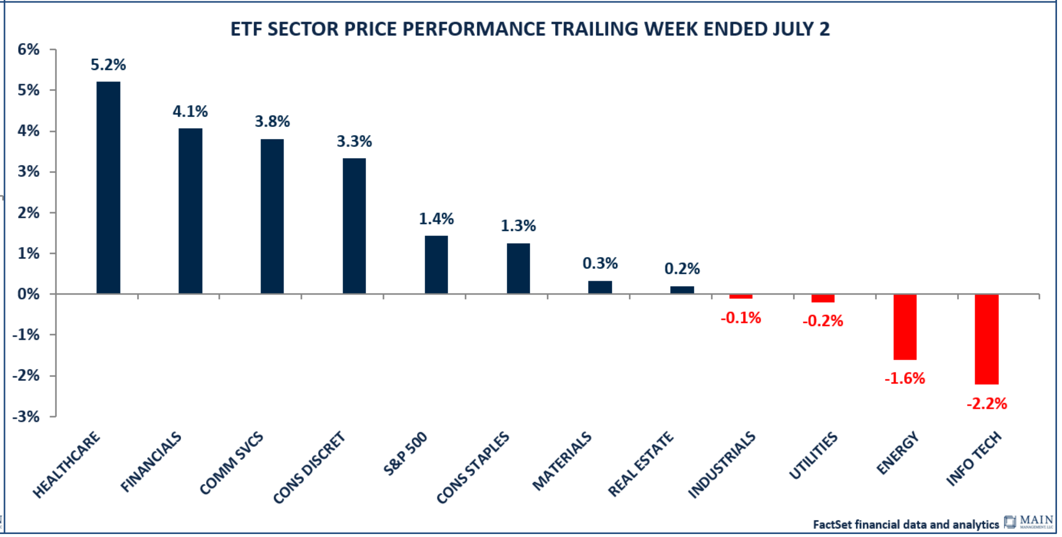
Advisors benefit from our comprehensive due diligence on other asset managers, insightful market commentary, and strategic asset class views.

Performance









Recession Dashboard

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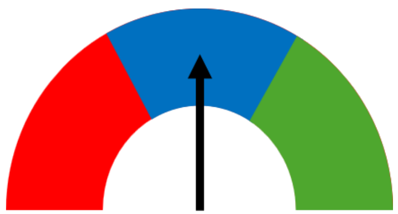
RECESSION START	INFLATION	CONSUMER	YIELD CURVE	HOUSING	SENTIMENT	AUTOS	EMPLOY-MENT	PMI	RETAIL SALES
NOV 1973	↓	—	—	↓	—	—	↓	↓	—
JAN 1980	↓	↓	↓	↓	↔	↓	↓	↓	—
JUL 1981	↓	↓	↓	↓	↔	↓	↓	↓	—
JUL 1990	↓	↓	↓	↓	↔	↓	↓	↔	—
MAR 2001	↔	↓	↓	↔	↔	↔	↓	↓	↔
DEC 2007	↓	↓	↓	↓	↔	↓	↓	↓	↓
DEC 2019	↑	↑	↔	↔	↑	↔	↑	↔	↔
JULY 2026	↓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

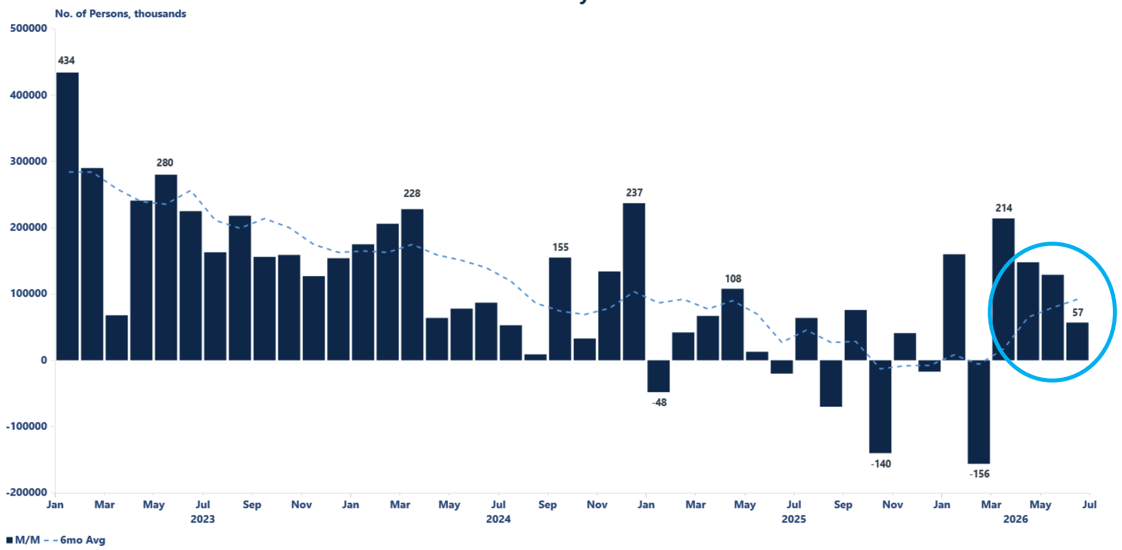


Inflation: *Headline CPI. Source: St. Louis Fed.* **Consumer**: *Conference Board Consumer Confidence. Source: The Conference Board.* **Yield Curve**: *10 year – 3 month Treasury spread. Source: FactSet financial data and analytics.* **Housing**: *Housing Starts & Existing Home Sales. Source: St. Louis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

Nonfarm Payrolls

- Nonfarm Payrolls (left) came in at +57k in June, roughly half of forecasts for a 110k figure. However, that's still well above the estimated breakeven rate of 25-30k, which is considerably lower than a couple years ago due to changing immigration dynamics. The U3 Headline Unemployment Rate declined to 4.2% while the Participation Rate fell out of bed, dropping to 61.5%, the lowest since March 2021!
- The Labor Force shrunk by -720k to 169.4mil, the smallest since Dec. 2024. However, the # of unemployed persons also fell by -213k to 7.1mil. Part of the reason for the drop in the Participation Rate was that the # of persons not in the labor force jumped by +832k to another all-time high at 105.8mil, up +2.5% YoY.

NonFarm Payrolls



Source: Main Management, BLS, Macrobond. Data last updated: 7/2/2026

US Employment

(All population/employment figures in 000s)

	June 2026	Prior Mo	12mo Ago	Y/Y	M/M
Total Nonfarm Employment	158,984	158,927	158,478	0.3%	0.0%
Total Nonfarm Employment (Δ From Prior Period)	57	129	-20		
Civilian Non-Institutional Population	275,166	275,054	273,585	0.6%	0.0%
Civilian Non-Institutional Population (Δ From Prior Period)	112	99	200		
Civilian Labor Force	169,358	170,078	170,380	-0.6%	-0.4%
Civilian Labor Force (Δ From Prior Period)	-720	83	-112		
Participation Rate	61.5%	61.8%	62.3%	-1.3%	-0.5%
Employed (Household data)	162,264	162,771	163,327	-0.7%	-0.3%
Employed (Household data) (Δ From Prior Period)	-507	149	83		
Employed / Population	59.0%	59.2%	59.7%	-1.2%	-0.4%
Unemployed	7,094	7,307	7,054	0.6%	-2.9%
Unemployed (Δ From Prior Period)	-213	-66	-194		
Unemployment Rate (U3)	4.2%	4.3%	4.1%	2.4%	-2.3%
Unemployment Rate (U6)	7.9%	8.1%	7.7%	2.6%	-2.5%
Part-time for Economic Reasons	4,681	4,805	4,473	4.7%	-2.6%
Want A Job Now (Δ From Prior Period)	-293	800	-112		
Not in Labor Force	105,808	104,976	103,205	2.5%	0.8%
Not in Labor Force (Δ From Prior Period)	832	17	312		
Not In Labor Force / Population	38.5%	38.2%	37.7%	1.9%	0.8%
Δ in NFPs Less Those Leaving the Labor Force	-775	112	-332		

NEUTRAL

Wages & Participation

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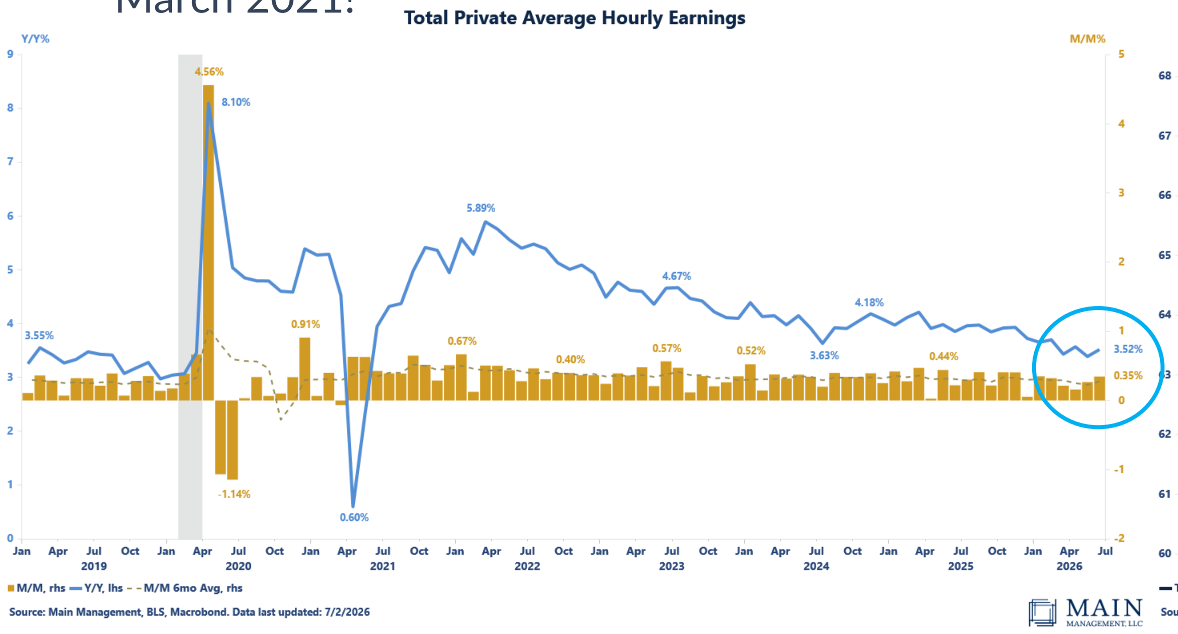
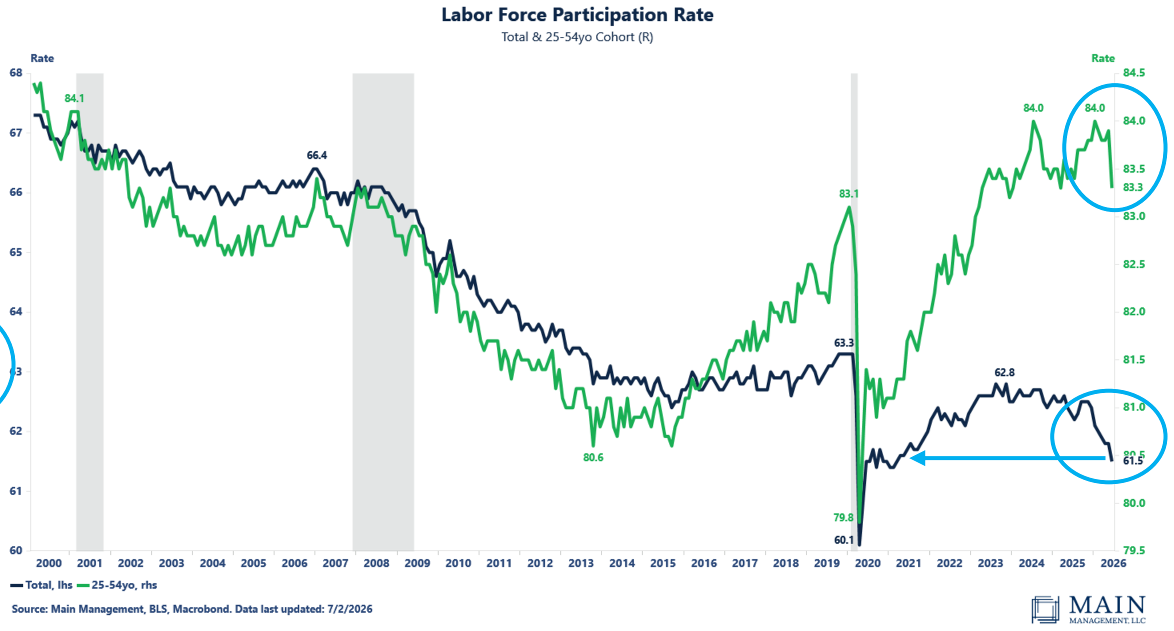
- Wages (left) posted a +0.35% MoM gain, slightly above forecasts for a 0.3% rise, and accelerating to +3.52% YoY. While this YoY figure has been in a downtrend basically since the pandemic, it's important to remember that we're just getting back in line with pre-covid levels. With the drop in oil prices likely to drag on inflation, we hope wage gains will soon be outpacing inflation again, adding to consumer confidence and boosting spending.
- The 25-54yo Participation Rate (right, green) fell to 83.3%, tied for the lowest since Dec. 2023. The Overall Rate has been more steadily declining as the baby boomers are retiring and is now down to 61.5%, the lowest since March 2021!





NEUTRAL

JOLTS

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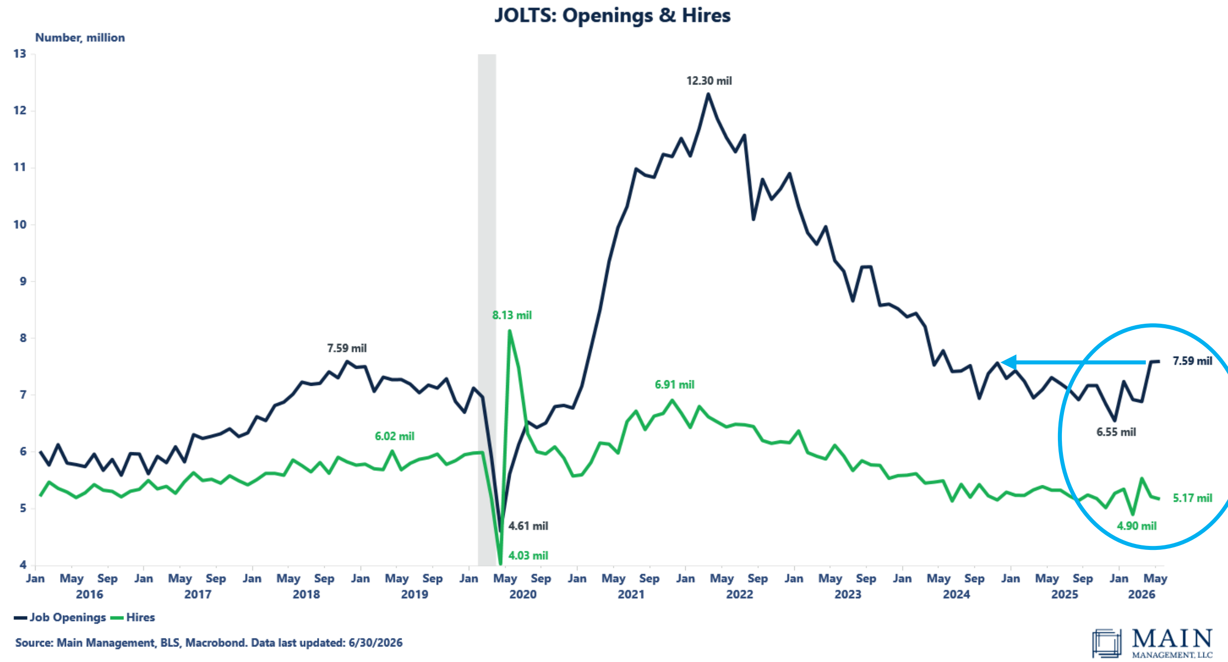
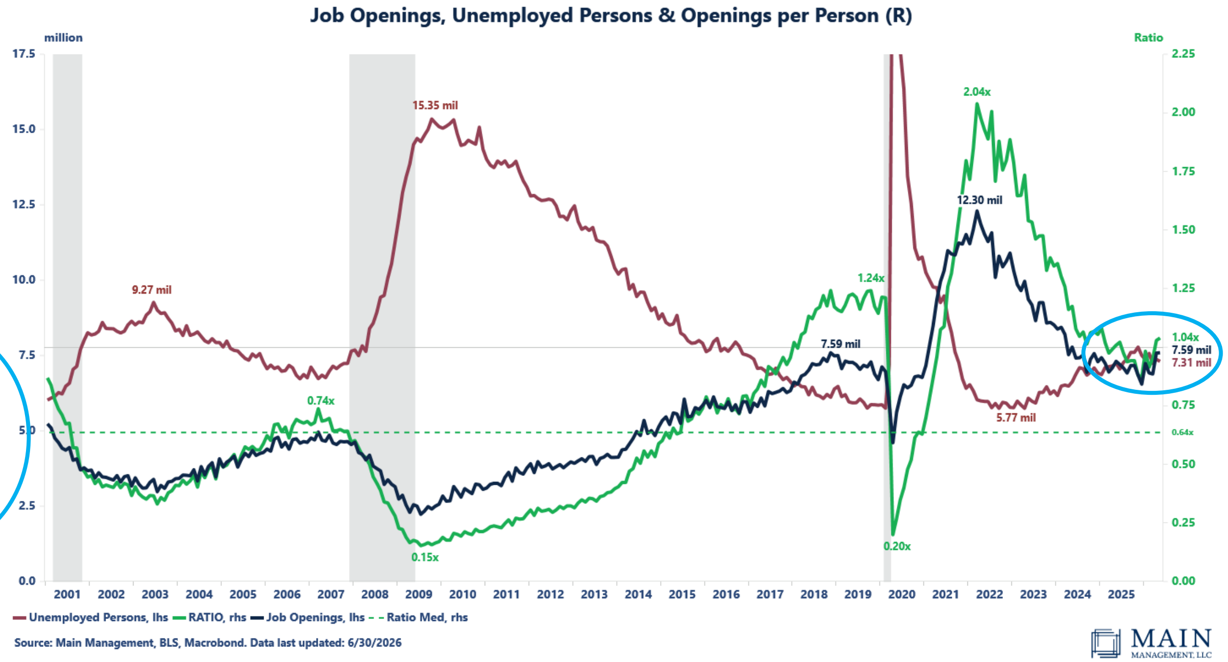
- JOLTS were little changed in May. Openings (left, black) inched higher to 7.59mil, solidly above forecasts for a 7.3mil figure and the most since May 2024! The April surge didn't reverse as expected. Hires (left, green) ticked down to 5.17mil. Quits and Layoffs (not shown) both increased a bit, overall indicative of a stable labor market.
- The ratio of Openings to Unemployed Persons (right, green) moved back up to 1.04x, the highest since January 2025, as the number of unemployed persons has been creeping lower while Openings have been moving up.





NEUTRAL

ADP Payrolls

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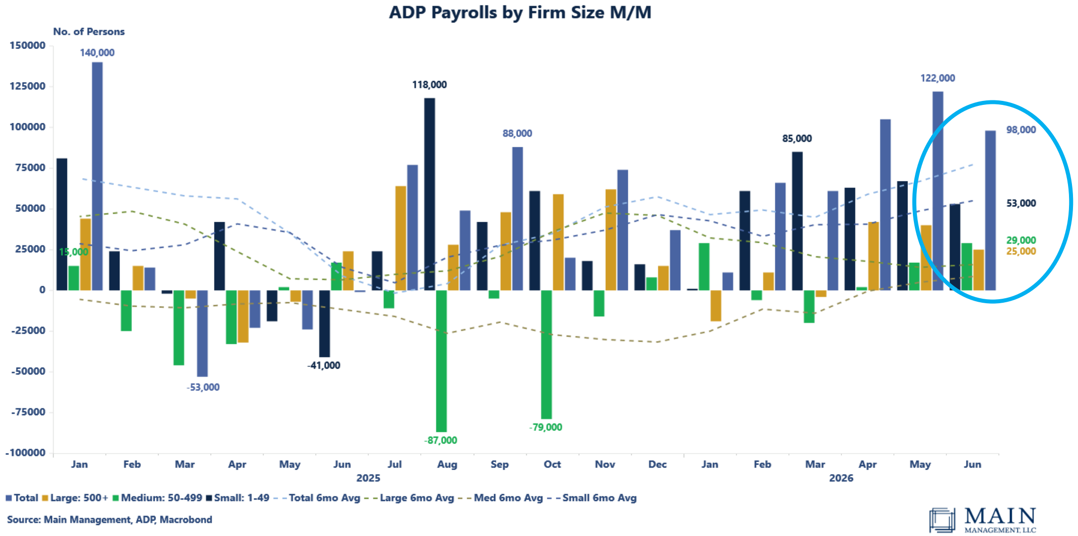
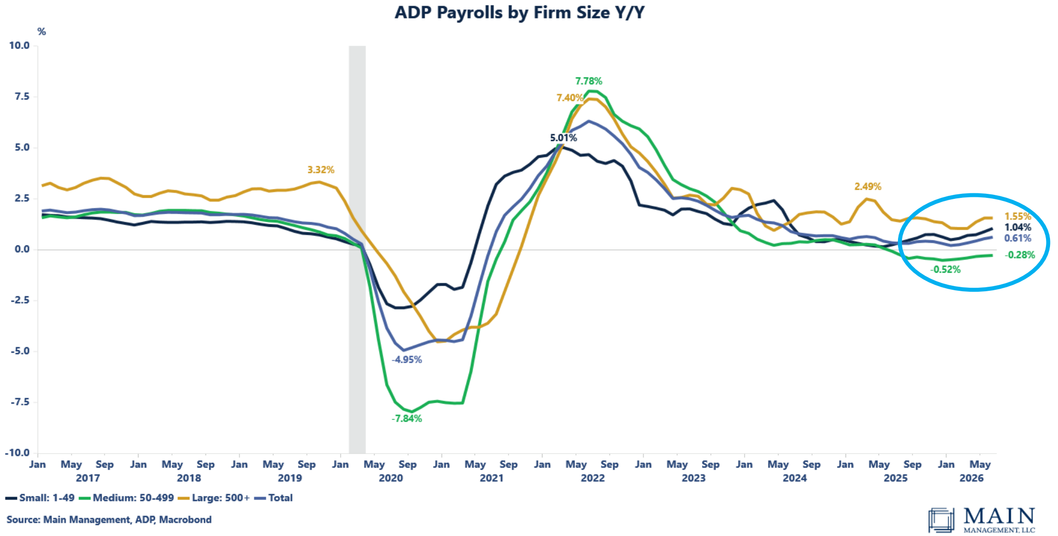
- ADP Payrolls (left, blue) posted a solid +98k figure in June, missing forecasts for 113k but driven primarily once again by small firms (left, black), which added +53k jobs. Small firms have been responsible for the bulk of the headline gains for the last 5 months, a welcome development since those firms account for 45% of total employment.
- On a YoY basis (right), large firms are up the most at +1.55%, followed by small firms at +1.04%, the biggest YoY gain since June 2024. Total employment is up +0.61%, the most since March 2025, and medium firms are the only category in the red, down -0.28% YoY, but are moving back up towards 0.





POSITIVE

Job Cut Announcements

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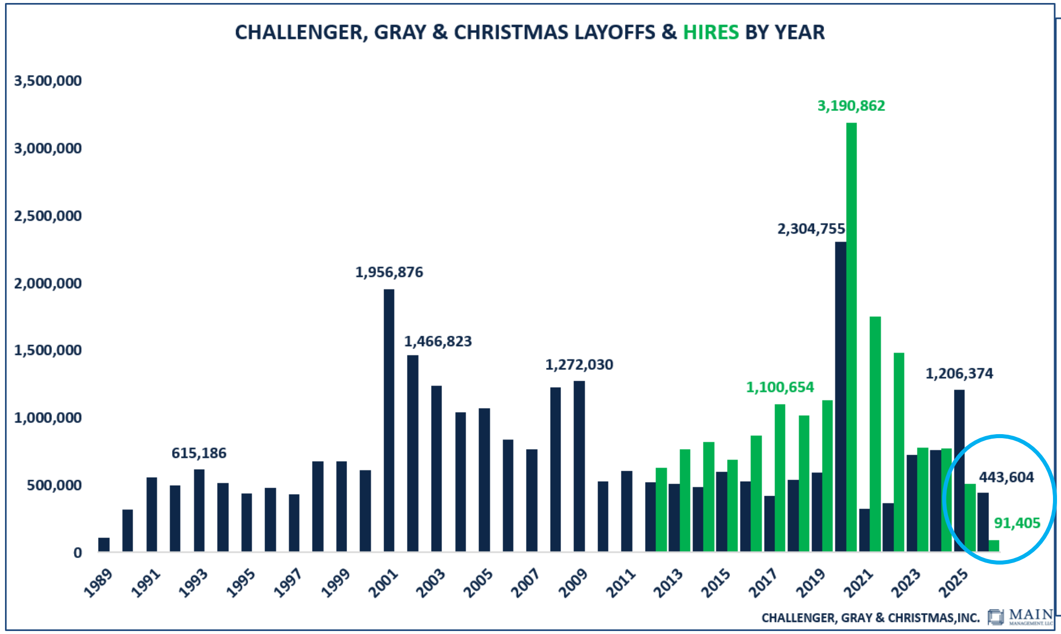
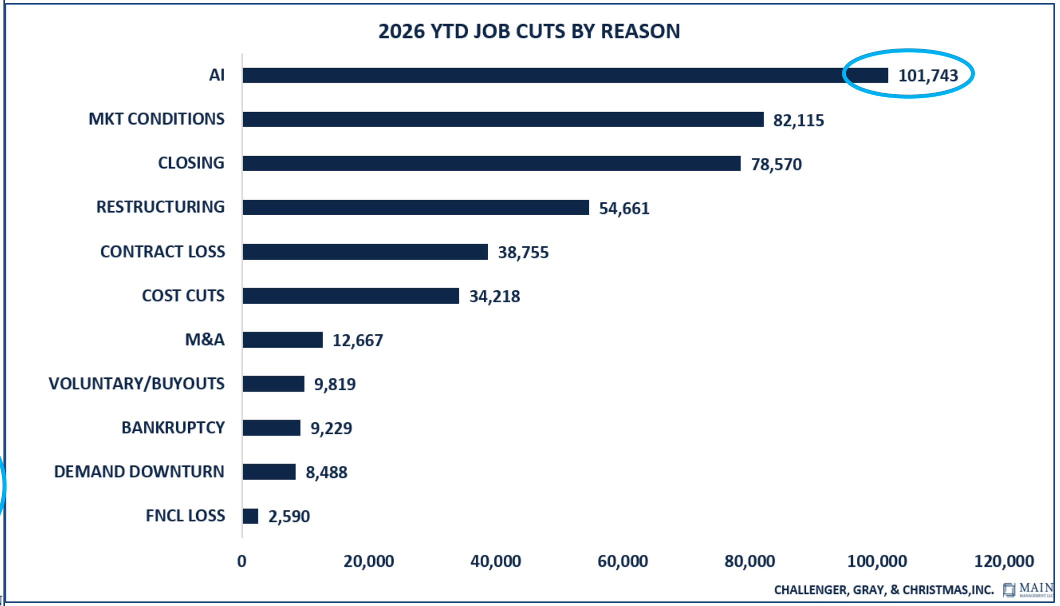
- Challenger Job Cut Announcements retreated in June to 45,849 but continue to dwarf hires which were up just 10,933. On a YTD basis (left), Cuts are at 443,604 and Hires at just 91,405, on pace to continue the dynamic shift we saw in 2025 when Cuts outnumbered Hires for the first time ever.
- As for reasons why firms are cutting jobs (right), Artificial Intelligence is now the most cited reason, responsible 101,743 cuts, or 23% of the cuts announced so far this year. That AI figure is already nearly double all of 2025 when it was cited as the reason for 54,836 cuts!





NEGATIVE

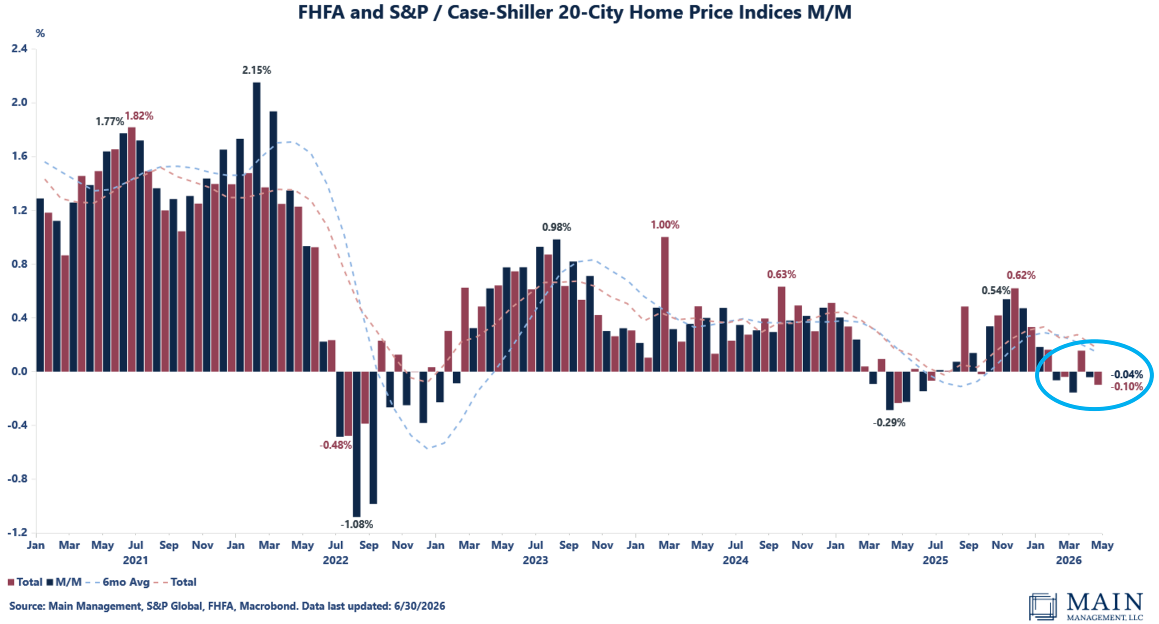
Industry Cuts

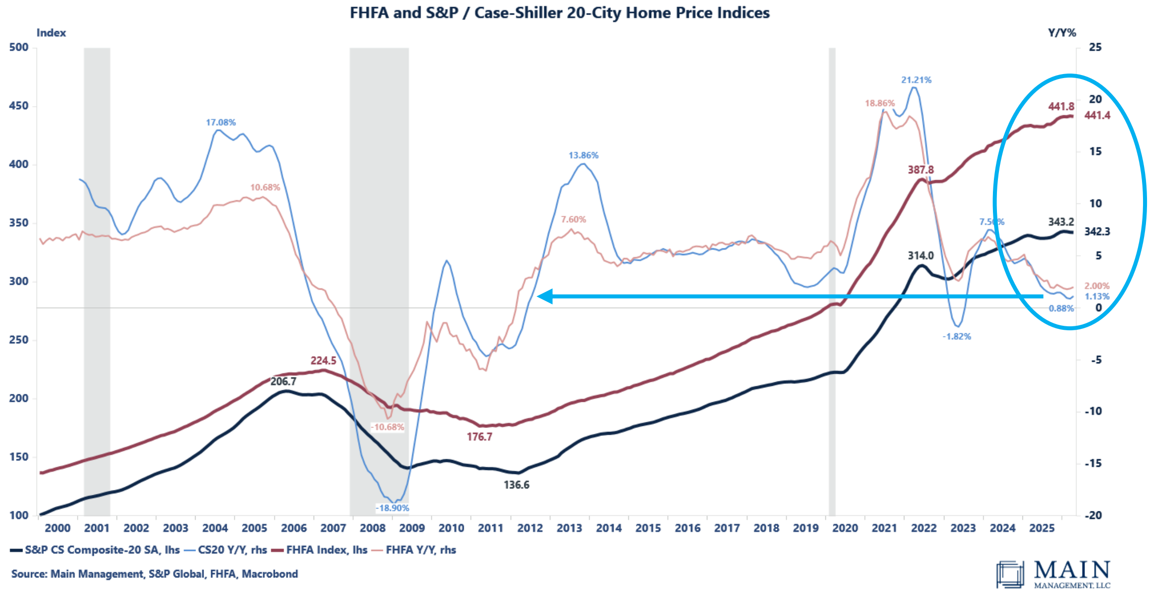
- On an industry basis (left) only 5 industries have announced more hires than cuts so far this year. Entertainment & Leisure is the most net positive at +2,515 more hires than cuts, and then Aerospace/Defense at +2,074. Technology is the most net negative by over 3x at -124,395, with 14,761 hires versus 139,156 cuts YTD.
- Below we also show the cumulative trajectory of 2026 cuts (middle) and hires (right) versus the historical averages going back to 2012. While the cuts aren't too far out of whack with 2026 YTD at 443,604 versus history at 413,622, hires are clearly massively lagging. YTD hires are just 91,405 versus the historical average of 300,423. We do have the seasonal bump coming in the fall ahead of the holiday season, but for now, it appears as though we're heading for another full year where cuts outpace hires.

NEGATIVE

Home Price Indices

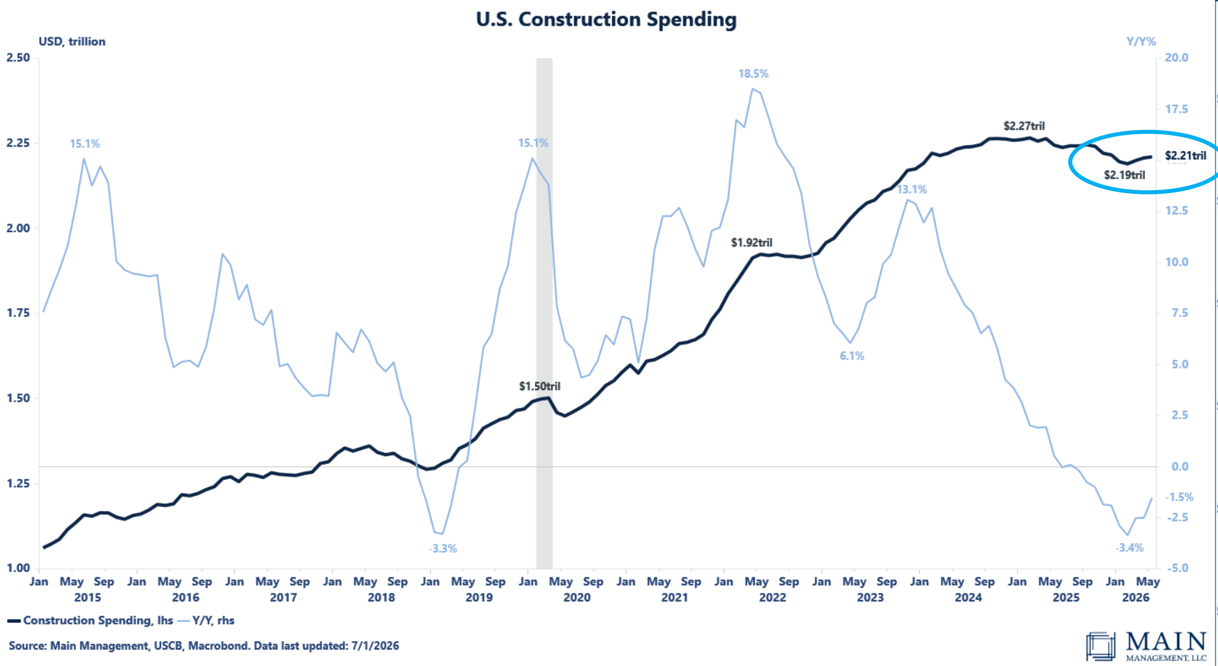
- Both the FHFA and Case-Shiller 20-City Home Price Indices ticked lower in May (left). The FHFA Index was down -0.10% MoM while the CS20 Index was down -0.04% MoM, the 3rd decline in a row. The 6mo averages (dotted lines) are rolling over as well…
- Both indices (right) are just off their all-time highs and are weighing on the housing market as potential buyers are being asked to pay up in price as well as stomach 6.5% mortgage rates. But the YoY gains have moderated significantly from the post-pandemic spike, with the FHFA Index up +2.00% and CS20 up +1.13%. If you exclude the pandemic distortions, both YoY figures are near their lowest levels since 2012!!

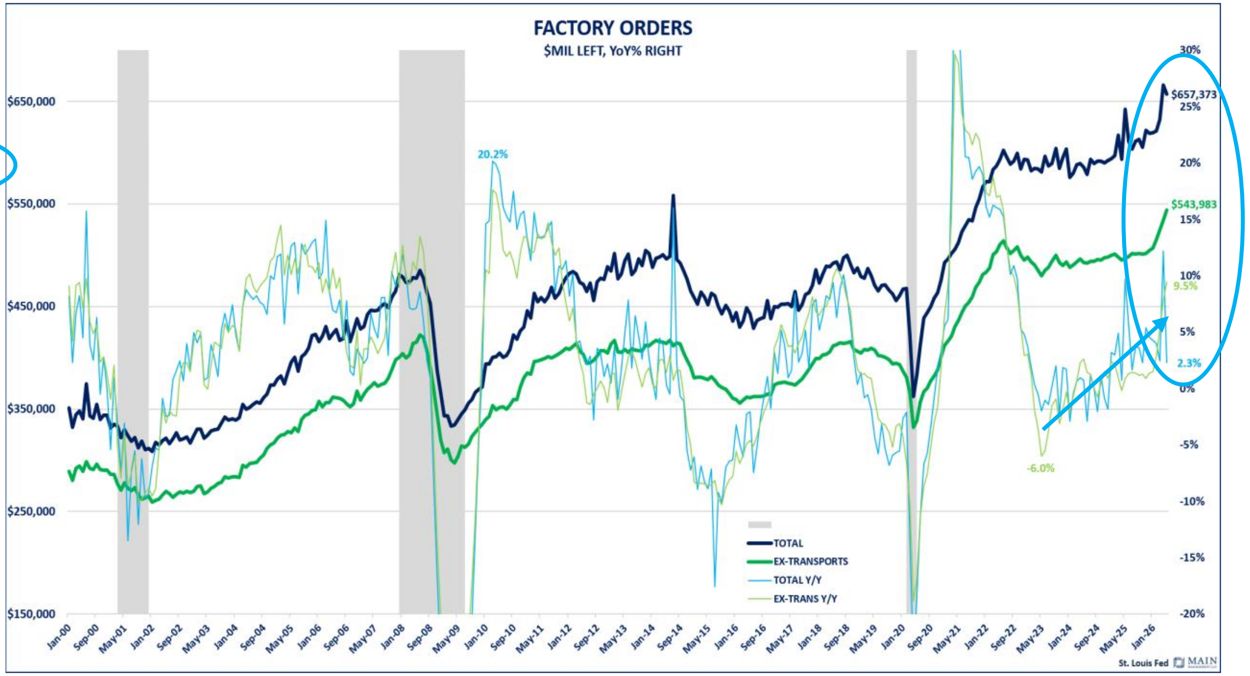




Construction & Factory Orders

- Construction Spending (left) rose +0.1% MoM in May, missing forecasts for a 0.2% gain but marking the 3rd straight monthly increase, the longest streak since September 2024. Spending now stands at $2.21tril and is down -1.5% YoY but appears to be moving off the trough from a couple of months ago…
- Total Factory Orders (right, black) dipped in May but Orders ex-Transports (green) posted their 7th straight MoM increase to another ATH at $544bil. They're now up +9.5% YoY, the most since Sept. 2022!





POSITIVE

Summary

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- Nonfarm Payrolls missed forecasts, adding +57k, as the Participation Rate fell to 61.5% and the Unemployment Rate declined to 4.2%.
- May JOLTS painted a picture of continued stability in the labor market. ADP Payrolls also showed continued steady gains, led once again by small firms.
- Job Cut Announcements continue to outpace hires as AI is now the biggest reason cited for job cuts.
- The FHFA and CS20 Home Price Indices both moderated in May but remain very elevated relative to history.
- Construction Spending posted its 3rd straight monthly gain but is down -1.5% YoY. Factory Orders ex-Transports posted a 7th straight MoM increase and are now up +9.5% YoY.

- Upcoming data:
    - Service & Composite PMIs (Mon)
    - Trade Balance (Tues)
    - Used Car Prices, Wholesale Inventories (Weds)
    - Existing Home Sales (Thurs)

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Appendix

Inflation Watch

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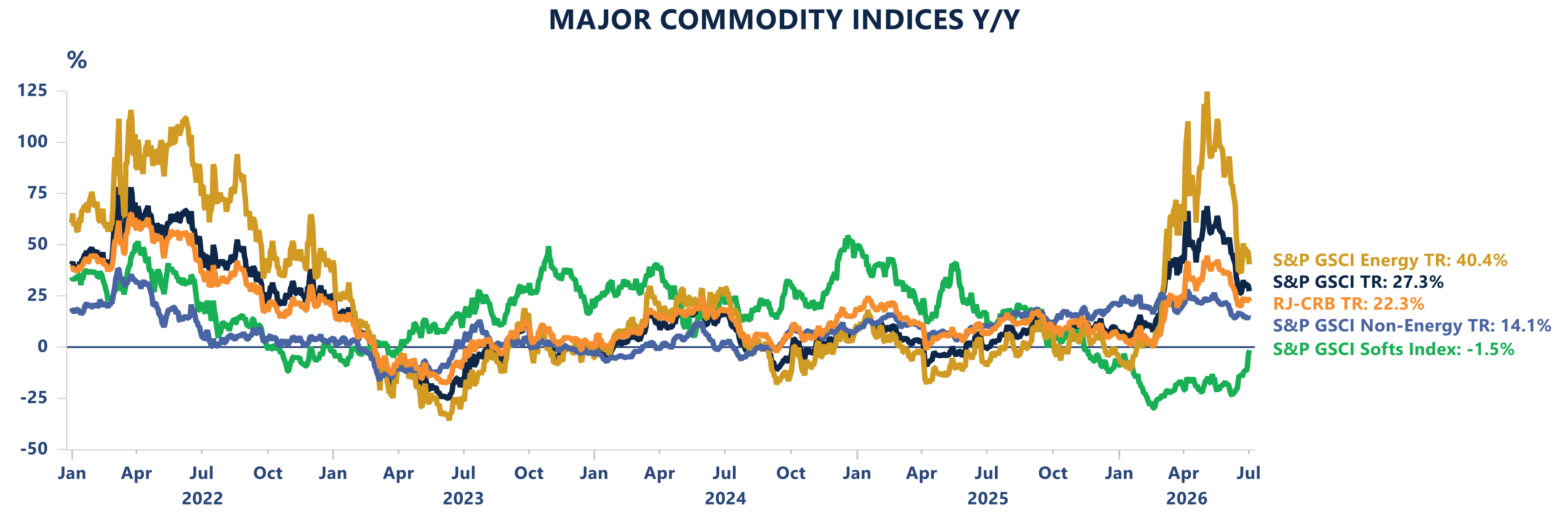

Source: Main Management, S&P Global, CoreCommodity Management, LME, EIA, LBMA, Macrobond, LPPM, NRCan, ICCO, ICO, USDA, MIAX, TREA, TMX, Macrobond. Data last updated: 7/2/2026

Commodity	1 Month	3 Months	YTD ↓	1 Year
Gasoline	-5.8	-11.1	72.7	41.6
S&P GSCI	-10.1	-11.7	23.7	30.0
Crude Oil	-25.6	-32.9	19.5	6.5
Lumber	5.4	1.8	15.0	-1.4
Cotton	-3.8	4.7	14.0	10.6
BBG Commodity Index	-8.8	-8.9	12.3	20.8
Soybeans	-5.1	-3.8	9.3	10.0
Copper	-2.6	8.0	6.5	33.4
US Dollar (DXY)	2.5	1.4	3.1	4.7
Corn	-5.7	-8.0	-4.4	0.1
Gold	-11.2	-13.6	-6.8	22.0
Coffee	22.1	8.7	-7.0	5.7
Natural Gas	-2.1	11.7	-12.6	-6.8
Silver	-20.5	-19.6	-14.3	67.6
Bitcoin	-18.2%	-12.1%	-31.4%	-44.0%

Source: Main Management, S&P Global, CME Group, ICE, LME, Macrobond. Data last updated: 7/2/2026

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