Main Management Market Note

July 31, 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

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

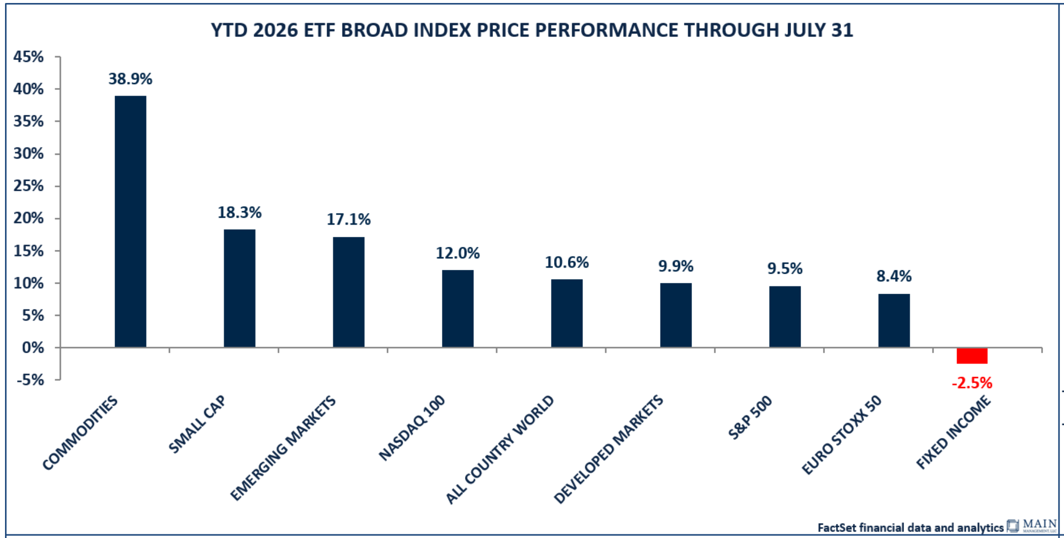
James Maxwell
Director, Research

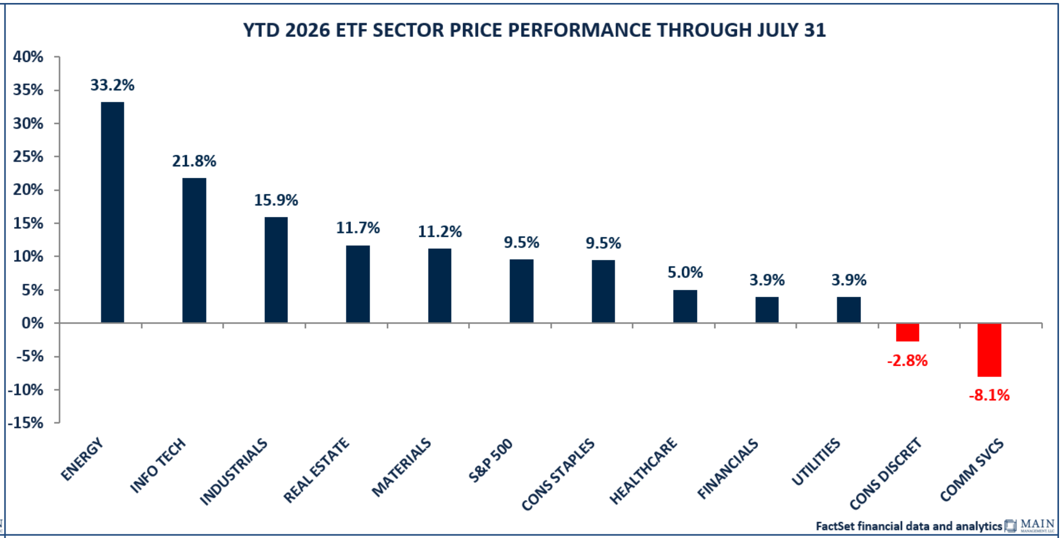
Alex Dippery
Research Analyst

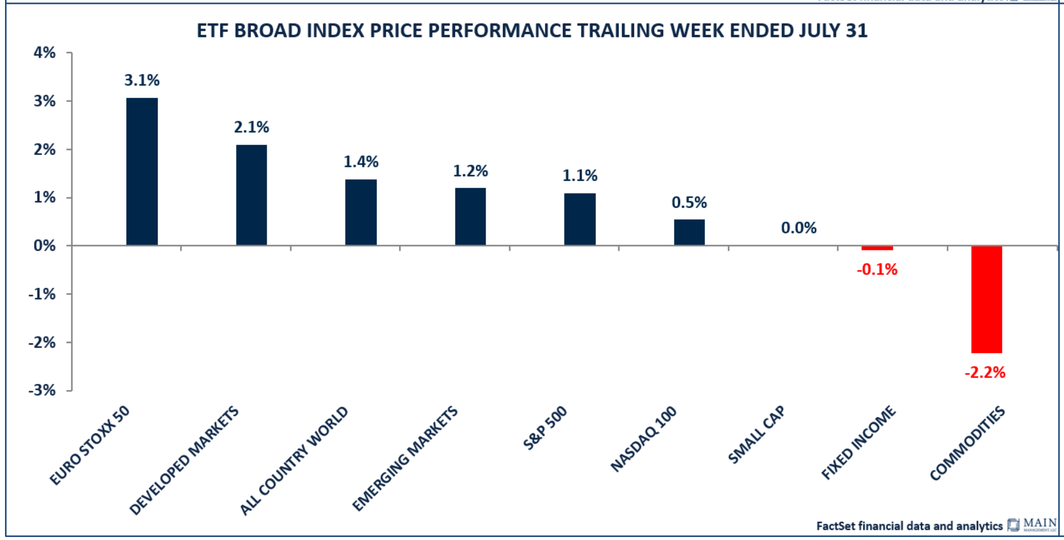
For over 20 years, we've led the way in diversified, top-down portfolio construction — now built to be customizable for each advisor and their clients.

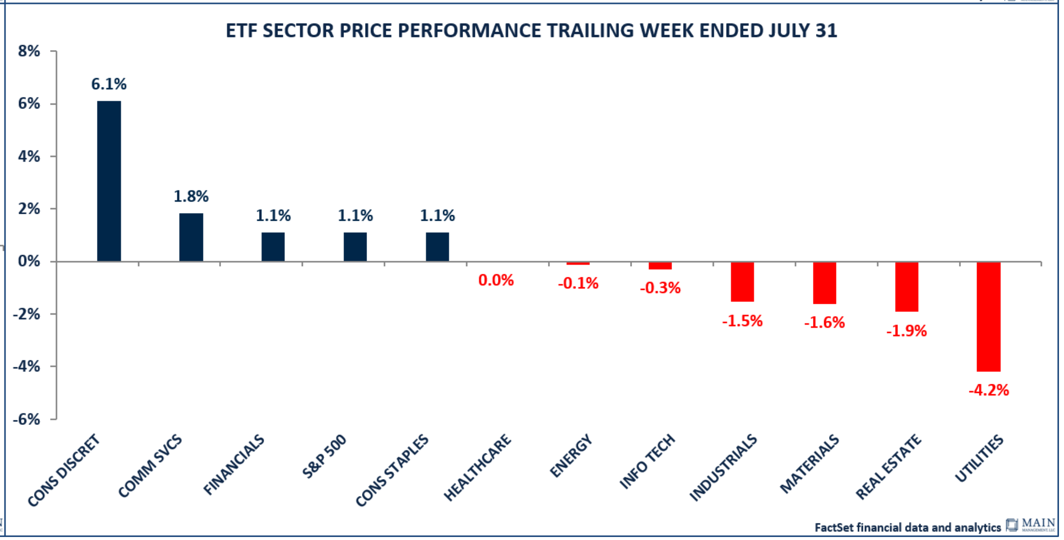
Advisors benefit from our comprehensive due diligence on other asset managers, insightful market commentary, and strategic asset class views.

Performance









Recession Dashboard

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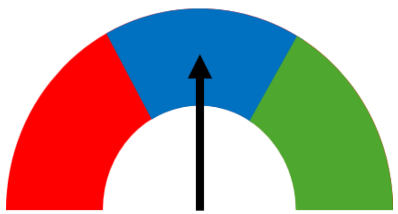
RECESSION START	INFLATION	CONSUMER	YIELD CURVE	HOUSING	SENTIMENT	AUTOS	EMPLOY-MENT	PMI	RETAIL SALES
NOV 1973	Negative	—	—	Negative	—	—	Negative	Negative	—
JAN 1980	Negative	Negative	Negative	Negative	Neutral	Negative	Negative	Negative	—
JUL 1981	Negative	Negative	Negative	Negative	Neutral	Negative	Negative	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
DEC 2019	Positive	Positive	Neutral	Neutral	Positive	Neutral	Positive	Neutral	Neutral
JULY 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.*

FOMC

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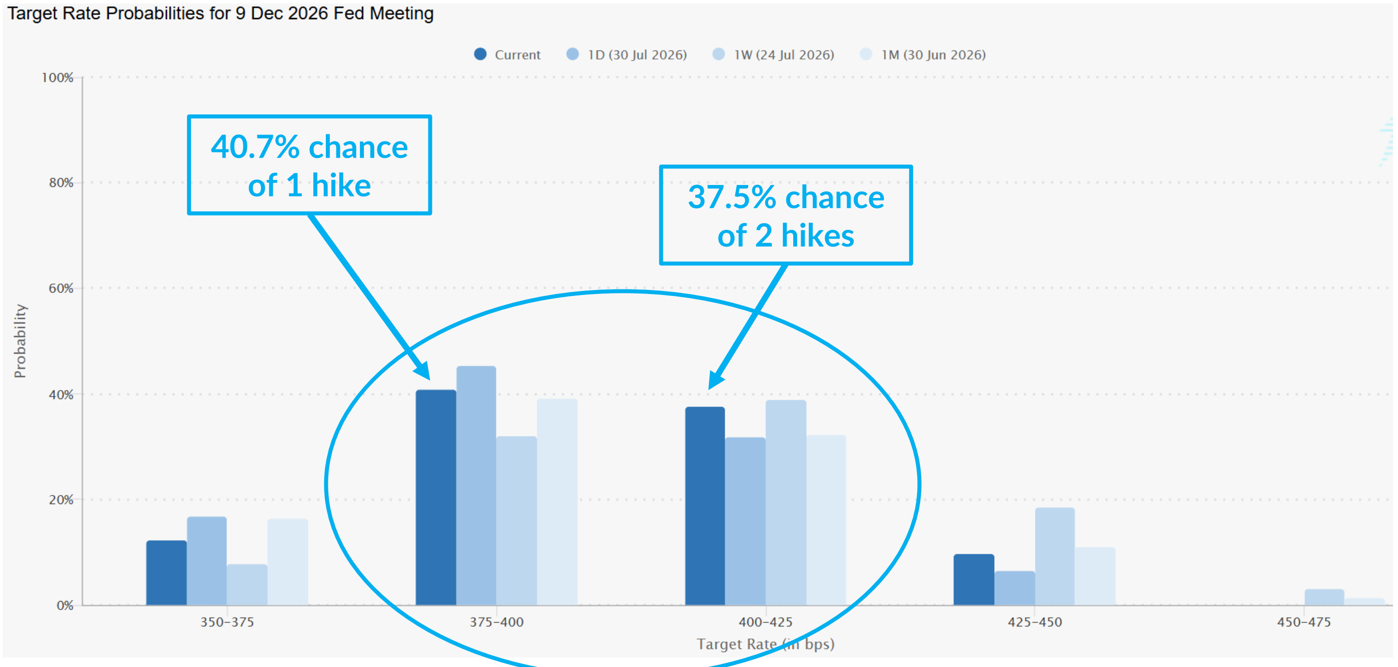
- The FOMC left rates unchanged at its meeting this week, but 3 members dissented in favor of a 25bps hike. The more hawkish statement noted that activity is expanding at a solid pace, that productivity growth and capital investment are strong, and that the unemployment rate remains relatively unchanged. It also mentioned that inflation is still elevated, emphasizing that the "Committee will deliver price stability," indicating the FOMC's desire to bring inflation back to the 2% target.
- However, Warsh's press conference was more dovish, suggesting policy will be less tied to particular data points (aka inflation prints) than Powell's Fed, and therefore likely less responsive to data developments more generally.
- Fed Funds Futures continue to price in 1-2 rate hikes by the end of the year, with the probabilities slightly higher than they were prior to this week's meeting. There's currently a 40.7% chance of 1 hike and a 37.5% chance of 2 hikes.



NEUTRAL

Core PCE

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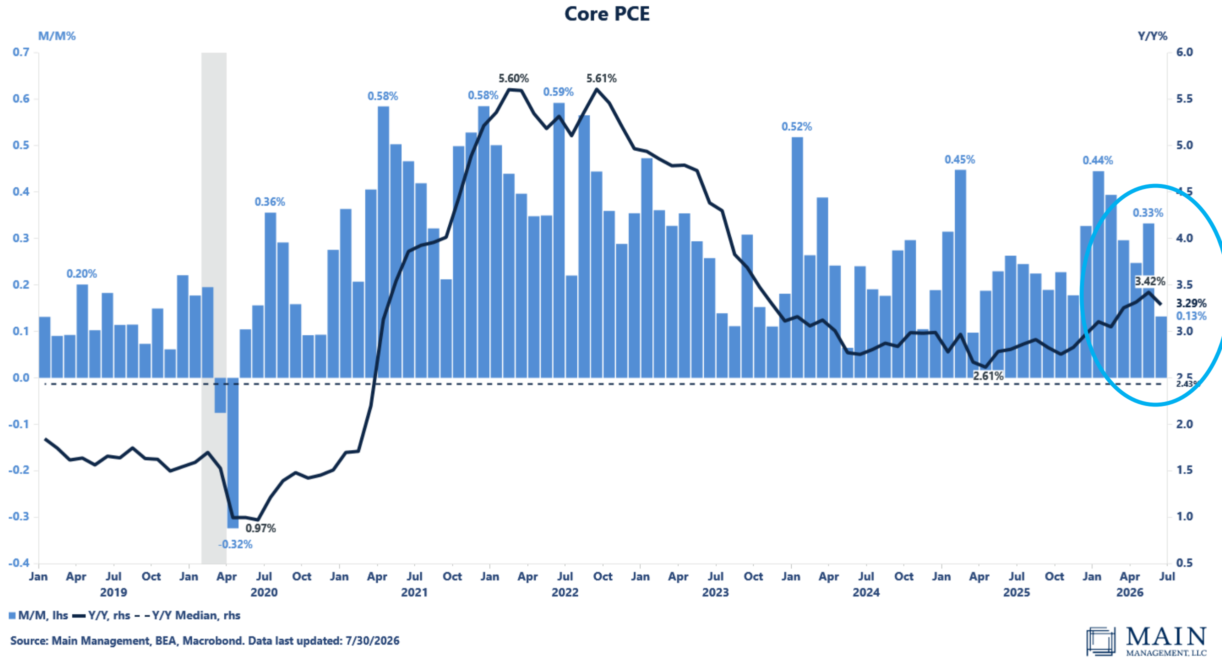
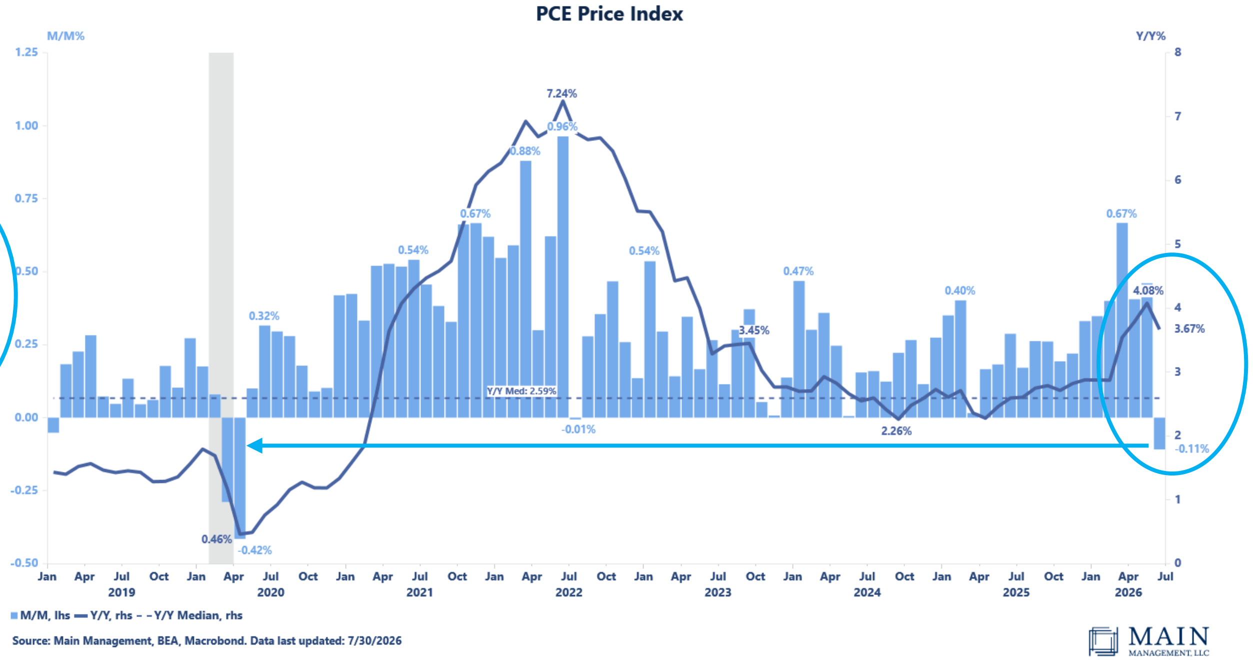
- Core PCE (left) slowed to +0.13% MoM in June, below forecasts for a +0.2% increase and the smallest gain since March 2025. On a YoY basis, Core PCE decelerated to +3.29%, still well above the Fed's 2% target. We haven't been below 2% since February 2021.
- The broader PCE Price Index (right) actually declined -0.11% MoM as Energy prices fell -6%. The YoY figure slowed to +3.67%. This down reading was the first since July 2022 and biggest since April 2020!





Spending & Income

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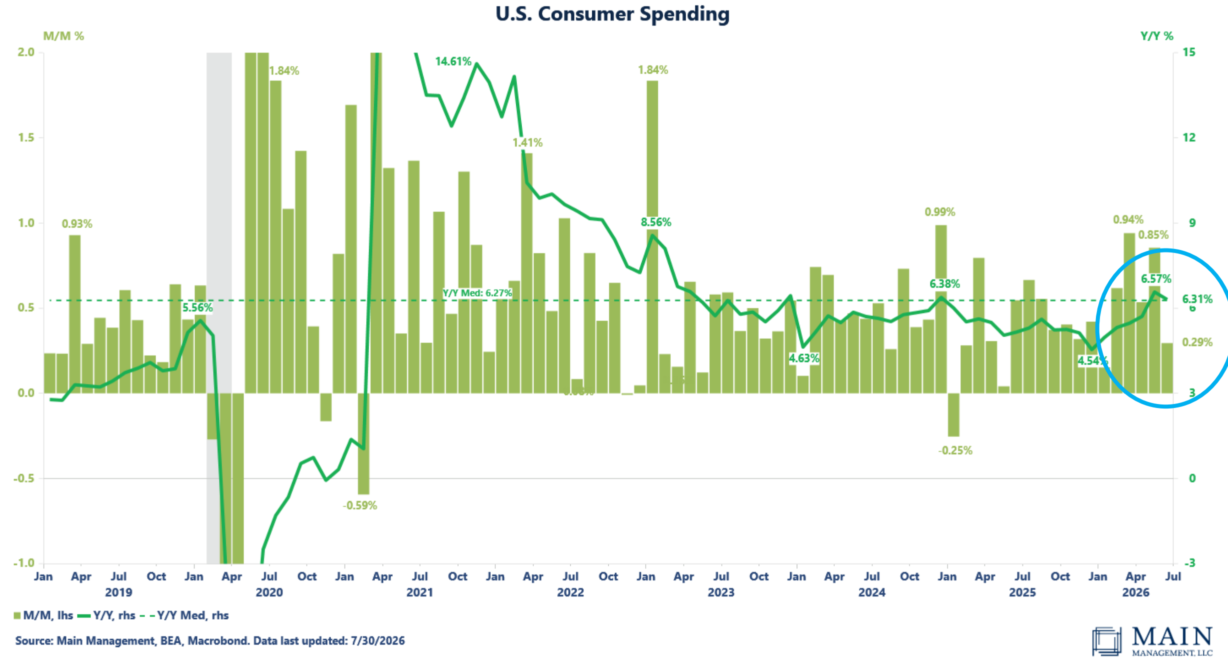
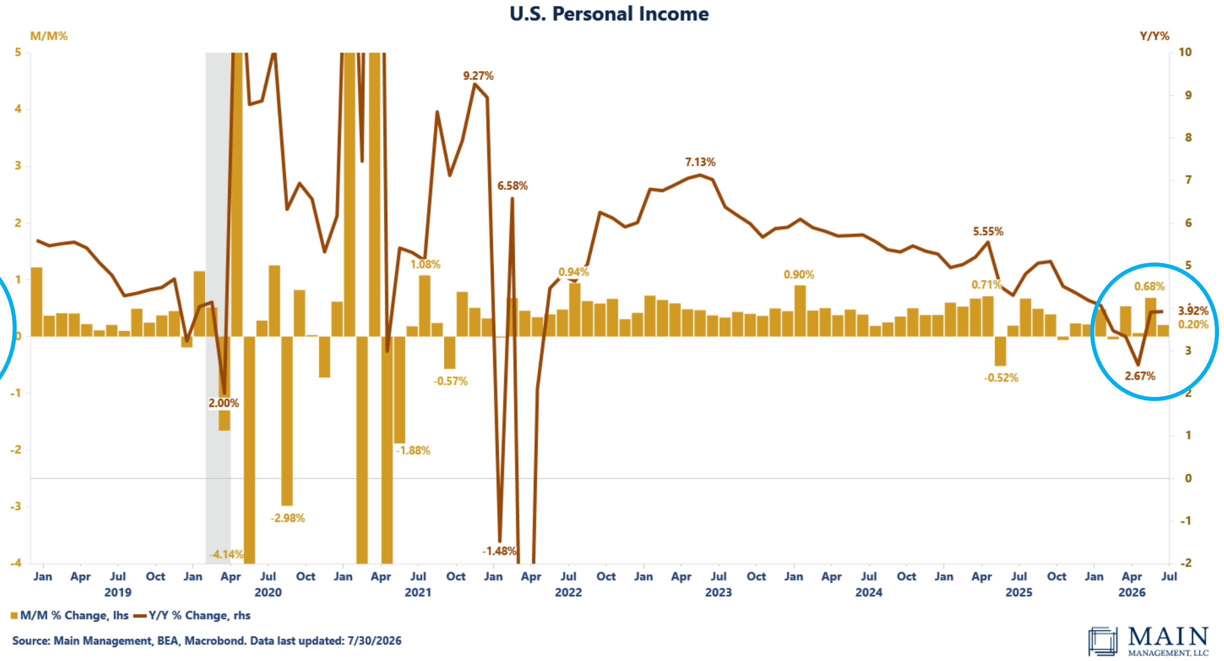
- Consumer Spending (left) posted a +0.29% MoM increase, slowing from May's upwardly revised +0.85% figure. The YoY figure decelerated to +6.31% but appears to be in a flattening / bottoming pattern on a longer-term basis and remains solidly above pre-pandemic gains. Spending was boosted by the FIFA World Cup as well as an earlier-than-usual Amazon Prime Day.
- Incomes (right) rose a muted +0.20% MoM, slowing from May's big +0.68% rise and missing forecasts for a +0.3% figure. They were little changed on a YoY basis at +3.92% but that's back above inflation, which is good.





POSITIVE

Q2 2026 U.S. GDP

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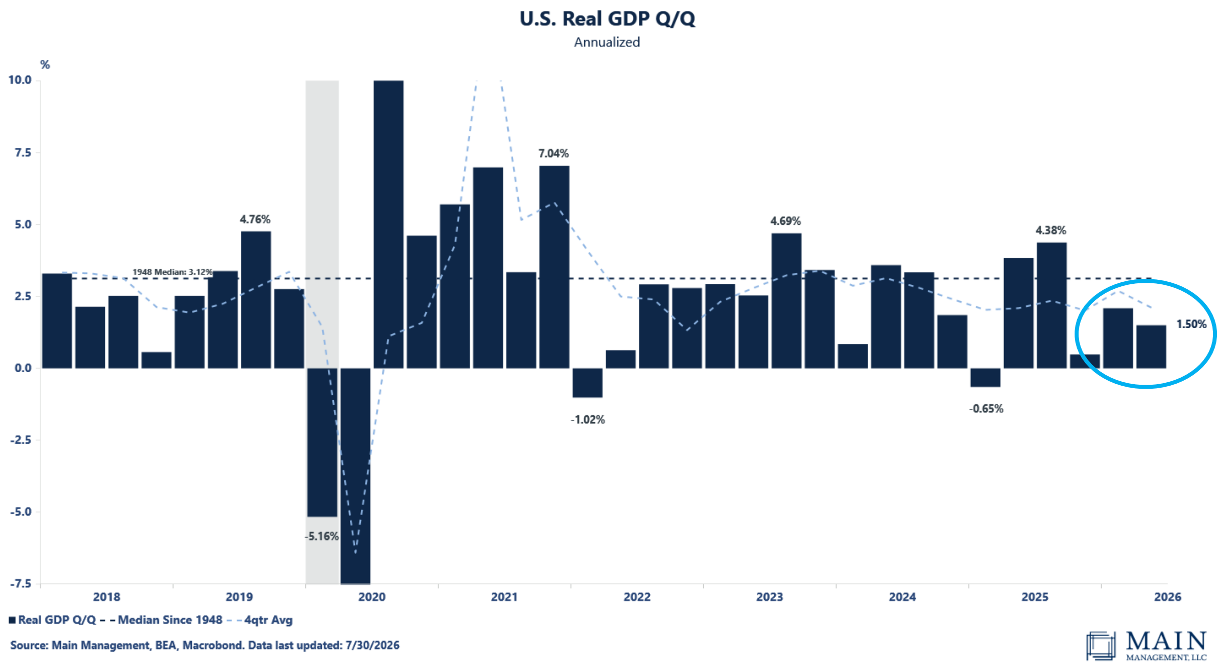
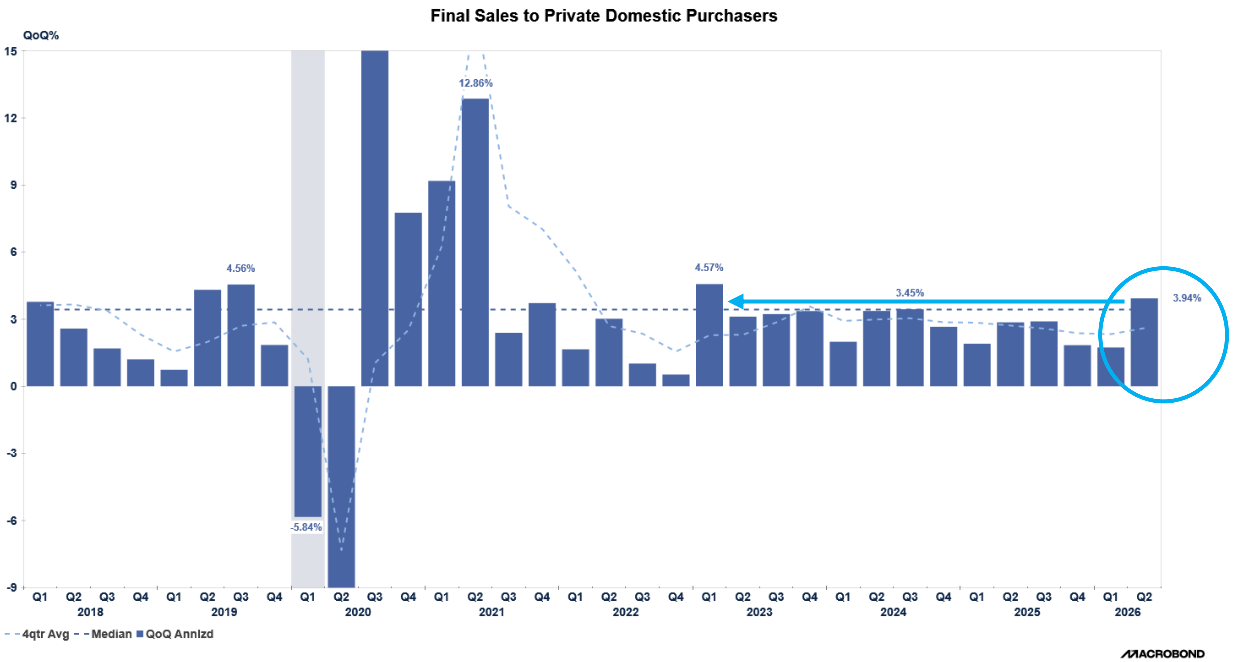
- The 1st estimate of Q2 2026 U.S. GDP (left) came in at +1.50% QoQ annualized, a bit below forecasts for a 2.1% increase. Net trade weighed on the figure as export growth slowed while import growth remained strong.
- A bright spot was Final Sales to Private Domestic Purchasers (right), which jumped +3.94% QoQ, the biggest gain since Q1 2023! This component encompasses both consumer spending and business fixed investment and was boosted by a robust +6.8% jump in goods spending.





POSITIVE

Spending & GDP Deflator

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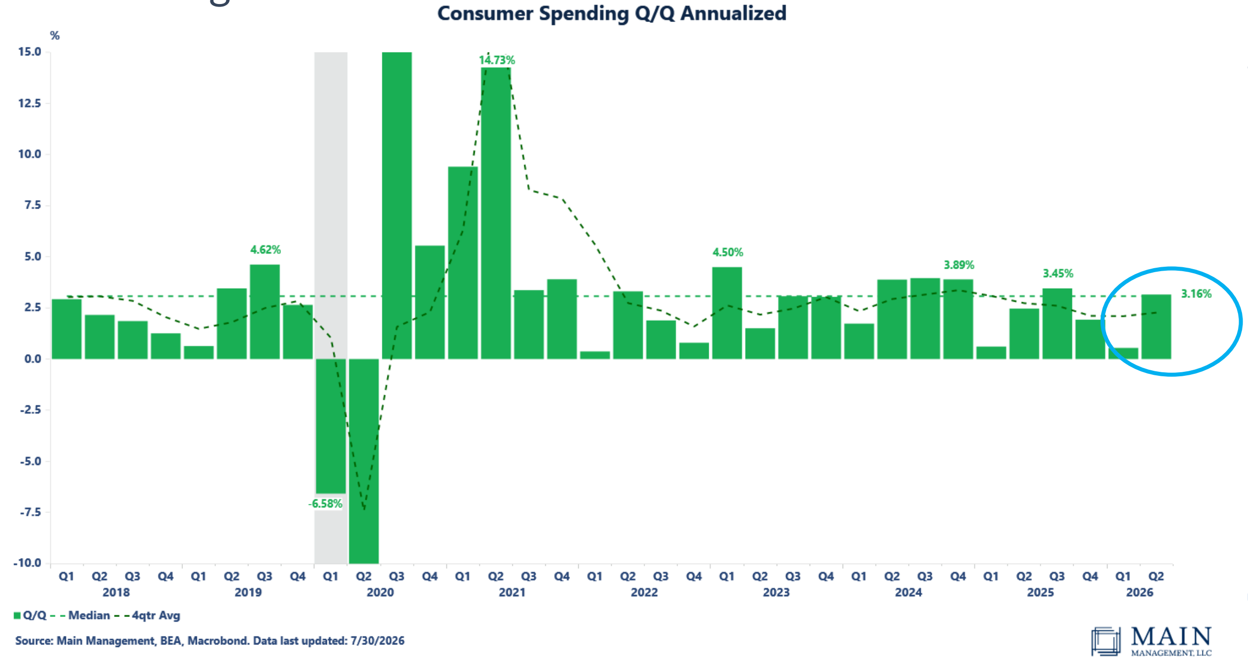
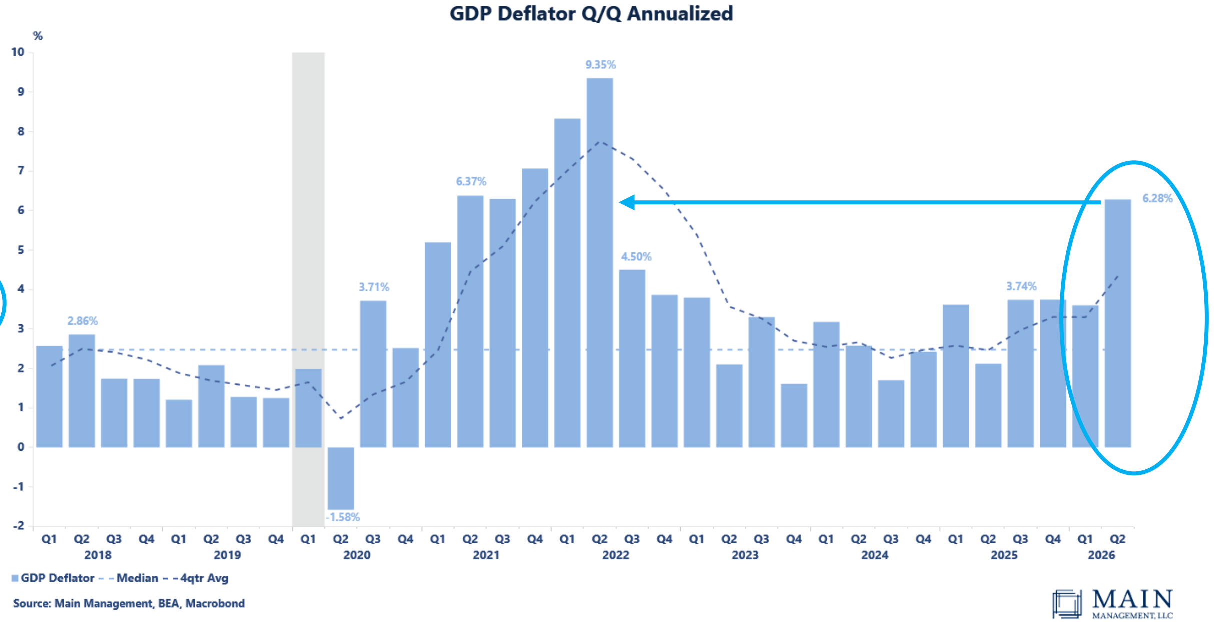
- Consumer Spending (left) rebounded to +3.16% QoQ following a weak Q1. Some of this increase is due to a rise in oil prices pushing up the Dollars spent on Energy, but it's also indicative of a U.S. consumer that refuses to cut spending even as inflation is running hot.
- The GDP Deflator (right) popped +6.28% QoQ, the most since Q2 2022. Interestingly, the Q2 reading for Core PCE (not pictured) slowed from Q1, a clear diversion thanks to the exclusion of energy prices in core inflation figures.





NEUTRAL

Durable Goods Orders

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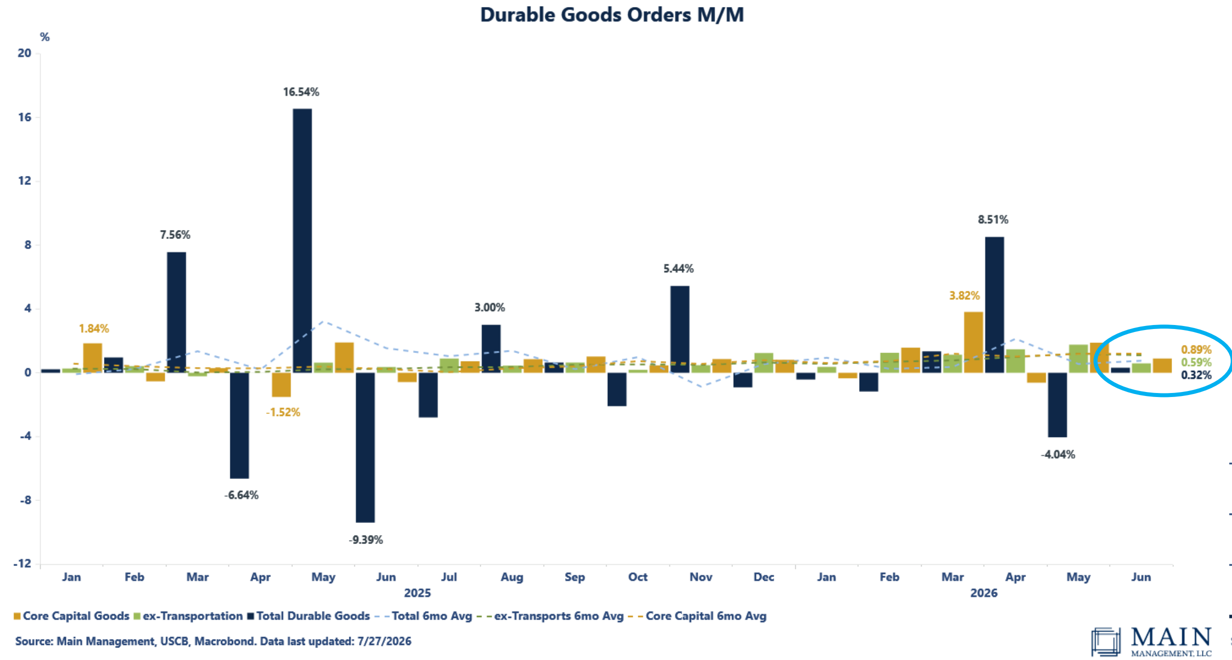
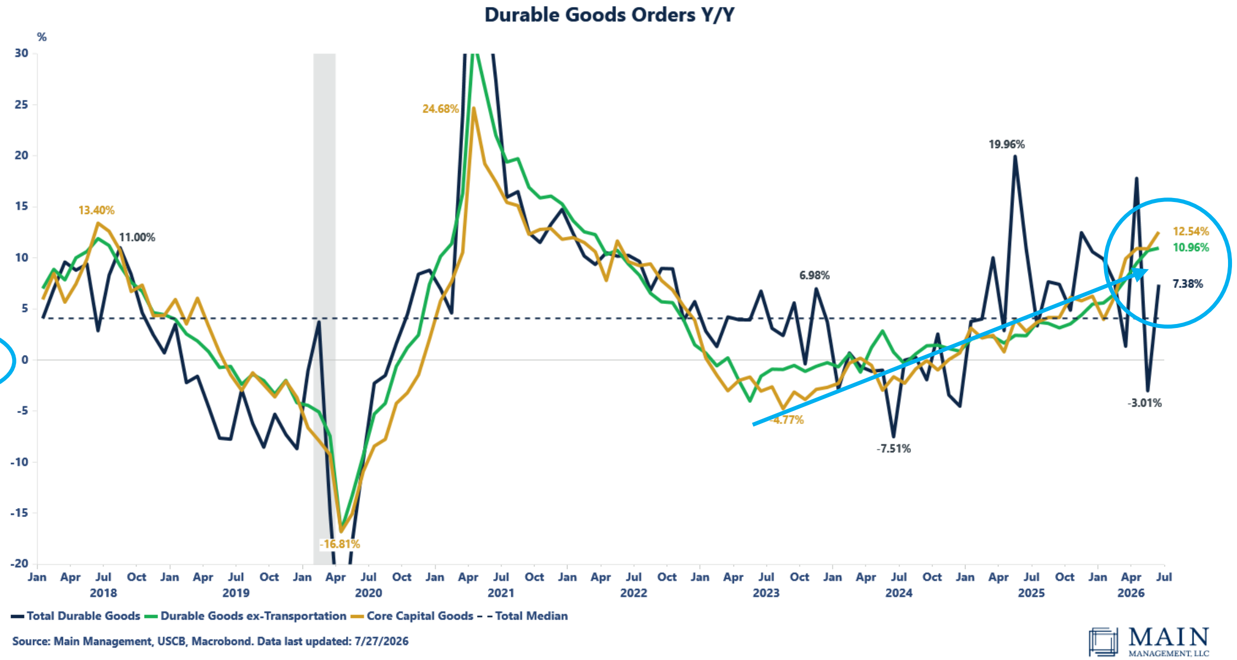
- Durable Goods Orders (left, black) were up just +0.32% MoM in June, well below forecasts for a +1.6% rise, weighed on by transports which were down -0.2% MoM. Core Capital Goods (left, gold), a business spending proxy, were up a solid +0.89% MoM, better than expectations for a +0.8% rise.
- On a YoY basis (right), Core Capital Goods continue to accelerate, now up +12.54%, the most since August 2021! Orders ex-Transports are up a similarly robust +10.96%, and Total Durable Goods Orders rebounded to +7.38%.





POSITIVE

Goods Trade Balance

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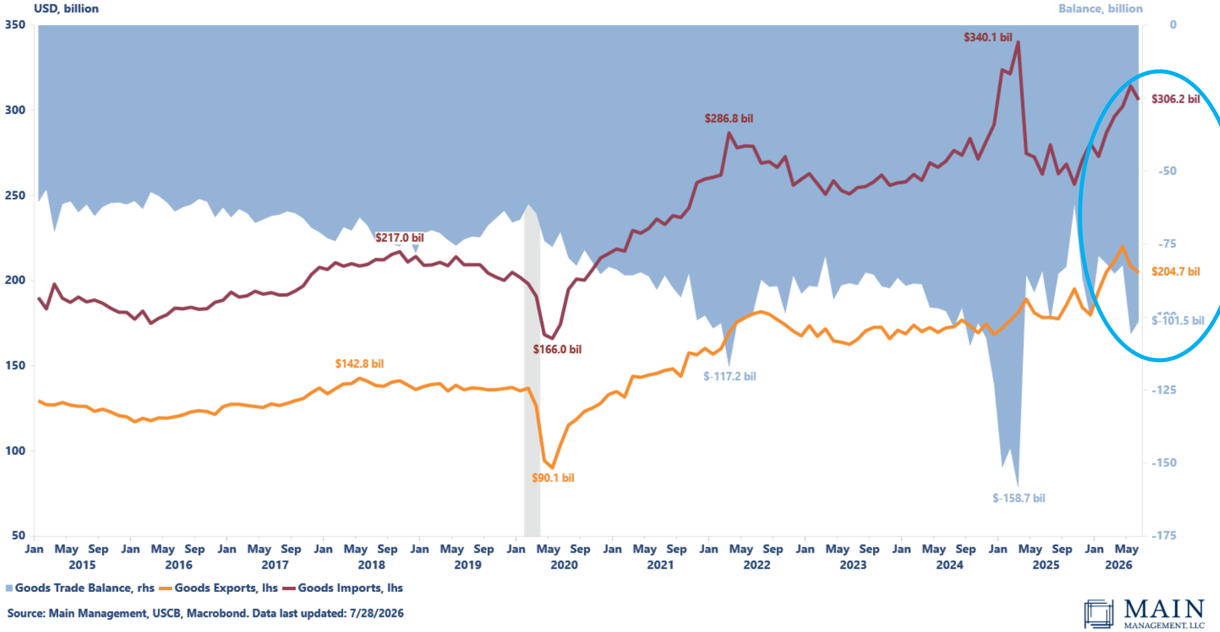
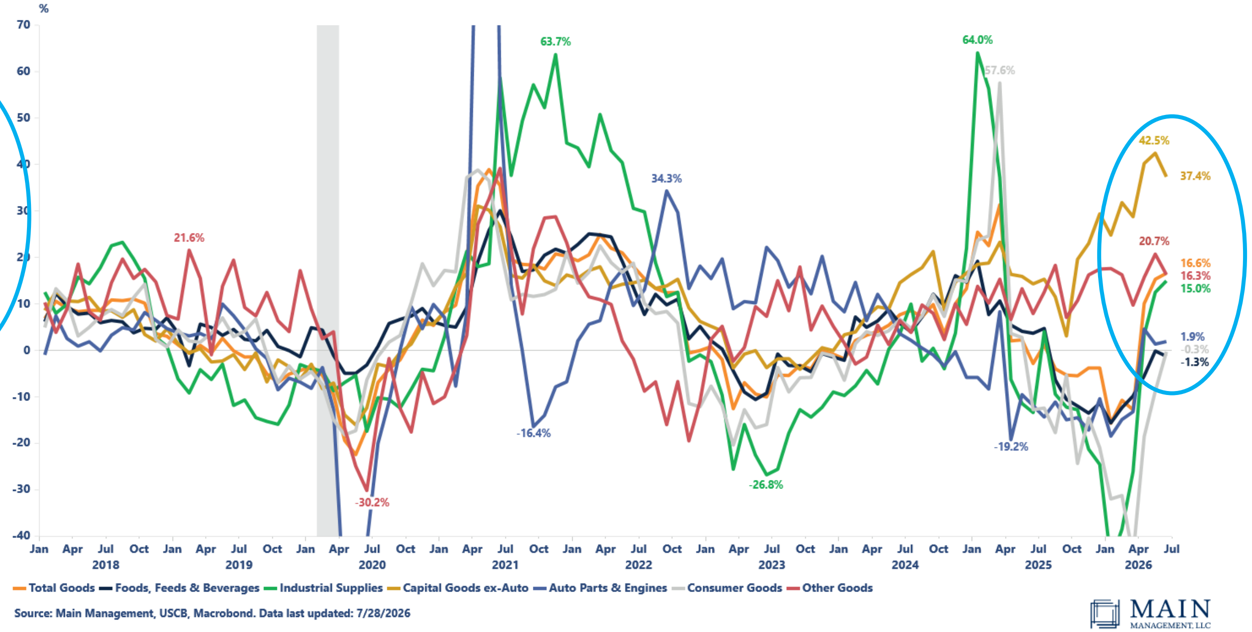
- The Goods Trade Balance (left) narrowed a bit to -$101.5bil as both Imports (maroon) and Exports (orange) declined. Still, Goods Imports (right, orange) are up +16.6% YoY, the most since March 2025, and Exports are up +14.8% YoY, both strong gains.
- All of the major goods imports categories decelerated on a MoM basis, but the YoY figures (right) continue to trend higher. Capital Goods ex-Autos (gold) are up the most at +37.4% YoY, followed by Total Goods Imports (orange) at +16.6%. Only Consumer Goods (grey) and Foods/Feeds/Bevs (black) are negative on a YoY basis.

US Goods Trade Balance



US Goods Imports by End Use Category Y/Y



NEUTRAL

Home Price Indices

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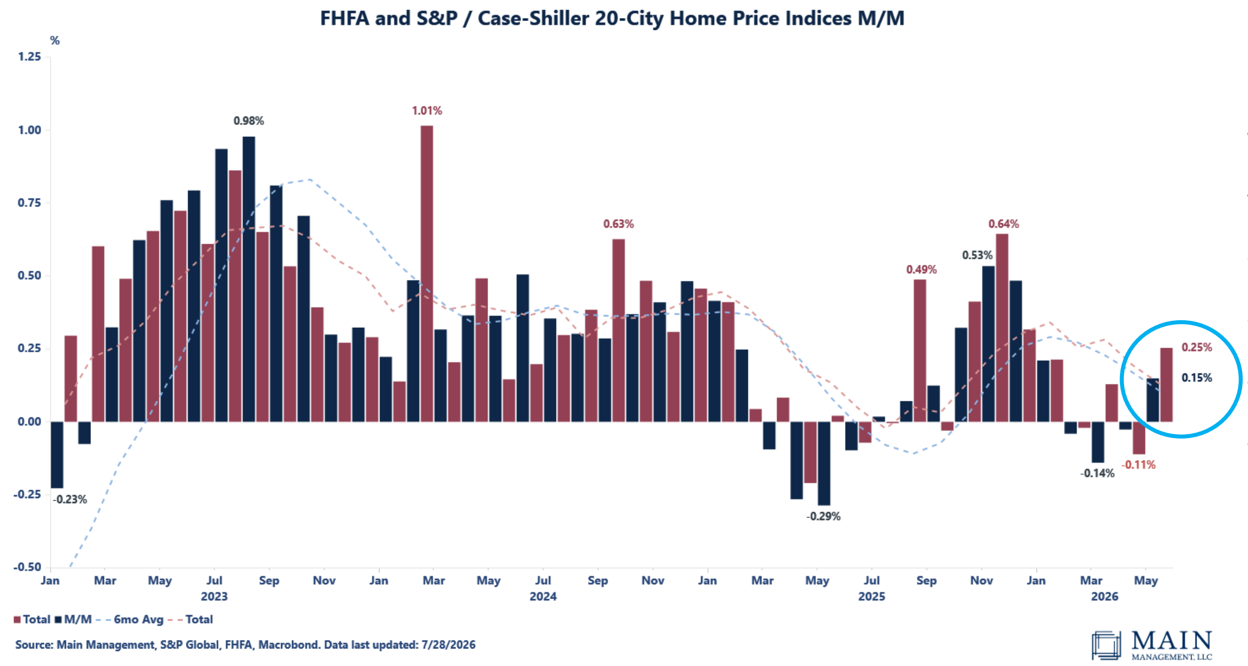
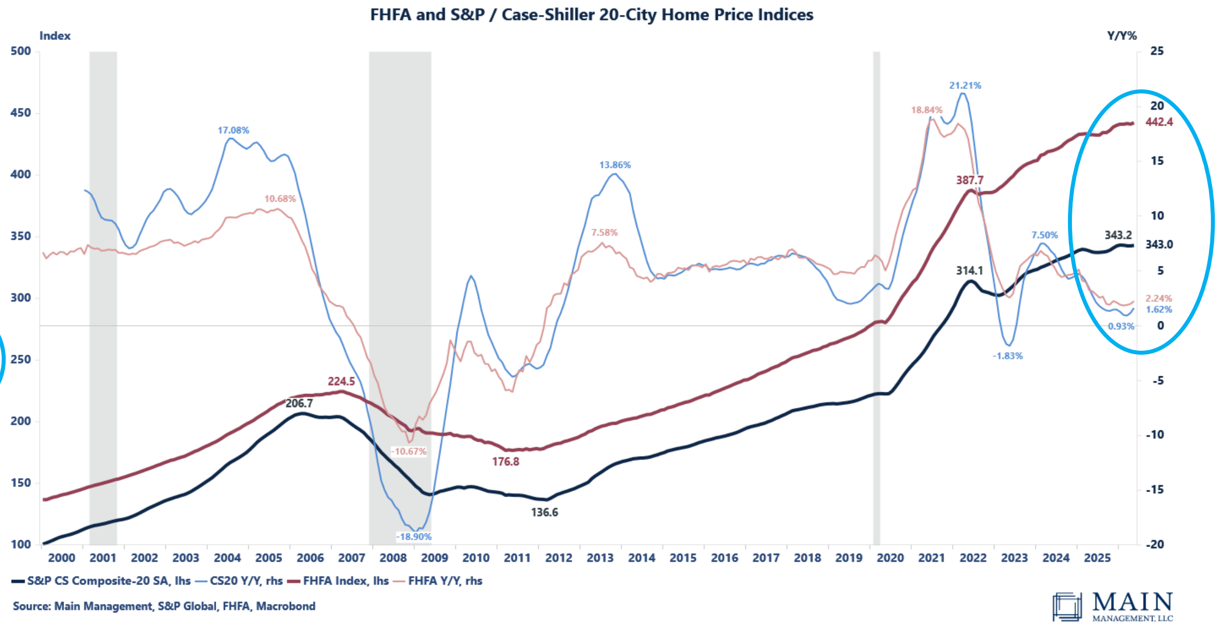
- Both the S&P Case-Shiller (left, black) and FHFA (left, maroon) Home Price Indices increased on a MoM basis in May, reflecting the seasonal strength generally seen during the spring homebuying season. Both increases were the biggest in a few months as the indices rebounded from negative April readings.
- On an absolute basis, the FHFA Index (right, maroon) rose to a new all-time high at 442.4, while the S&P CS20 Index is just barely below its ATH at 343.0. Year-over-year, FHFA is up +2.24% and S&P CS20 up +1.62%.





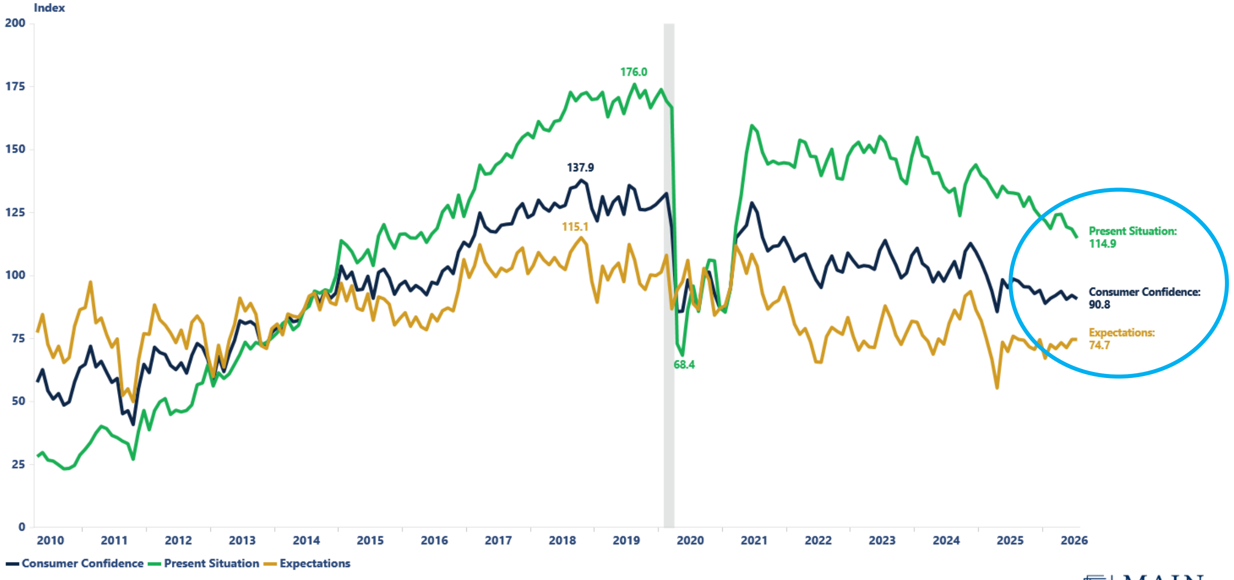
NEGATIVE

Consumer Sentiment

- The Conference Board's Consumer Confidence Index (left, black) declined to 90.8 in July, missing forecasts for a 92.0 figure. The Present Situation (green) fell to 114.9, the lowest since Feb. 2021! Expectations were unchanged at 74.7. The Labor Market Differential (not pictured) has narrowed to +3.1% (jobs plentiful less jobs hard to get), the lowest since Feb. 2021 as well, indicating ongoing normalization. The long-term median is -4.5%, so we've still got quite a ways to go before we're back in line.
- The final Michigan Consumer Sentiment reading (right) was revised up to 55.2 from 54.0 in the prelim reading, the highest since February (before Iran). Expectations were revised up as well, to 55.4, while Present Situation was revised down ever so slightly to 54.8 from 54.9. Still, we've now had 2 up months in a row, hopefully a sign that sentiment is starting to crawl out of the gutter.

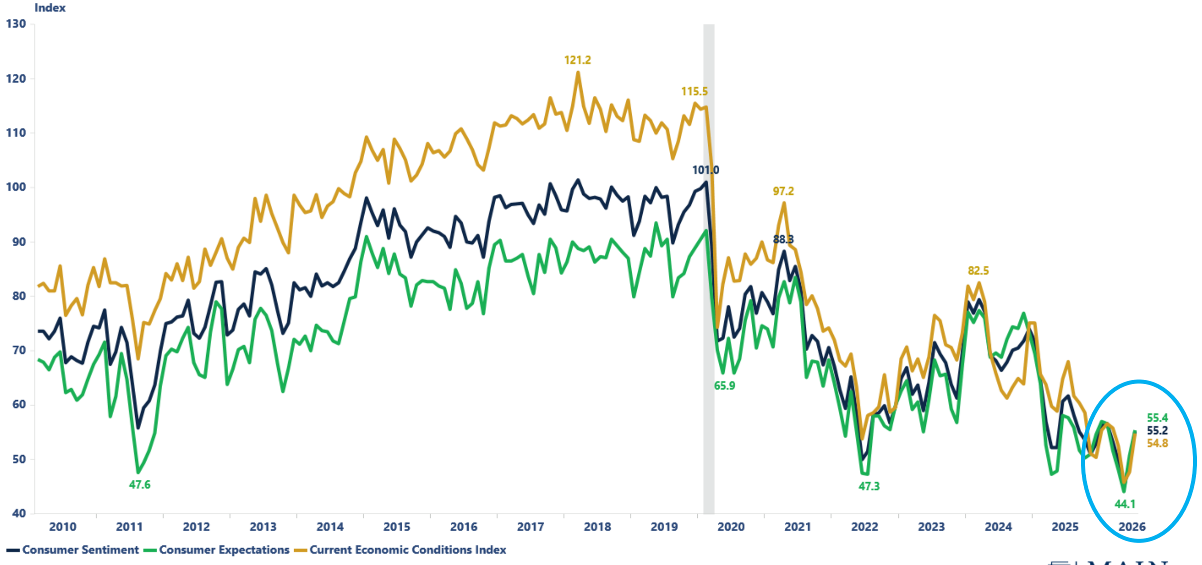
Conference Board Consumer Confidence

Gauging Consumer Outlook with Emphasis on Labor Market Conditions and Job Availability



Source: Main Management, TCB, Macrobond. Data last updated: 7/28/2026

Unversity of Michigan Consumer Sentiment



Source: Main Management, University of Michigan, Macrobond

NEUTRAL

Summary

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- The FOMC left rates unchanged at its meeting this week, as expected, but there were 3 dissents for a 25bps hike.
- Core PCE posted a muted +0.13% MoM increase in June, slowing to +3.29% YoY.
- Q2 GDP rose +1.5% QoQ, slightly below forecasts for a +2.1% rise. Still, Final Sales to Private Domestic Purchasers were robust.
- June Durable Goods Orders posted solid gains, even if slightly below forecasts. Core Capital Goods accelerated further, now up +12.5% YoY, the most since August 2021!
- The Goods Trade Balance narrowed a bit in June as both Imports and Exports declined.
- Home Prices rebounded in May after a dip in April, reflecting the usual seasonal strength seen in the spring buying window.
- The CB Consumer Confidence reading declined a bit in July, missing forecasts. However, the final UMich sentiment figure saw an upward revision from the preliminary reading, hitting 55.4, the best since February.

- Upcoming data:
  - July Manufacturing, Service & Composite PMIs (Mon & Weds)
  - Trade Balance, JOLTS, Factory Orders, Household Debt (Tues)
  - ADP Payrolls (Weds)
  - Q2 Productivity, Job Cut Announcements, and Unemployment Claims (Thurs)
  - Nonfarm Payolls, Used Car Prices, and Consumer Credit (Fri)

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Appendix

Inflation Watch

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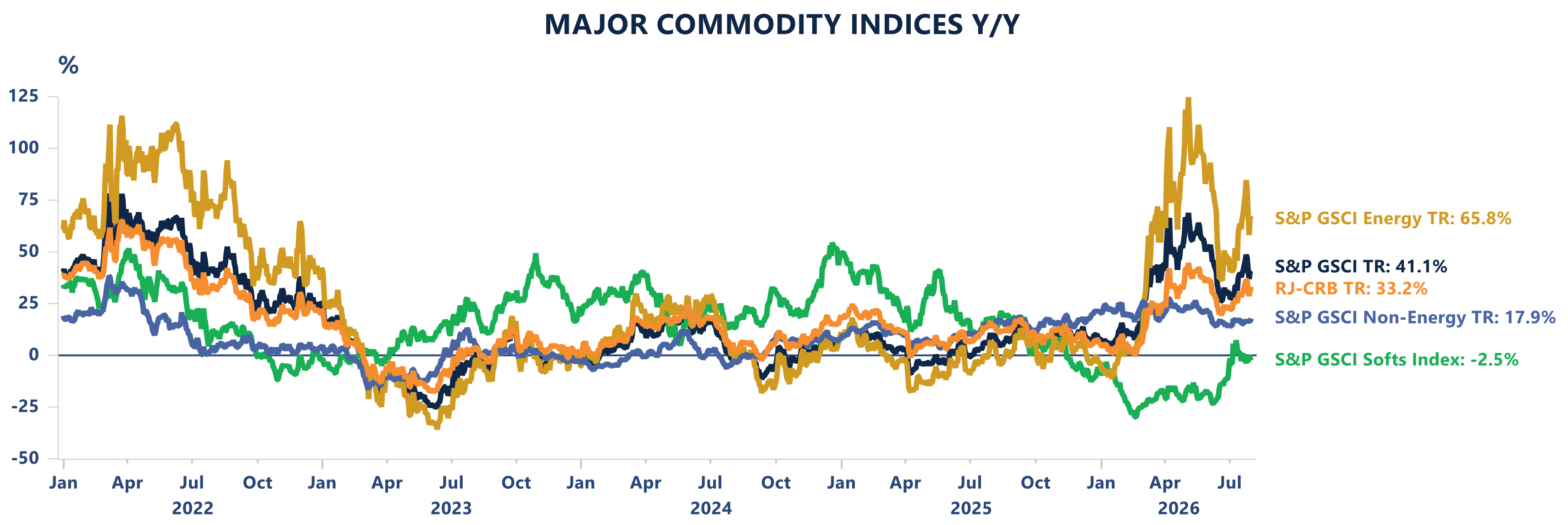

Source: Main Management, S&P Global, CoreCommodity Management, LME, EIA, LBMA, Macrobond, LPPM, NRCan, ICCO, ICO, USDA, MIAX, TREA, TMX, Macrobond. Data last updated: 7/31/2026

Commodity	1 Month	3 Months	YTD ↓	1 Year
Gasoline	7.3	-12.2	92.6	48.1
Crude Oil	16.9	-25.1	44.2	20.1
S&P GSCI	12.2	-6.9	39.2	40.4
Cotton	10.3	3.3	23.6	19.8
BBG Commodity Index	7.8	-5.7	20.5	27.3
Lumber	1.5	9.5	16.1	-8.7
Soybeans	6.2	-0.4	14.2	19.9
Copper	4.4	6.9	11.1	41.8
US Dollar (DXY)	-1.2	0.9	1.6	1.0
Corn	10.8	-4.5	1.2	14.5
Gold	2.2	-9.7	-5.1	23.4
Coffee	11.0	5.8	-7.4	9.0
Silver	1.1	-17.8	-16.1	54.4
Natural Gas	-13.3	4.2	-25.2	-10.5
Bitcoin	7.6%	-14.6%	-26.0%	-45.1%

Source: Main Management, S&P Global, CME Group, ICE, LME, Macrobond. Data last updated: 7/31/2026

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Disclosures

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