Main Management Market Note

August 14, 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

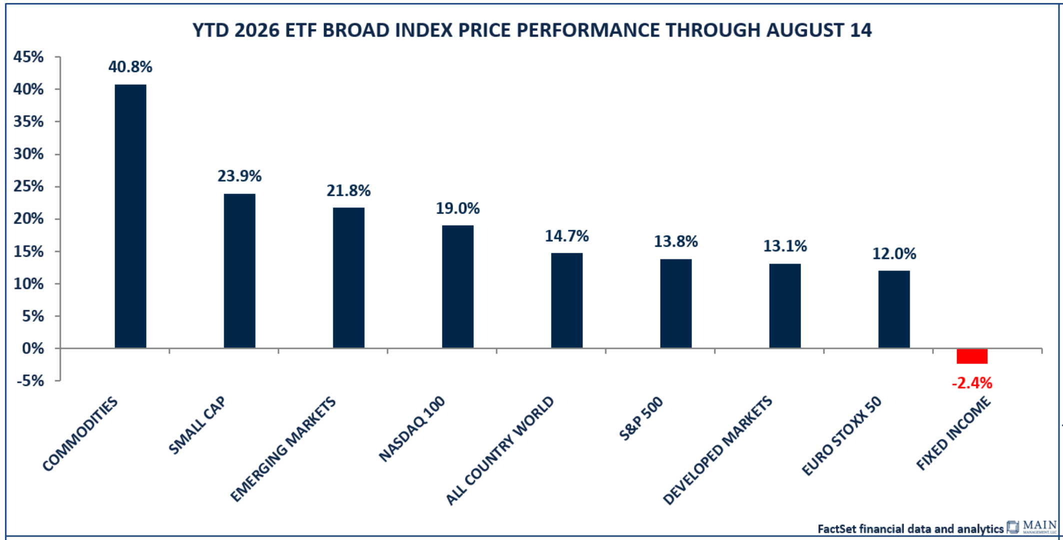
Research backed portfolios

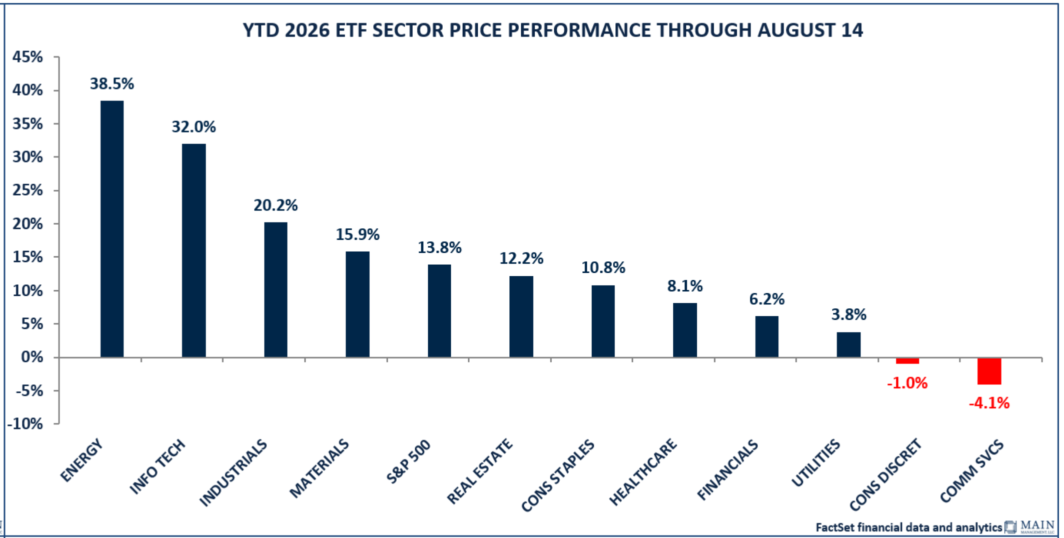
James Maxwell
Director, Research

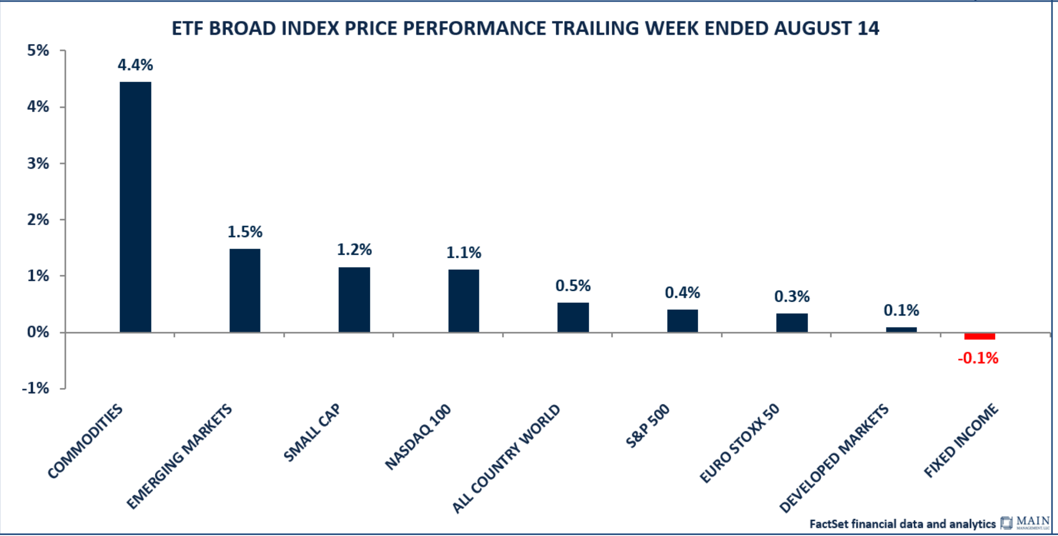
Alex Dippery
Research Analyst

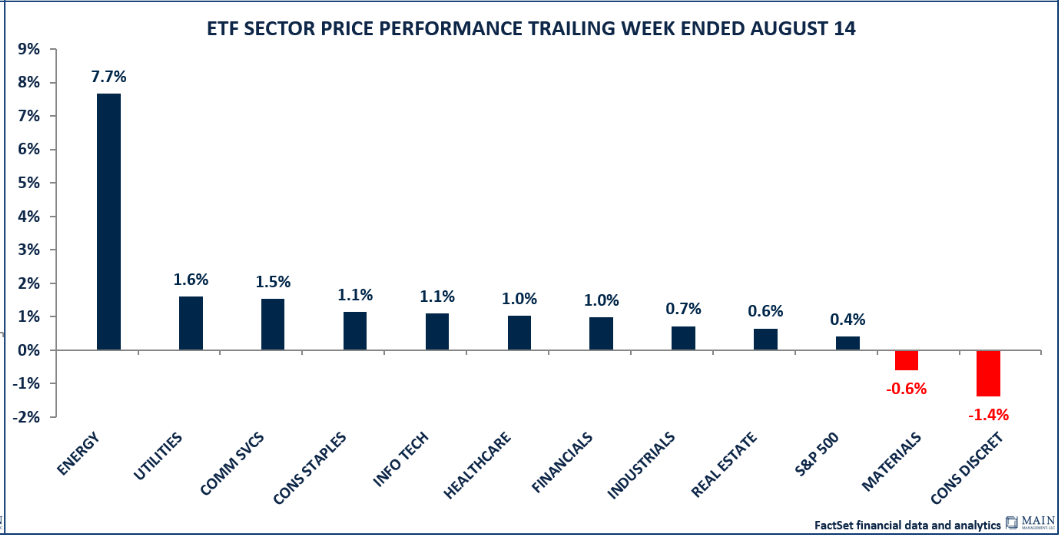
Advisors benefit from our comprehensive due diligence on other asset managers, insightful market commentary, and strategic asset class views.

Performance









Recession Dashboard

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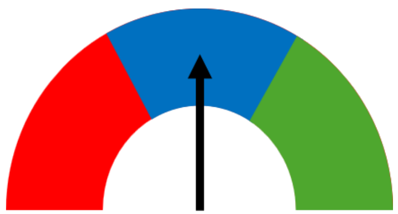
RECESSION START	INFLATION	CONSUMER	YIELD CURVE	HOUSING	SENTIMENT	AUTOS	EMPLOY-MENT	PMI	RETAIL SALES
NOV 1973	↓	—	—	↓	—	—	↓	↓	—
JAN 1980	↓	↓	↓	↓	↔	↓	↓	↓	—
JUL 1981	↓	↓	↓	↓	↔	↓	↓	↓	—
JUL 1990	↓	↓	↓	↓	↔	↓	↓	↔	—
MAR 2001	↔	↓	↓	↔	↔	↔	↓	↓	↔
DEC 2007	↓	↓	↓	↓	↔	↓	↓	↓	↓
DEC 2019	↑	↑	↔	↔	↑	↔	↑	↔	↔
AUG 2026	↓	↔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

CPI

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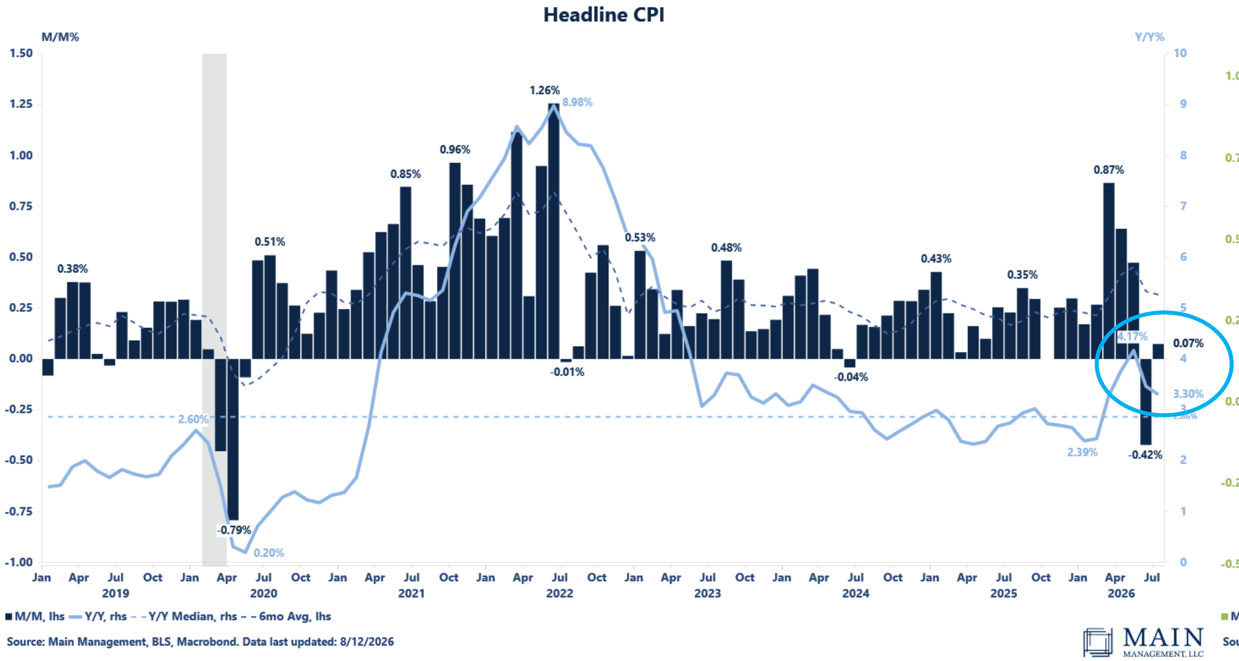
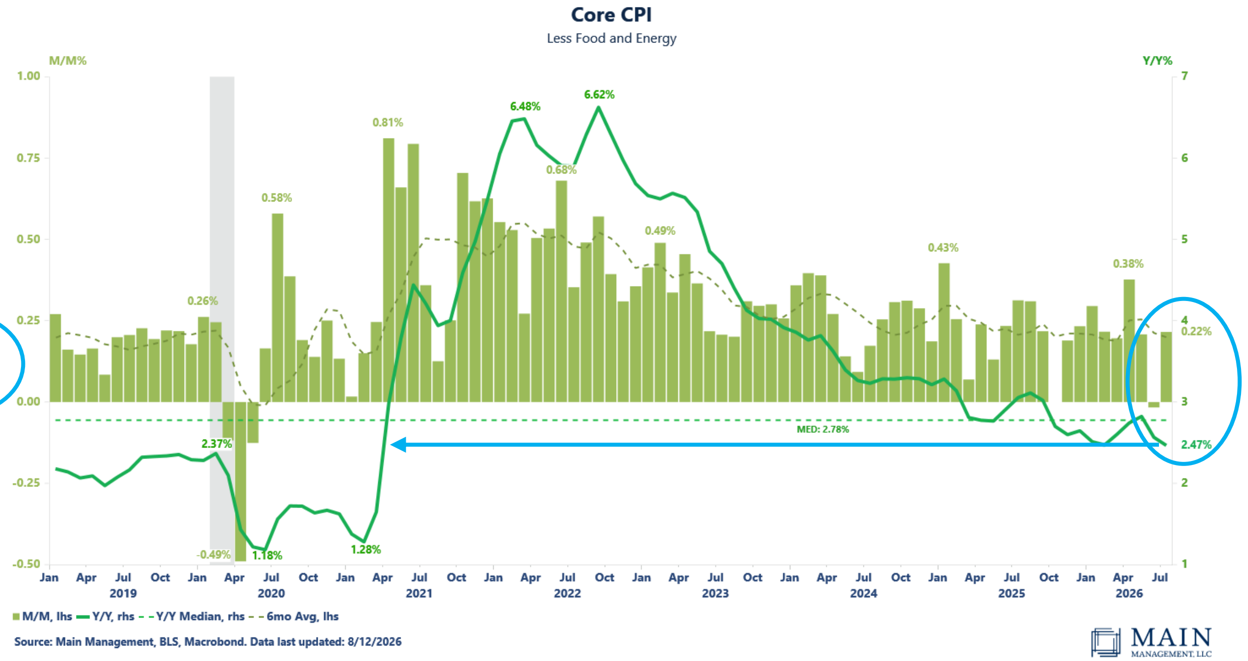
- Headline CPI (left) rebounded from June's drop to post a +0.07% MoM increase, in line with forecasts for a +0.1% rise. The YoY figure slowed to +3.30%, the lowest in a few months. Energy again weighed on the headline figure, declining -1.5% MoM following June's -5.7% drop.
- Core CPI (right) rose +0.22% MoM, also in line with forecasts for a +0.2% figure. On a YoY basis, Core CPI has retreated to +2.47%, the lowest since March 2021! This release should give the Fed some breathing room to stay put a bit longer.





POSITIVE

Shelter & Gas

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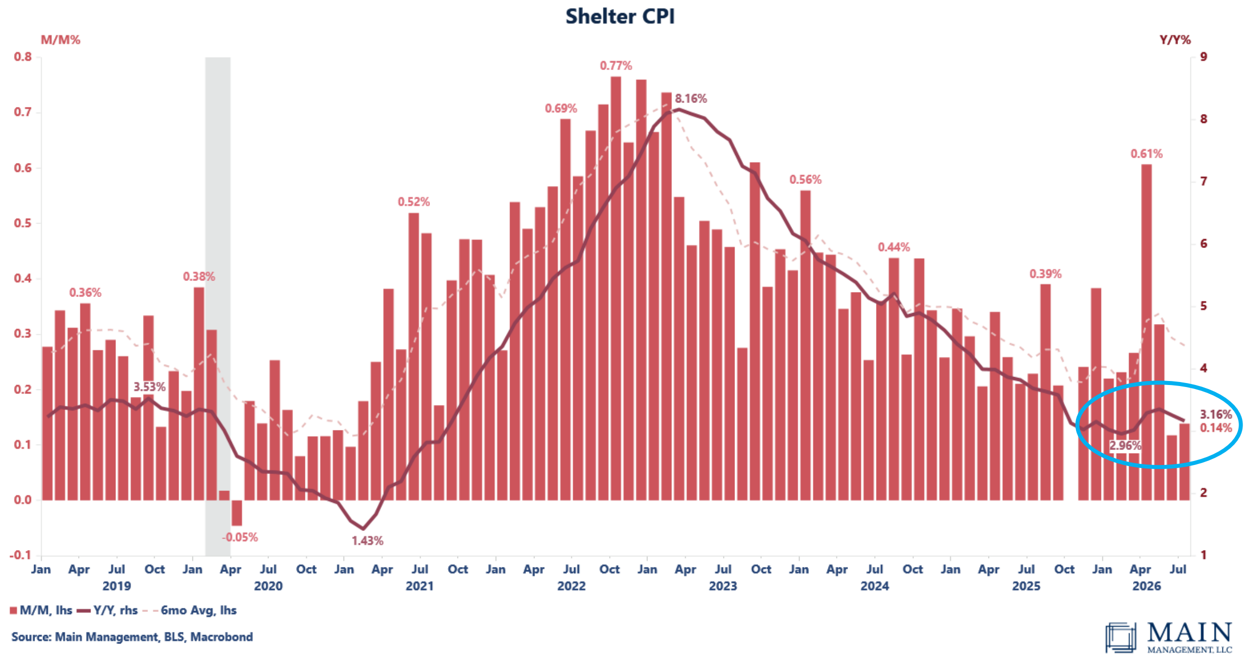
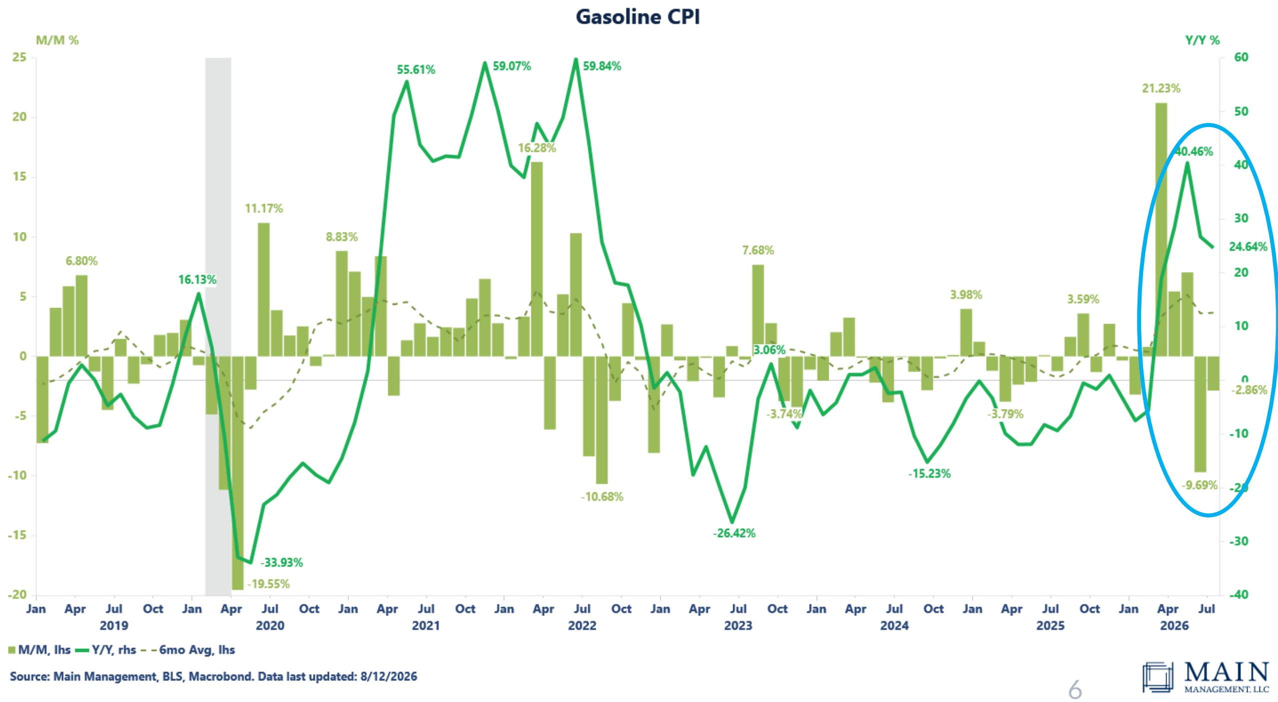
- Shelter (left), one of the bigger weightings in the CPI basket at roughly 36%, posted a +0.14% MoM rise and slowed to +3.16% YoY.
- Gasoline (right), helped bring Energy down once again and weighed on the Headline CPI figure. Gas prices fell -2.86% MoM in July, following June's -9.69% drop. However, they're still up +24.64% from a year ago. It's worth noting that gas prices remain above $4, the highest they've ever been this late in the year (back to 2000), according to Gasbuddy.

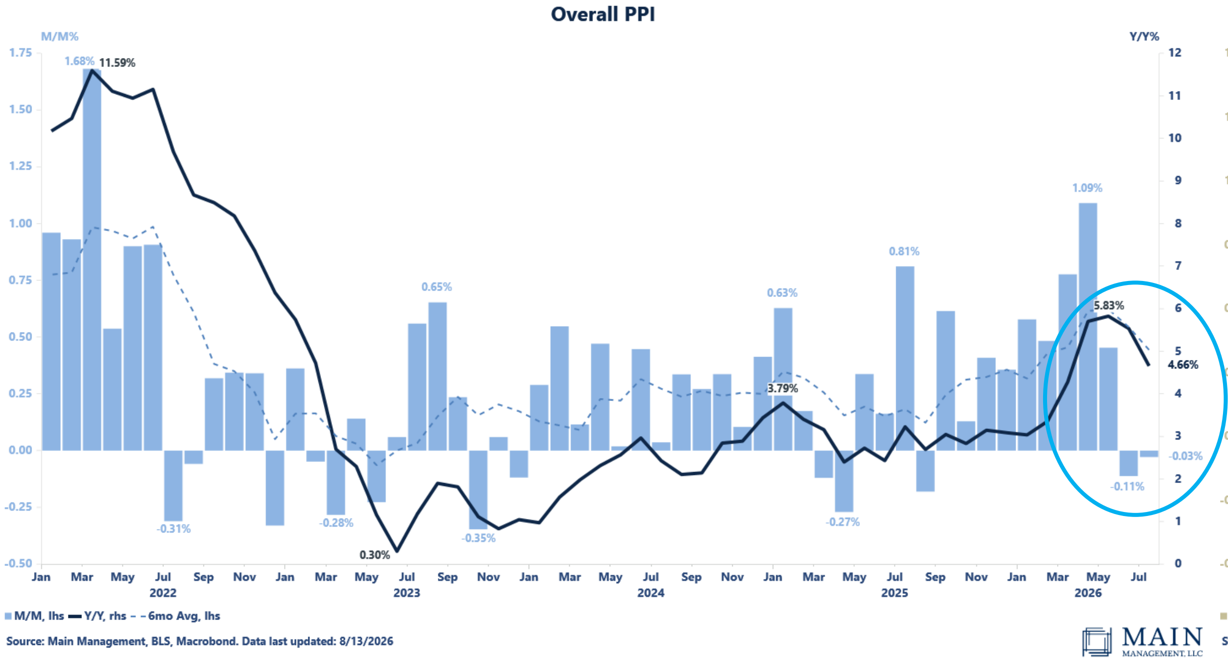


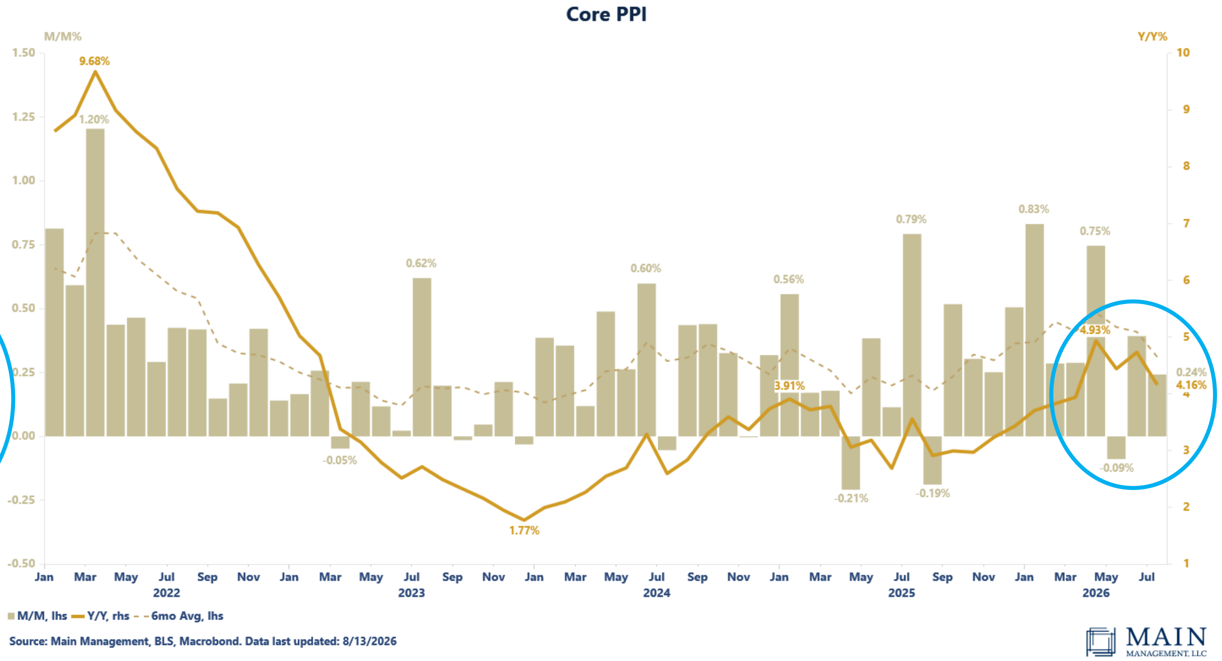


NEUTRAL

PPI

- Headline PPI (left) was down again for the 2nd month in a row at -0.03% MoM, well below forecasts for a +0.2% reading. It slowed to +4.66% YoY, the lowest since March. Food and Energy contributed to the dip.
- Core PPI (right) posted a +0.24% MoM increase, also below forecasts for a +0.3% figure. The YoY level pulled back to +4.16%, also the lowest since March. Along with the in-line CPI release, these cooler-than-expected inflation figures give the Fed more room, indicated by markets lowering the probability for a rate hike.





POSITIVE

PPI: Goods & Services

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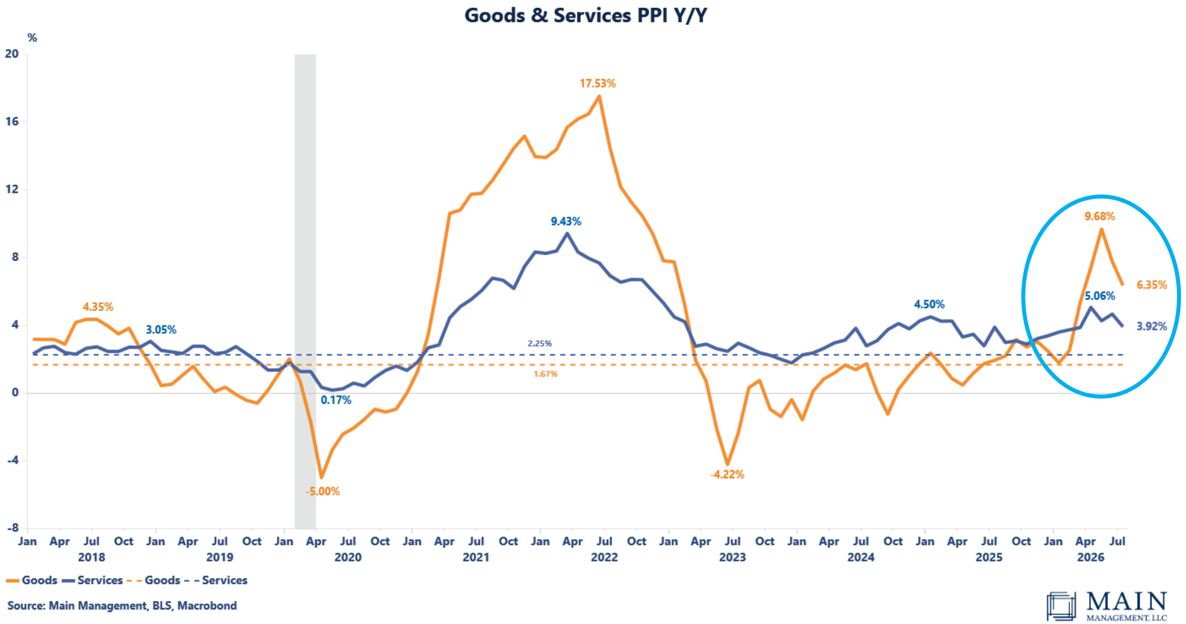
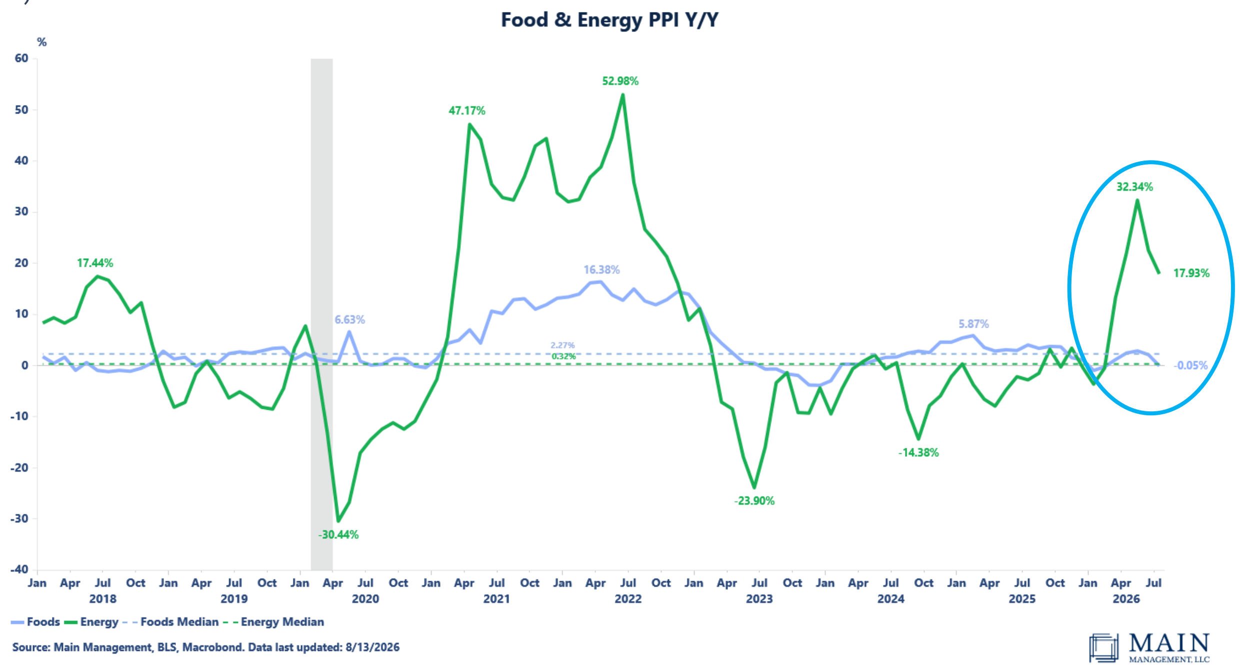
- Goods (left, orange) weighed on the broader PPI figures, declining for the 2nd month in a row and pulling back to +6.35% YoY. Services (left, blue) were up for the 2nd month in a row but have been moderating on a YoY basis and currently stand at +3.92%. Services were led by a +2.2% MoM increase in construction services.
- Both Food (right, blue) and Energy (right, green) posted their 2nd consecutive down months as well. Food prices fell -0.9% MoM while Energy was down -3.1%. However, Energy is still up +17.93% YoY. Food has fallen back into negative territory on a YoY basis, now down -0.05%, the lowest since March.





POSITIVE

Retail Sales

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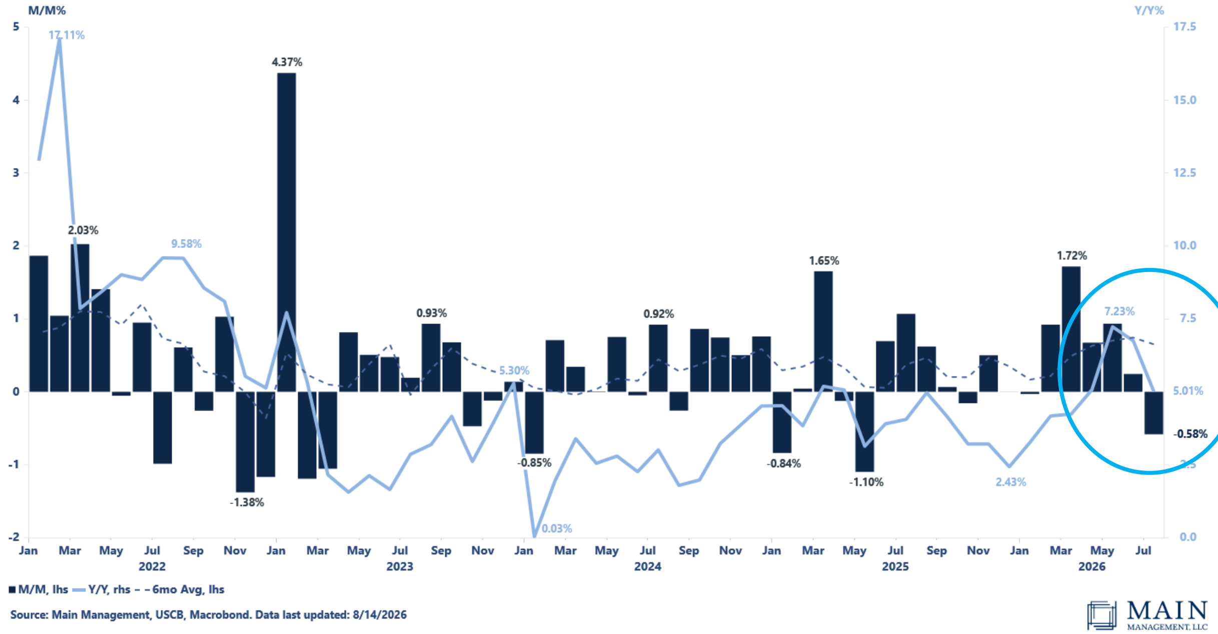
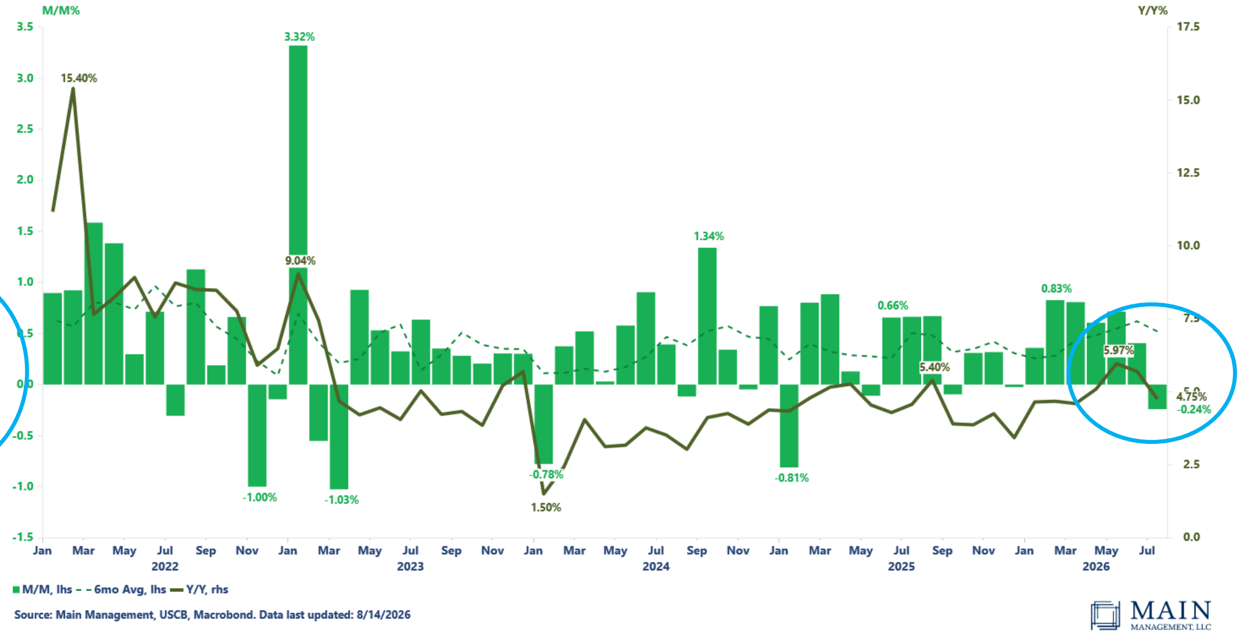
- Retail Sales (left) missed in July, falling -0.58% MoM, far below +0.1% forecasts and the biggest decline since May 2025. They pulled back to +5.01% YoY. However, this dip is more likely due to timing around retail events (like Prime Day which was bumped up to June from July) than an outright weakening in spending.
- Core Retail Sales (right) also missed, falling -0.24% MoM versus +0.3% expectations. That's the biggest monthly pullback since January 2025! They slowed to +4.75% YoY. Despite the slowdowns in July, the YoY figures remain largely in line with pre-pandemic levels, so we don't think there's much reason to worry at this point.

Retail Sales



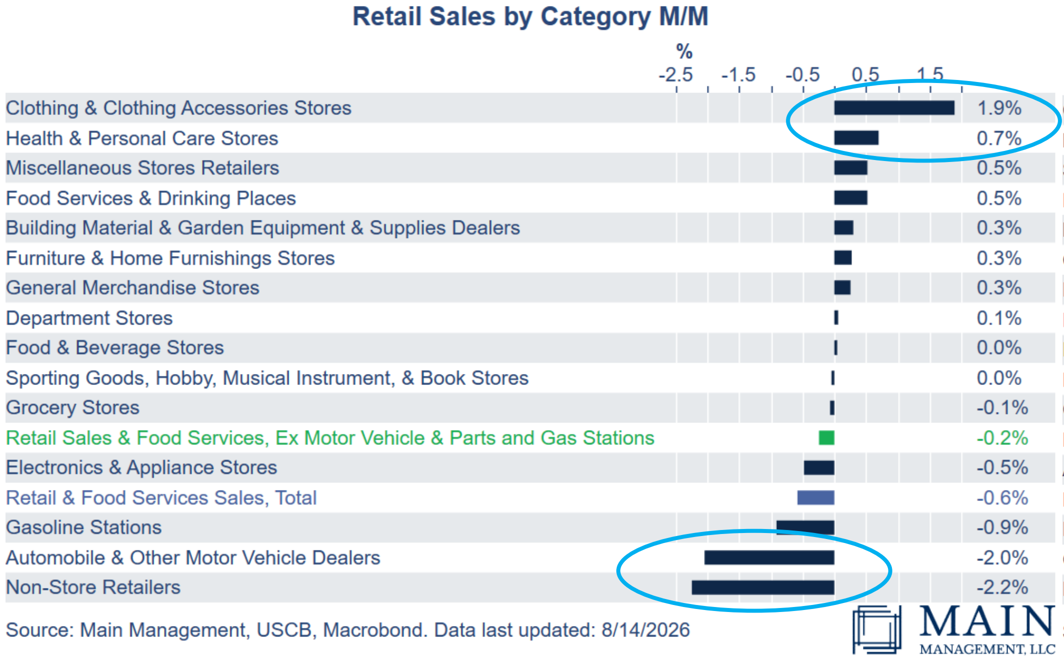
Core Retail Sales

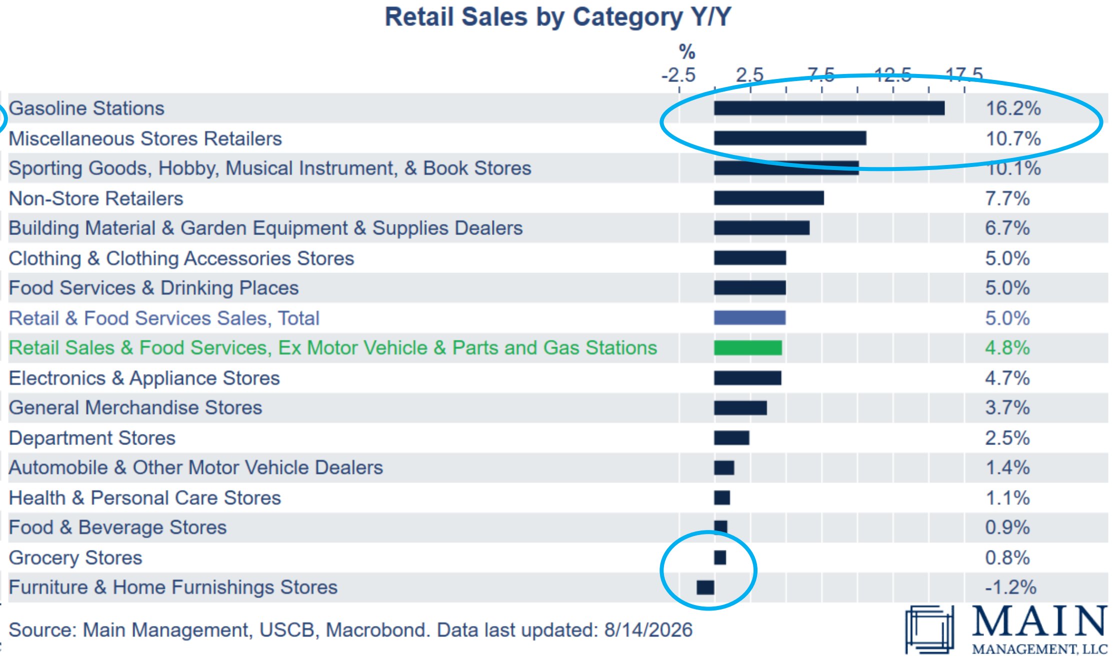


NEUTRAL

Retail Sales by Category

- Looking through at the categories on a MoM basis (left), NonStore was down the most at -2.2%, which makes sense given Prime Day and Target's Circle Week were pulled up to June from July in prior years. Autos were down -2.0%. Clothing Stores led the way to the upside at +1.9% MoM and then Health & Personal at +0.7%.
- On the right, we show the categories on a YoY basis. Gas Stations are up the most at +16.2% (wonder why that could be), and then Misc. Stores at +10.7%. Furniture Stores are down the most -1.2% and then Grocery +0.8%. It's good to see only 1 category down on a YoY basis, indicating consumers are continuing to spend.





NEUTRAL

NFIB Small Business Optimism

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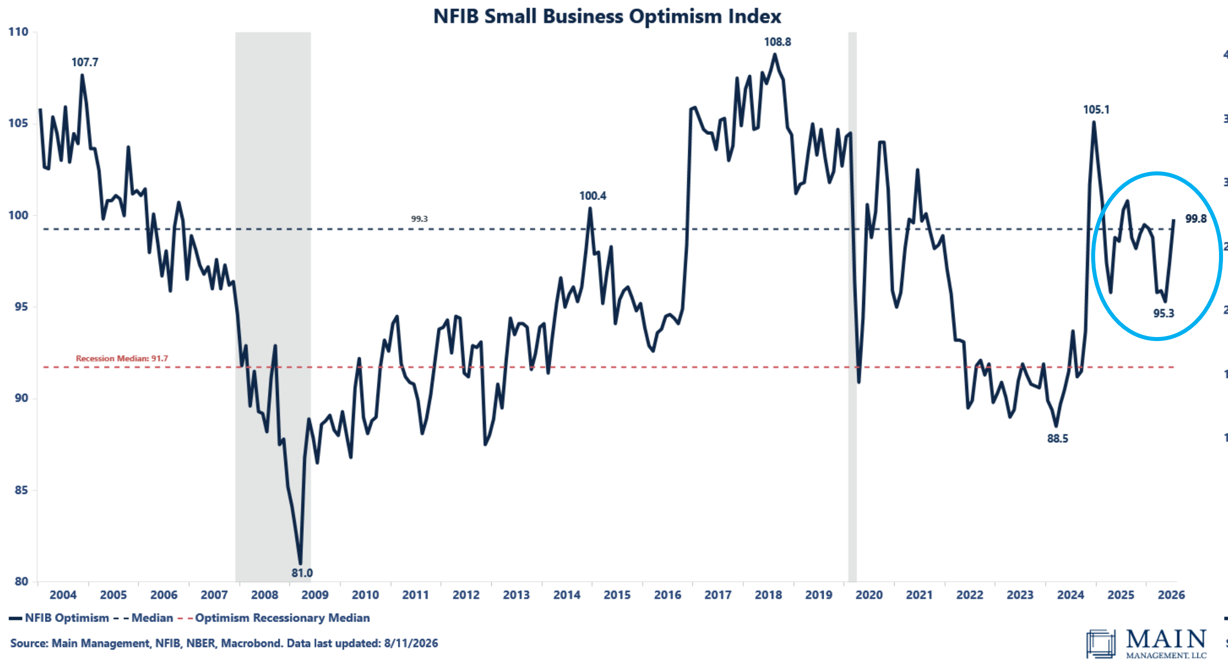
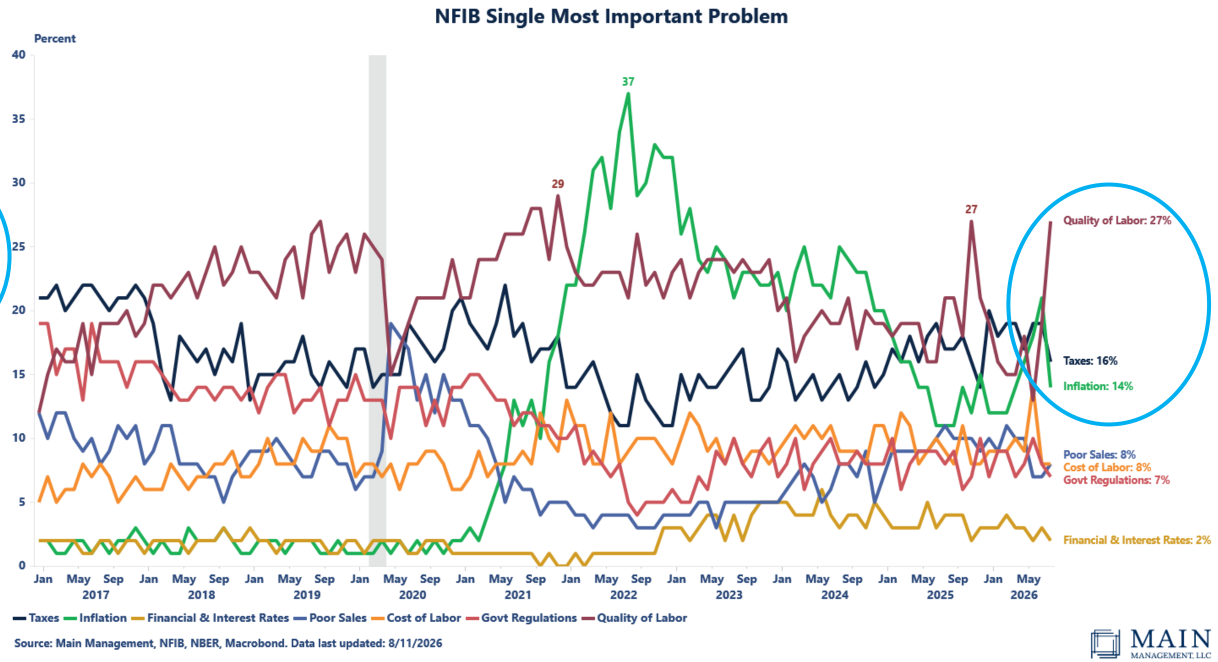
- The NFIB Small Business Optimism Index (left) jumped to 99.8 in July, the highest since August 2025 and solidly above forecasts for a 97.5 figure. The +2.4-point MoM move was the biggest since May 2025. Broadly speaking, the report was rather positive relative to the prior couple months.
- The single most important problem (right) is now Quality of Labor (maroon), which rocketed up to 27% while Inflation fell back to 14% and Taxes to 16%.





POSITIVE

NFIB Employment & Sales

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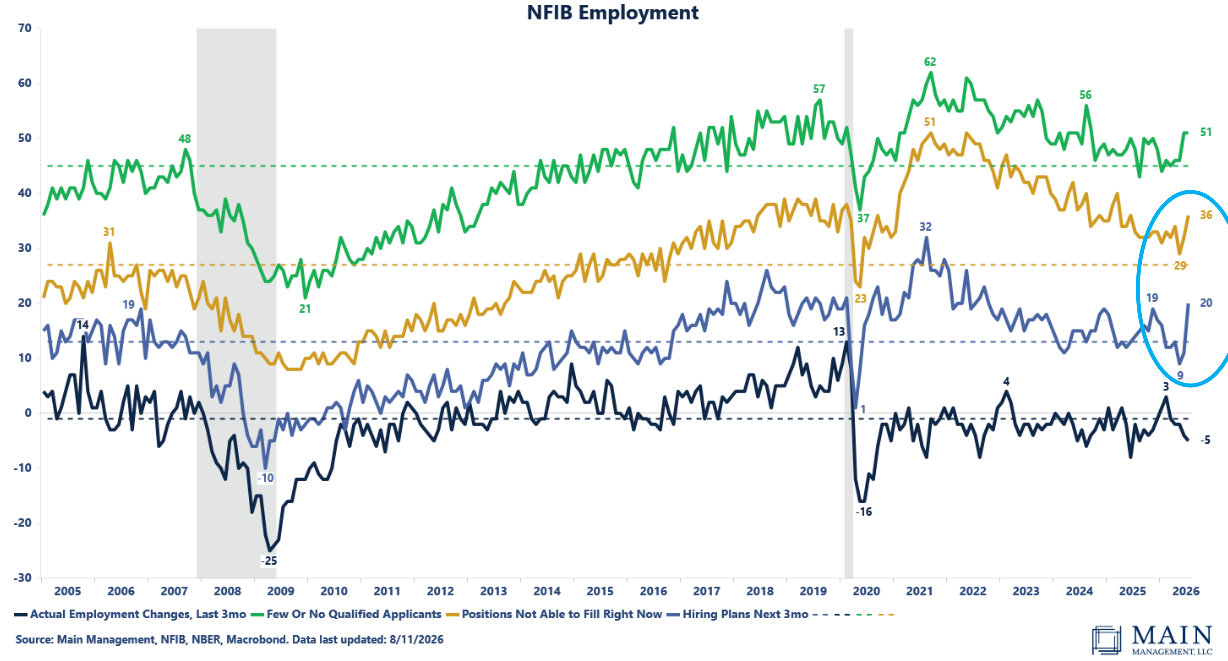
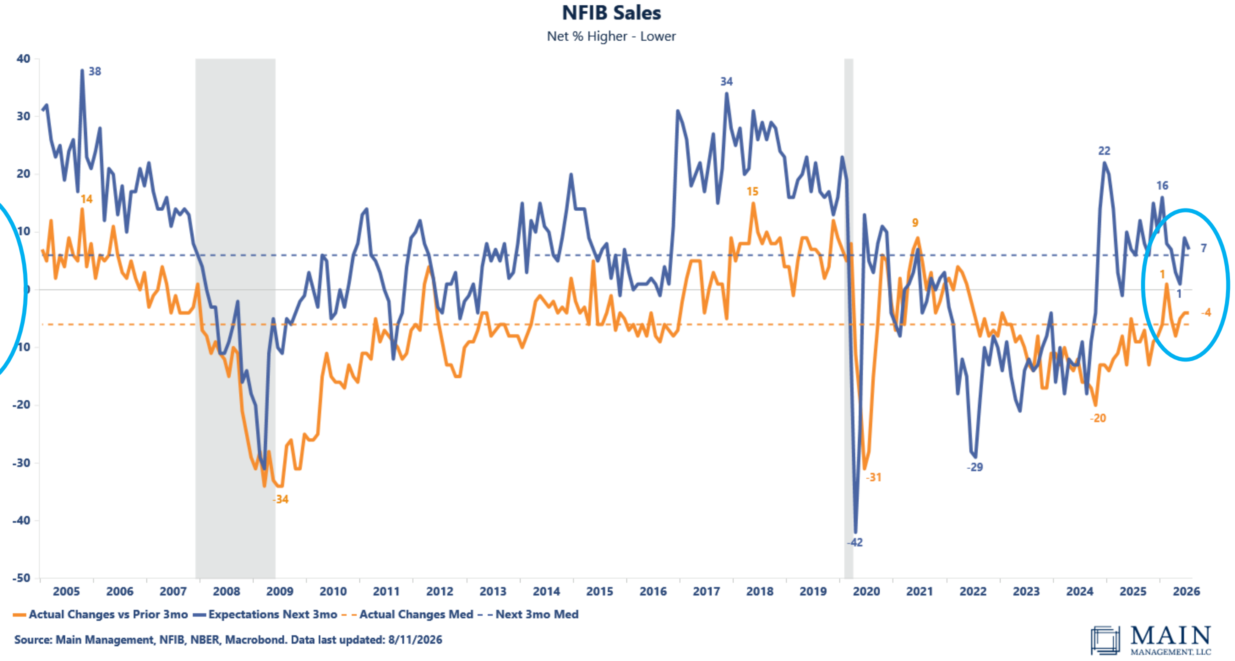
- The Employment situation (left) saw Hiring Plans Next 3mos (blue) and Positions Not Able to Fill Right Now (gold) rise markedly. Hiring Plans hit +20, the highest since Sept. 2022! While Actual Employment Changes fell to -5, the lowest since June 2025, we're hopefully seeing a shift towards more hiring as the economic and geopolitical backdrop calms a bit and firms have more confidence going forward.
- Interestingly, the Sales picture (right) didn't show much improvement. Sales Expectations actually ticked down to +7 (net higher vs lower) and Actual Sales Changes vs the Prior 3mos were unchanged at a net -4.

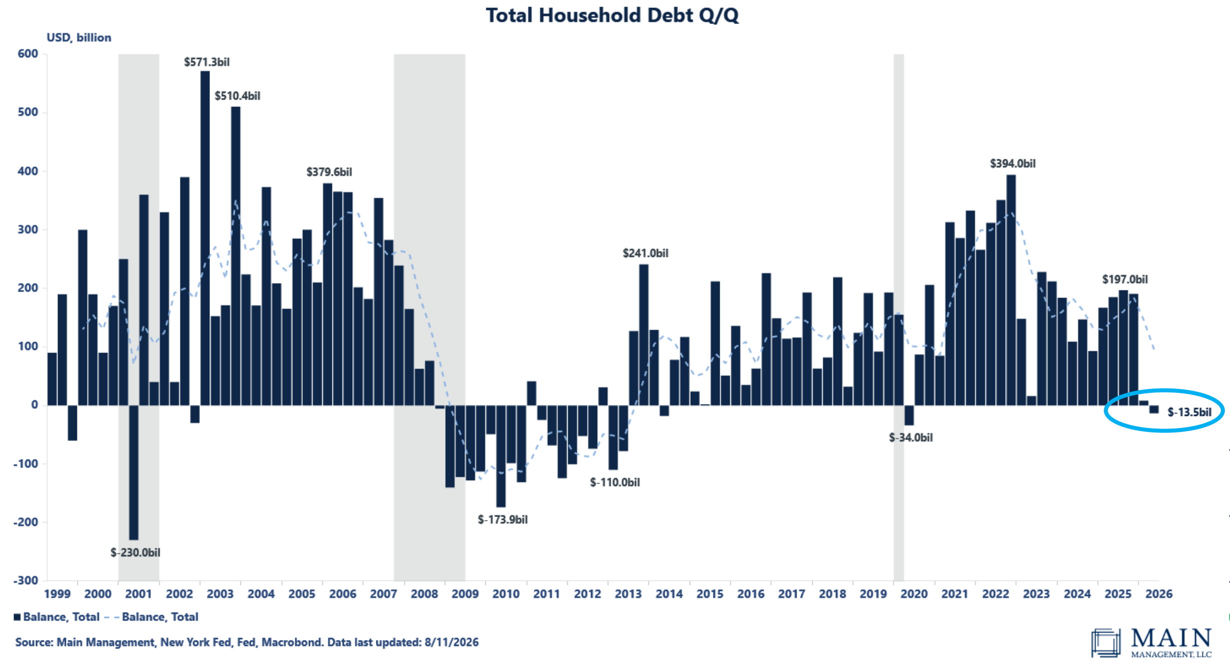


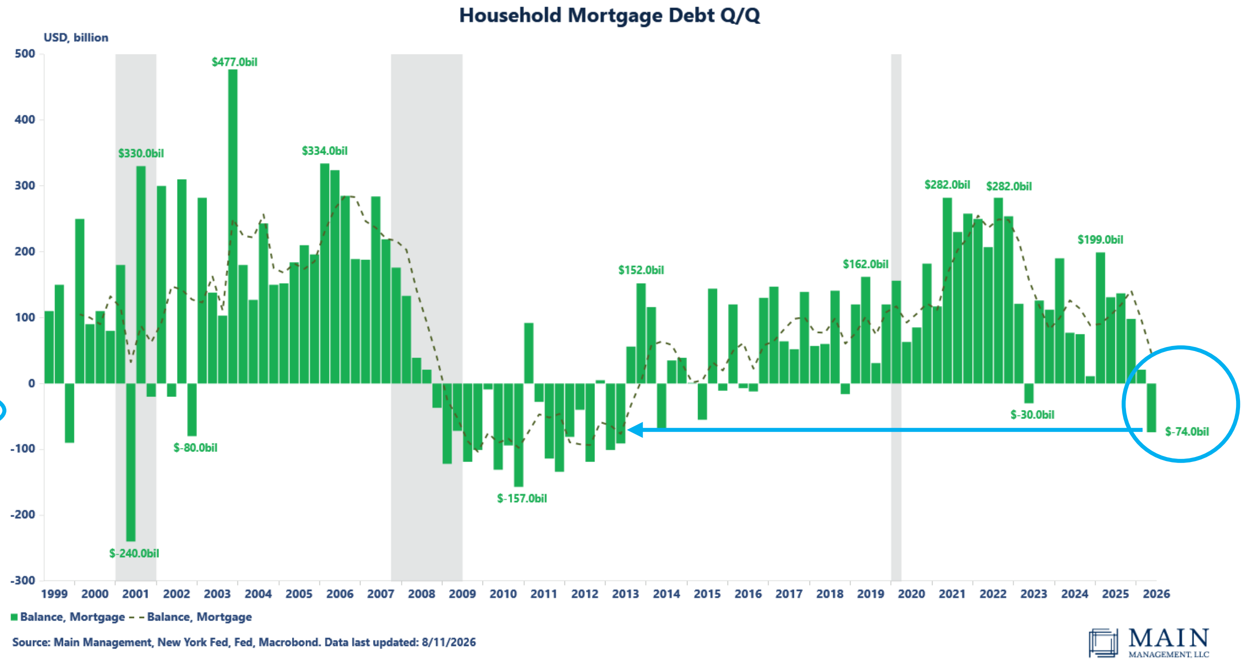


NEUTRAL

Q2 2026 Household Debt

- Household Debt in the U.S. declined slightly in Q2 2026, down -$13.5bil QoQ (left). That's the first decline since Q2 2020. Since then, Total HH Debt has gone from $14.3tril to $18.8tril, a +31% increase!
- Mortgage Debt (right) was responsible for the decline, falling -$74.0bil QoQ, the biggest drop since Q2 2013! Mortgage Debt makes up roughly 70% of Total Household Debt, so while Credit Card (+$21.0bil) and Auto Debt (+$28.0bil) both increased in Q2, it wasn't enough to make up for the decline in Mortgage Debt.





NEUTRAL

Delinquency Status

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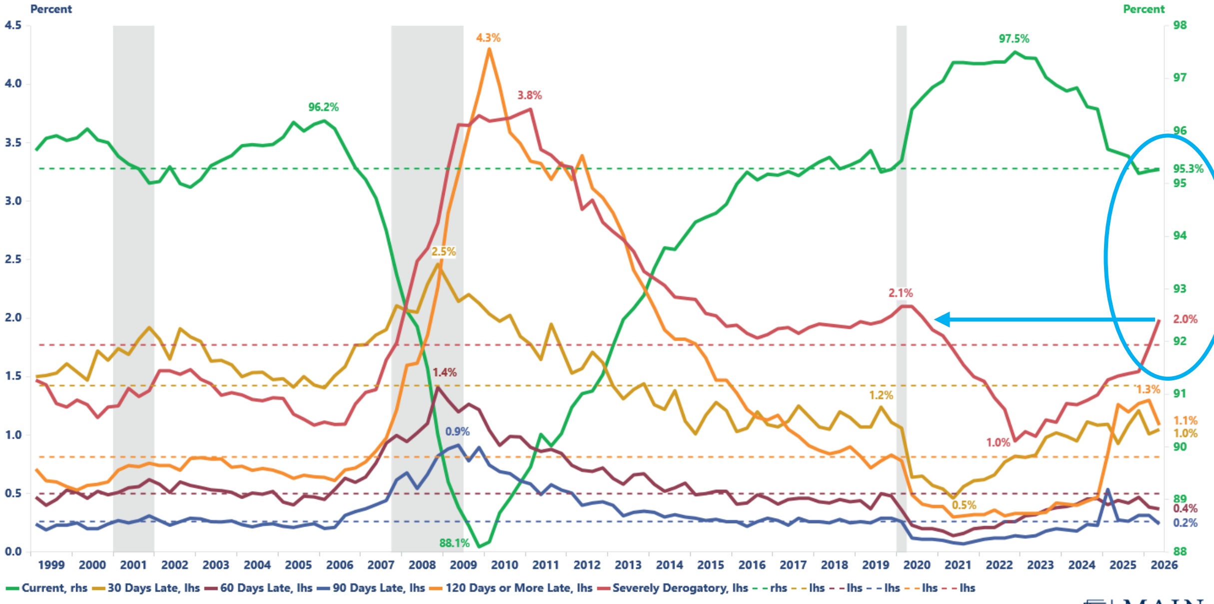
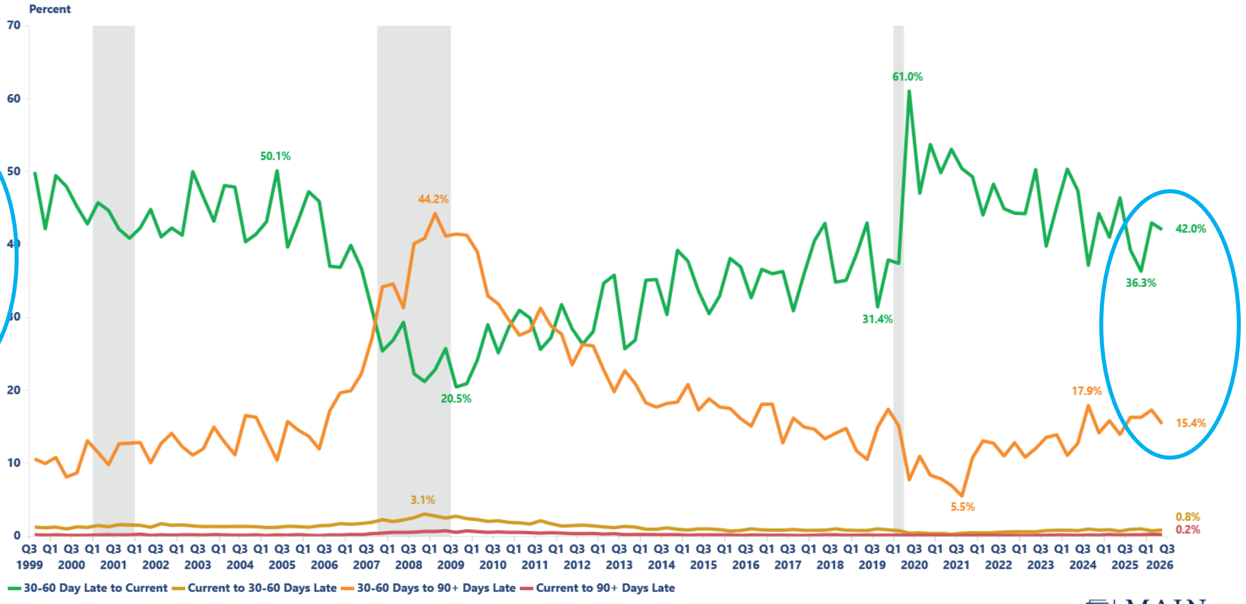
- Delinquency Status (left) saw Current (green) tick up to 95.3%, right in line with historical levels. However, Severely Derogatory (red) hit 2.0%, the highest since Q3 2020. Still, 120+ Day, 90 Day, and 60 Day delinquencies all declined while 30 Day inched up.
- The Transition Rates (right) showed that both 30-60 Days Late into Current (green) and 30-60 Days to 90+ Days Late (orange) declined, which to us says there's not much to worry about here.



Source: Main Management, New York Fed, Fed, Macrobond. Data last updated: 8/11/2026



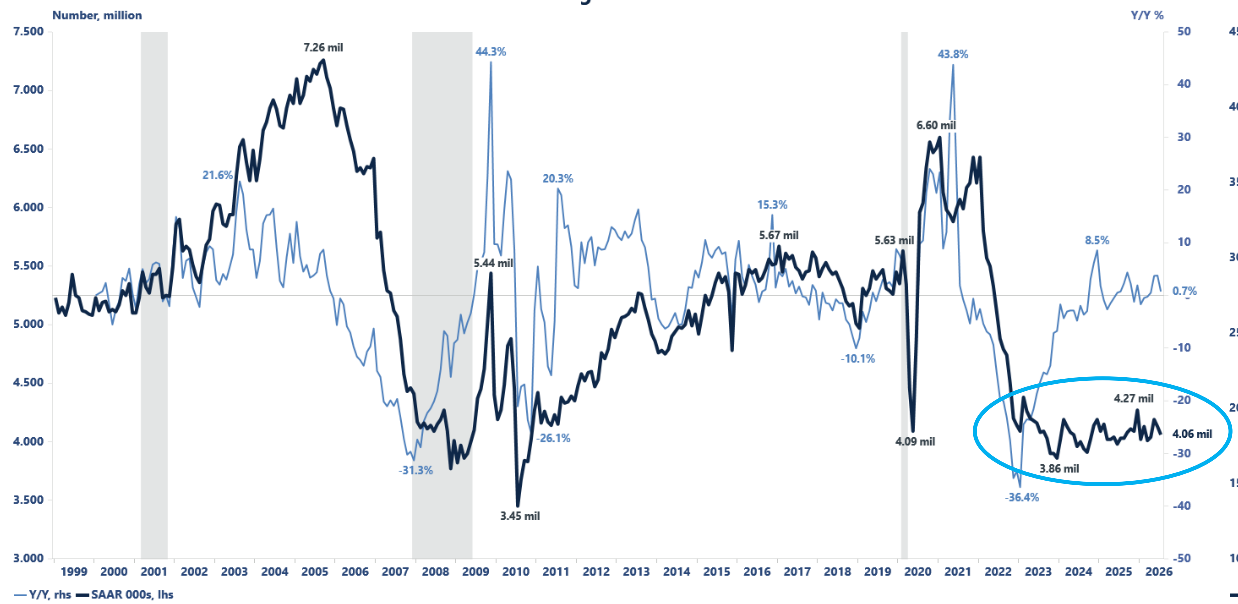
Source: Main Management, New York Fed, Fed, Macrobond. Data last updated: 8/11/2026

NEUTRAL

Existing Home Sales

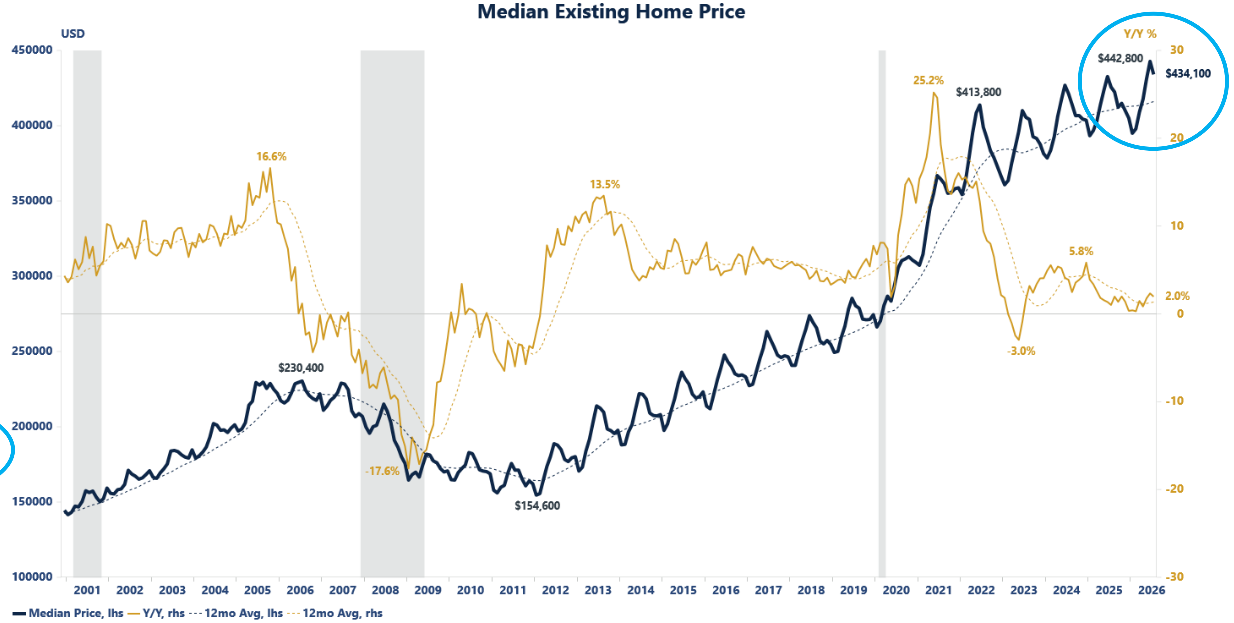
- Existing Home Sales retreated to 4.06mil (left, black), roughly in line with forecasts and still stuck in the depressed sideways trend they've been in since mortgage rates doubled back in 2022. They're up +0.7% YoY.
- Prices (right) have continued to grind higher, as evidenced by the 12mo average (dotted black) posting new highs basically every month since mid-2023. The July price of $434,100 was a bit lower than June's record $442,800, but assuming seasonality keeps, we will likely chop lower for a few months and then move back towards new highs. Prices are up +2.0% from a year ago.

Existing Home Sales



Source: Main Management, NAR, Macrobond. Data last updated: 8/11/2026

Median Existing Home Price



Source: Main Management, NAR, Macrobond. Data last updated: 8/11/2026

NEGATIVE

Summary

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- July CPI was basically in-line with expectations, slowing to +3.30% YoY, while Core CPI slowed to 2.47%, the lowest since March 2021!
- July PPI was considerably lower than expected as the headline figure slowed to +4.66% YoY. The Fed has a bit more breathing room with these CPI and PPI readings.
- Retail Sales missed in July, falling -0.6% MoM but that's more likely a function of timing rather than weakness.
- NFIB Small Business Optimism improved markedly in July as Quality of Labor is now the single more important problem for firms. Hiring plans are at their highest level since September 2022!
- Q2 2026 Household Debt declined for the first time since Q2 2020. Delinquencies remain relatively benign.
- Existing Home Sales remain stuck as rates and prices are elevated.

- Upcoming data:
  - NAHB Housing Market Index and NY State Manufacturing (Mon)
  - Industrial Production, Import & Export Prices, Housing Starts, Building Permits, and Pending Homes (Tues)
  - Philadelphia Fed Manufacturing and Jobless Claims (Thurs)
  - Flash PMIs (Fri)

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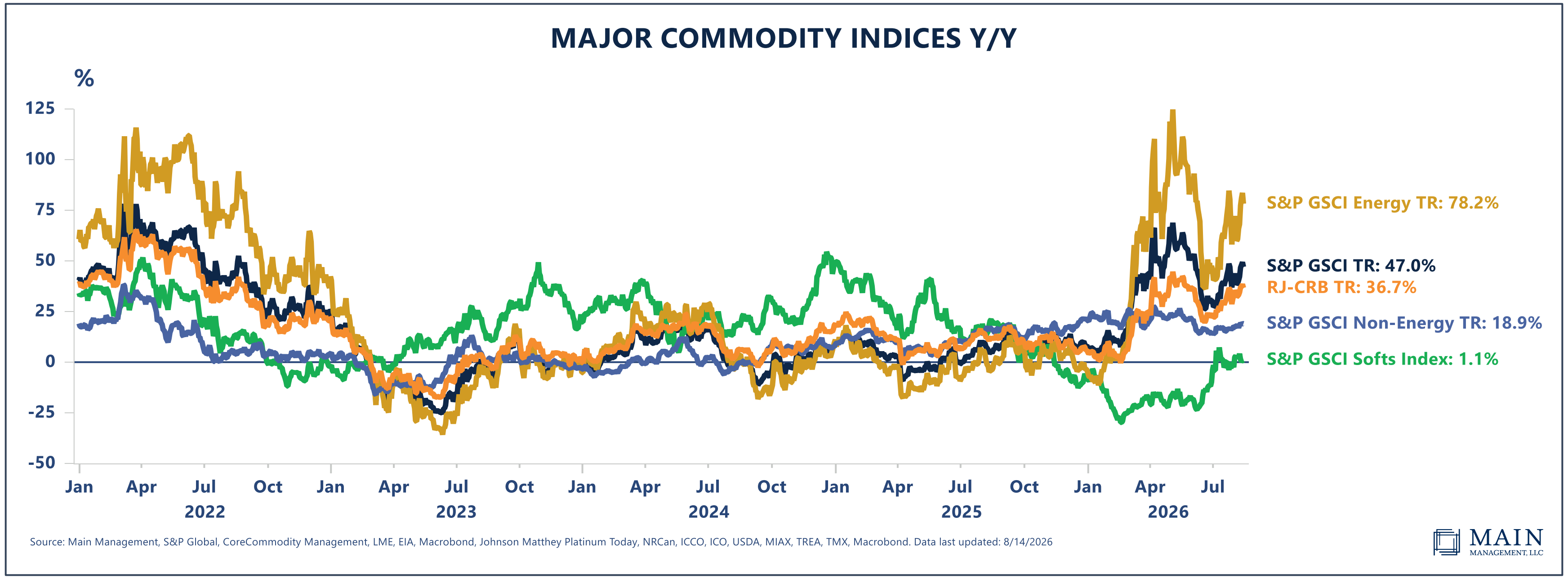
Appendix

Inflation Watch



Commodity	1 Month	3 Months	YTD ↓	1 Year
Gasoline	4.8	-15.4	83.4	50.8
S&P GSCI	9.6	-5.8	40.5	47.0
Crude Oil	9.4	-21.6	40.5	28.8
Cotton	3.1	0.8	28.1	22.8
BBG Commodity Index	6.0	-6.1	22.5	34.1
Copper	7.3	3.0	15.5	47.5
Soybeans	-2.4	-3.7	13.4	15.5
Lumber	-8.7	-1.6	5.7	-8.5
Corn	2.3	-4.1	1.8	20.6
US Dollar (DXY)	-1.0	1.7	1.7	1.9
Gold	5.9	-7.7	0.6	29.9
Coffee	-2.9	13.0	-4.5	5.7
Silver	8.5	-23.8	-7.5	71.2
Natural Gas	-7.2	-4.1	-26.0	-2.9
Bitcoin	-1.1%	-21.2%	-27.5%	-47.2%

Source: Main Management, S&P Global, CME Group, ICE, LME, Macrobond. Data last updated: 8/14/2026

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Disclosures

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