Main Management Market Note

August 21, 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

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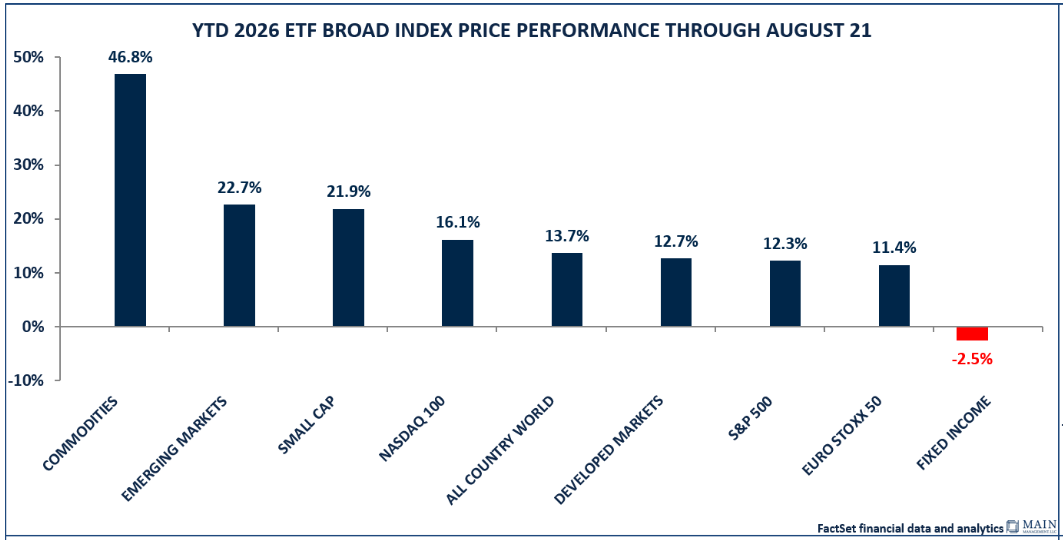
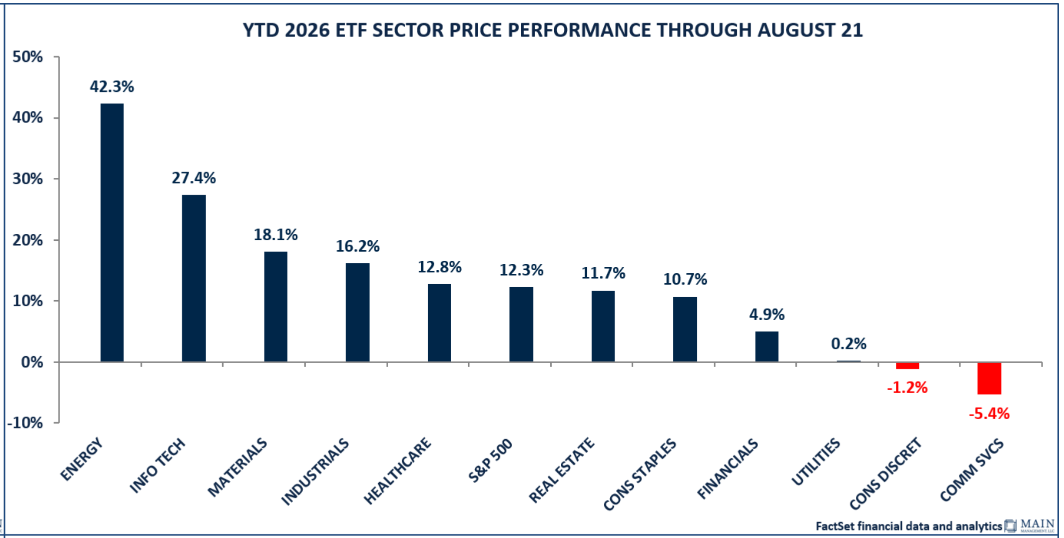
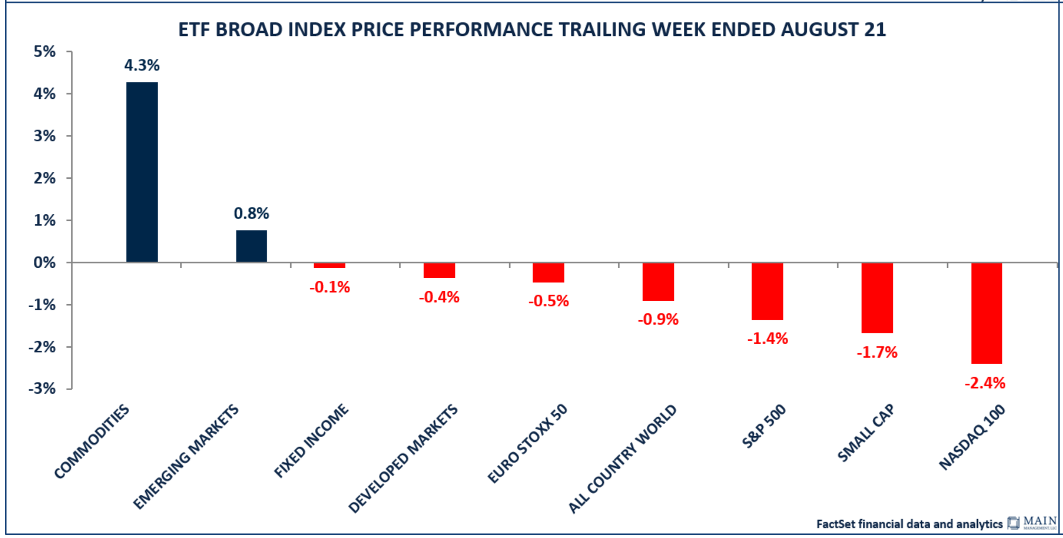
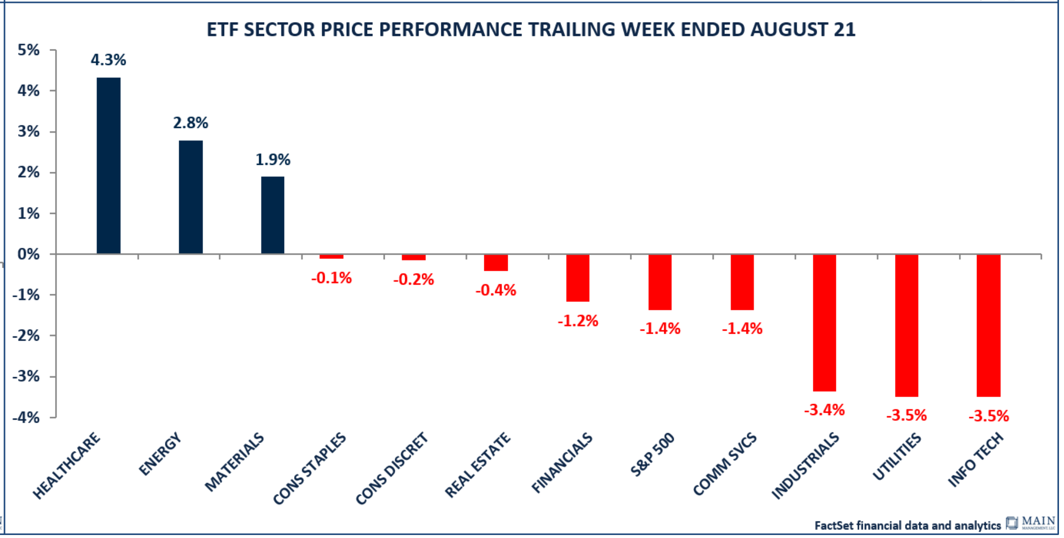






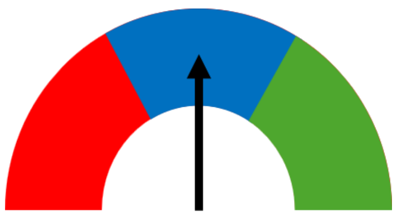


Recession Dashboard

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.*

Industrial Production

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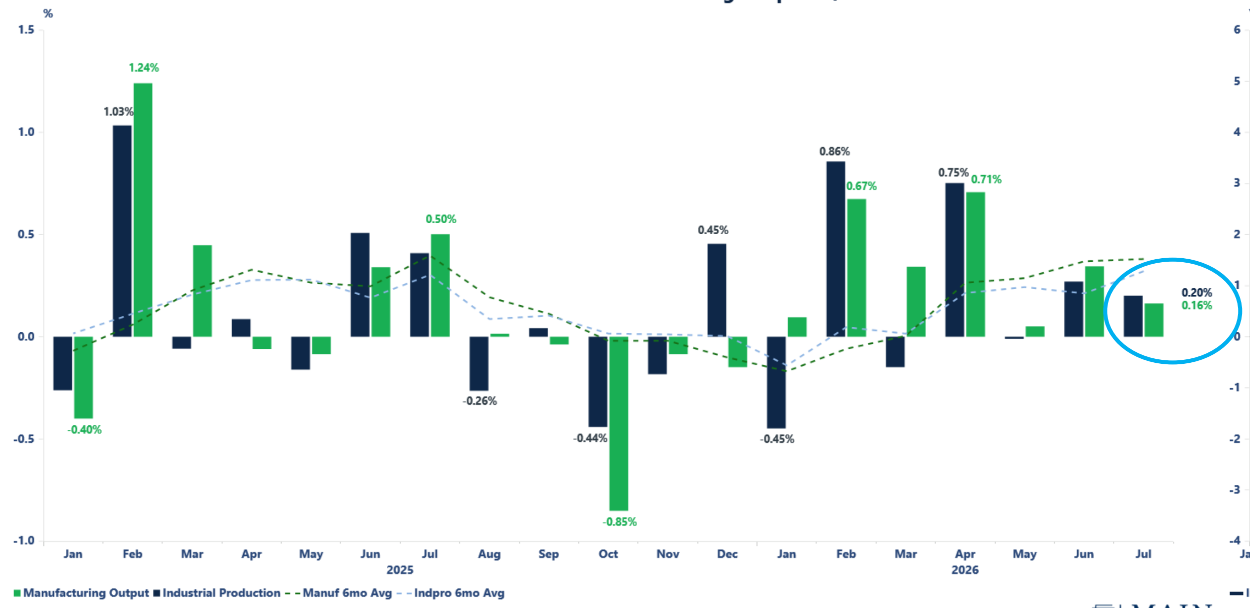
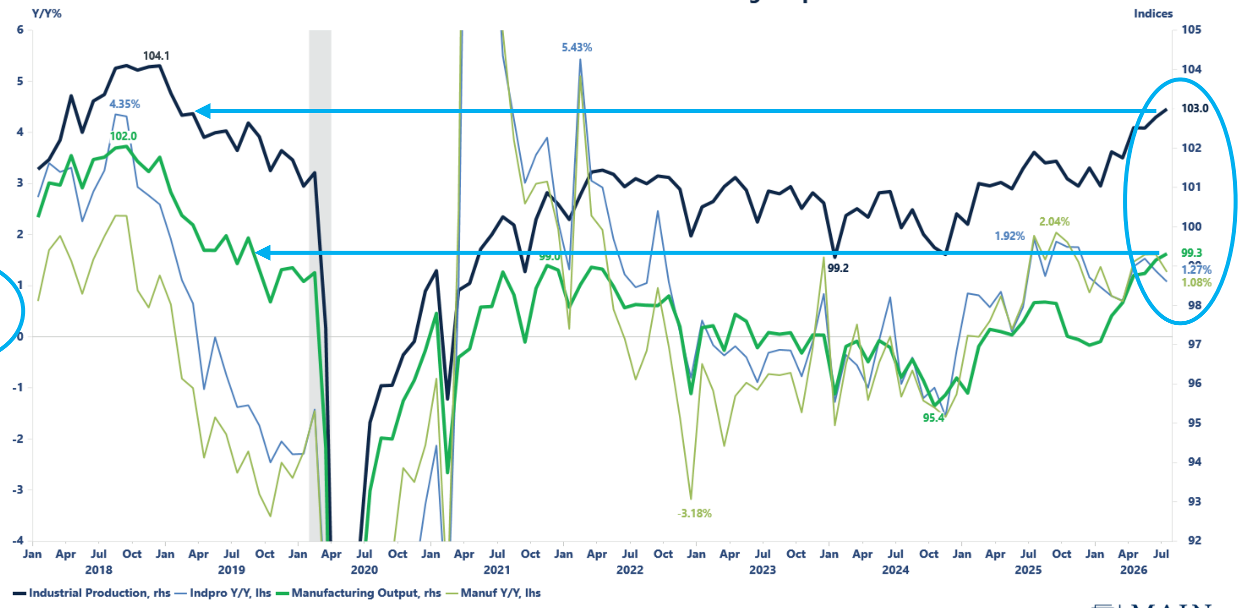
- Industrial Production (left, black) posted a +0.20% MoM increase in July, slightly below forecasts for +0.3%. Manufacturing Output (left, green) was up +0.16% MoM, in line with expectations. That's the 6th straight up month for Manufacturing Output, the longest streak since 2002!
- On the right, we show the indices themselves and the YoY figures. The Industrial Production Index (black) is now up to 103.0, the highest since January 2019! Manufacturing Output (green) is up to 99.3, the best since August 2019! On a YoY basis, Industrial Production is up +1.27% and Manufacturing Output is up +1.08%.

Industrial Production & Manufacturing Output M/M



Source: Main Management, Fed, Macrobond. Data last updated: 8/18/2026

Industrial Production & Manufacturing Output



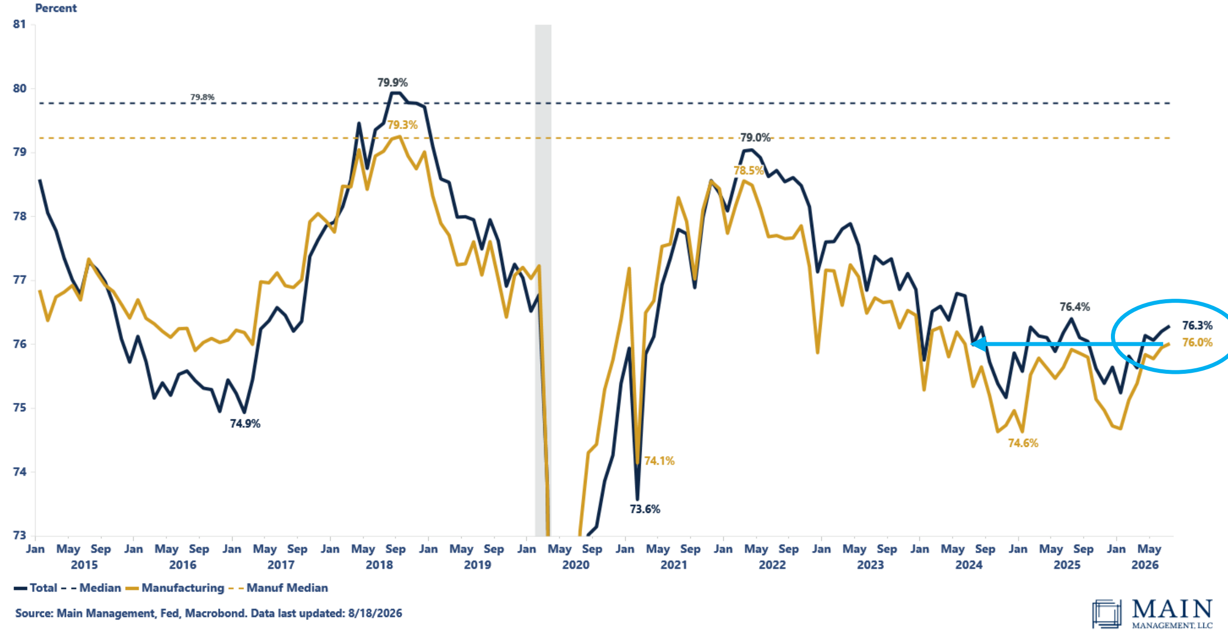
Source: Main Management, Fed, Macrobond. Data last updated: 8/18/2026

POSITIVE

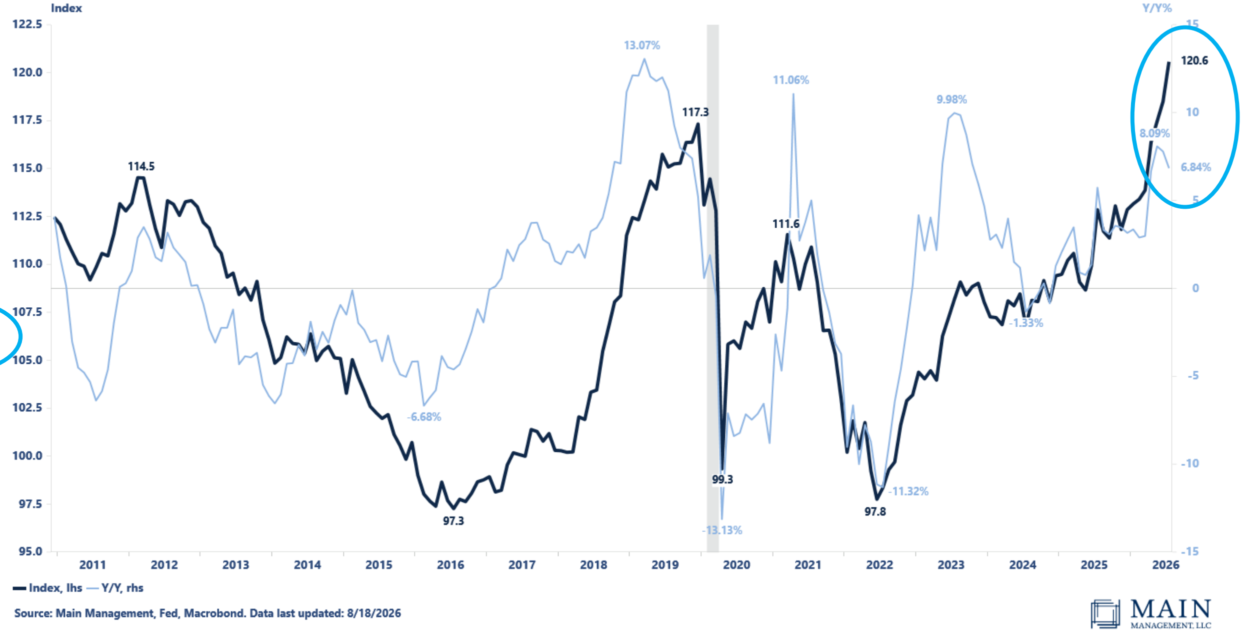
Capacity & Defense

- Total Capacity Utilization (left, black) ticked higher to 76.3%, in line with forecasts and the highest since July 2025. Manufacturing Utilization (gold) hit 76.0%, the best since June 2024! It's good to see these trending higher…
- Defense & Space Equipment (right) has been on an absolute tear of late, up for the last 8 straight months as the index has gone from 111.8 to 120.6 (+8%), posting new all-time highs the last couple readings, up +6.84% YoY.

Capacity Utilization



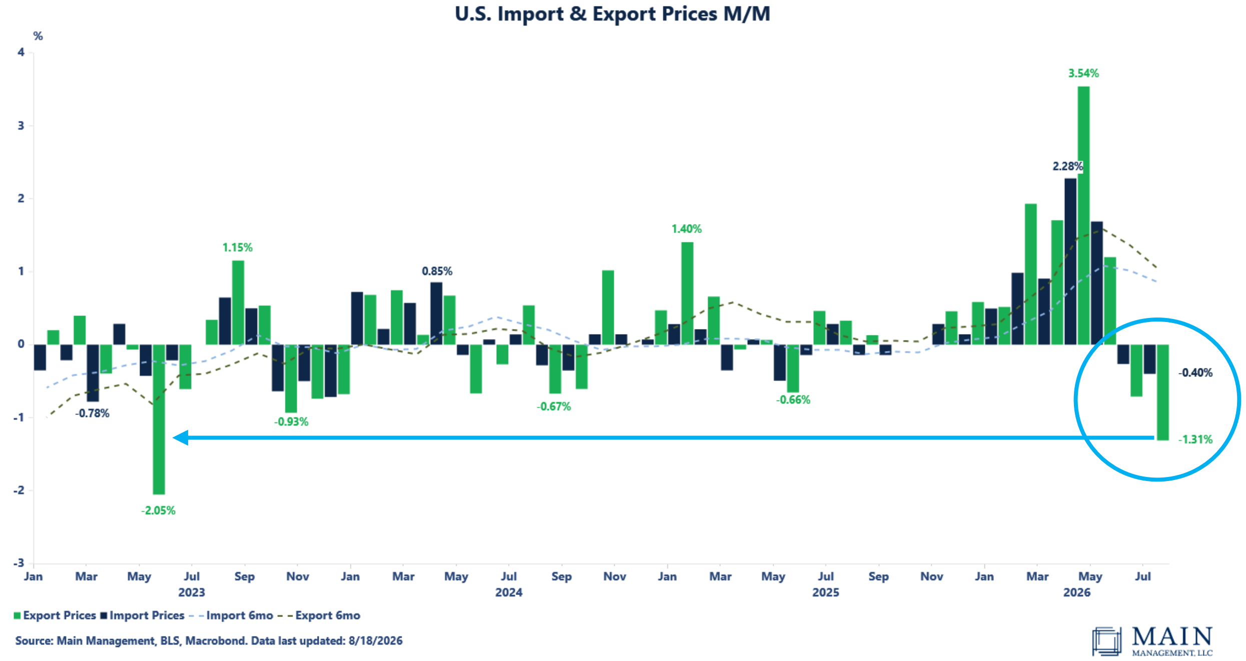
Industrial Production: Defense & Space Equipment

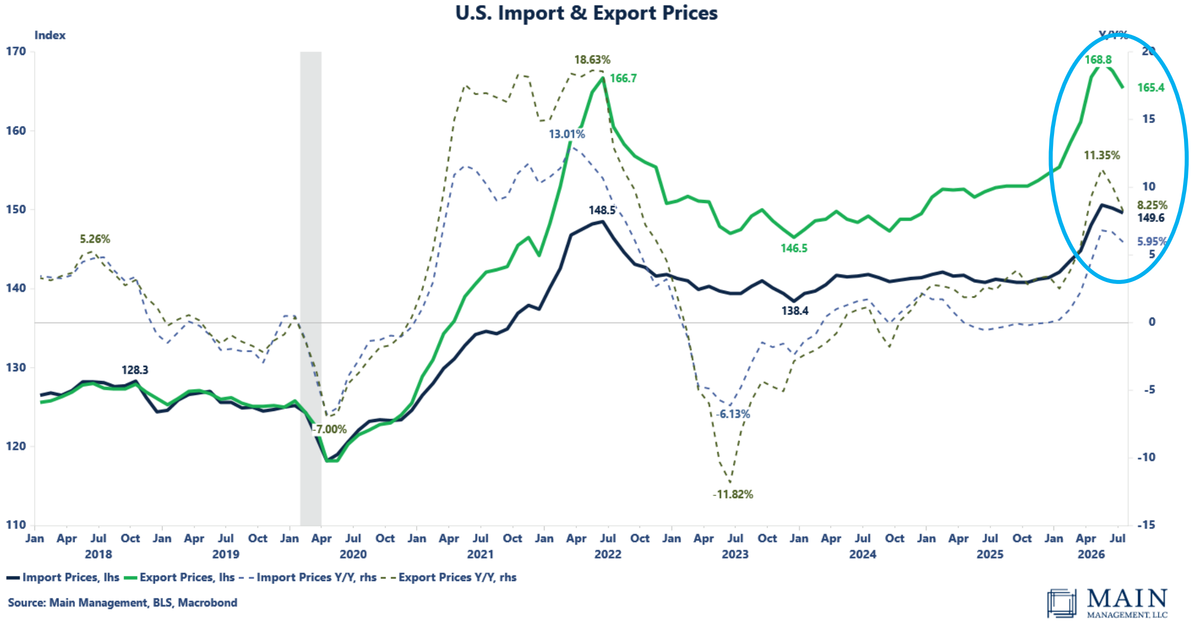


POSITIVE

Import & Export Prices

- Import and Export Prices unexpectedly fell in July, well below forecasts for +0.1% and +0.2% increases, respectively. Import Prices (left, black) dropped -0.40% MoM, the most since May 2025, while Exports (left, green) fell -1.31% MoM, the biggest monthly drop since May 2023!
- The indices themselves (right, solid lines) remain elevated relative to history but have retreated from their all-time highs set back in May 2026. Export Prices are still up +8.25% YoY and Import Prices up +5.95%.





Petroleum & High Tech Prices

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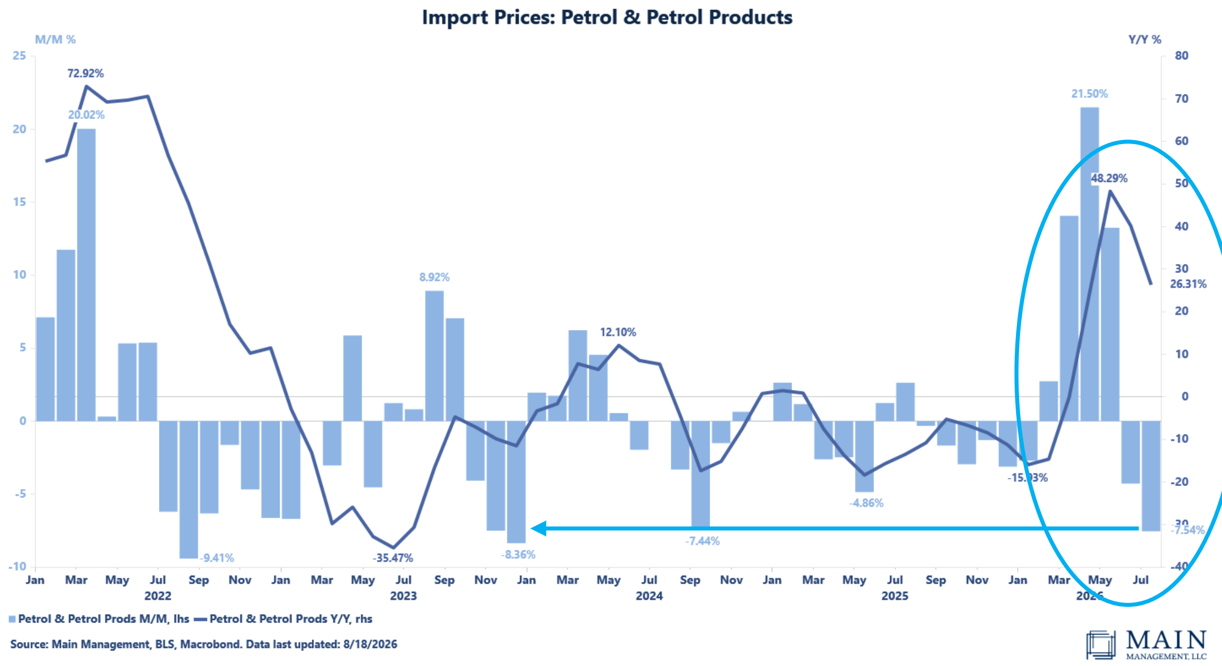
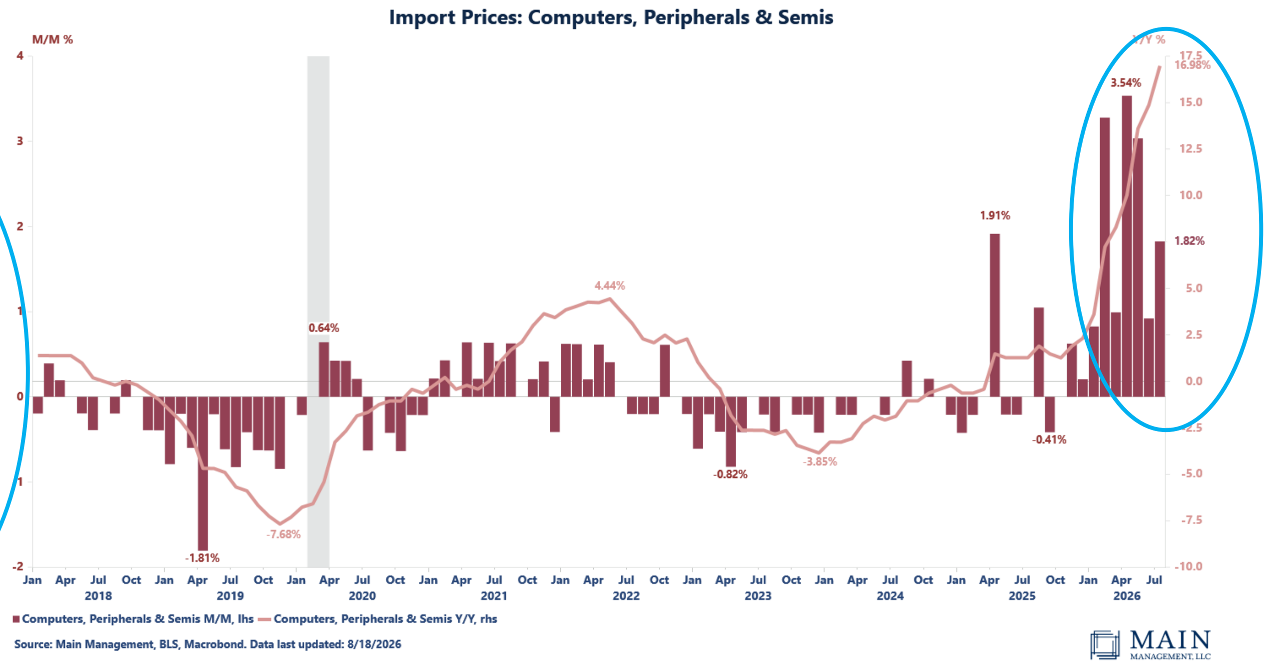
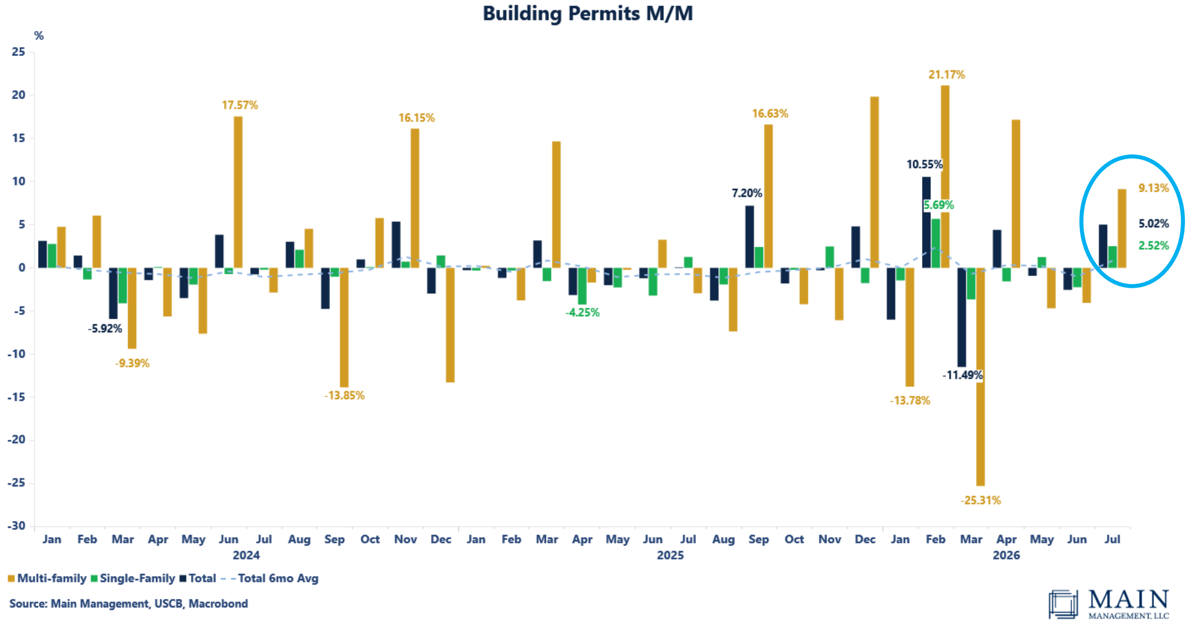
- Petroleum Product imports (left) led the way down, falling -7.54% MoM, the most since December 2023! They're still up +26.31 from a year ago, however, but have come in from the +48% YoY figure from May.
- Meanwhile, High Tech import prices (right) have been showing no signs of slowing down, rising +1.82% MoM, the 9th consecutive increase. That YoY figure is now up to a record +16.98%!

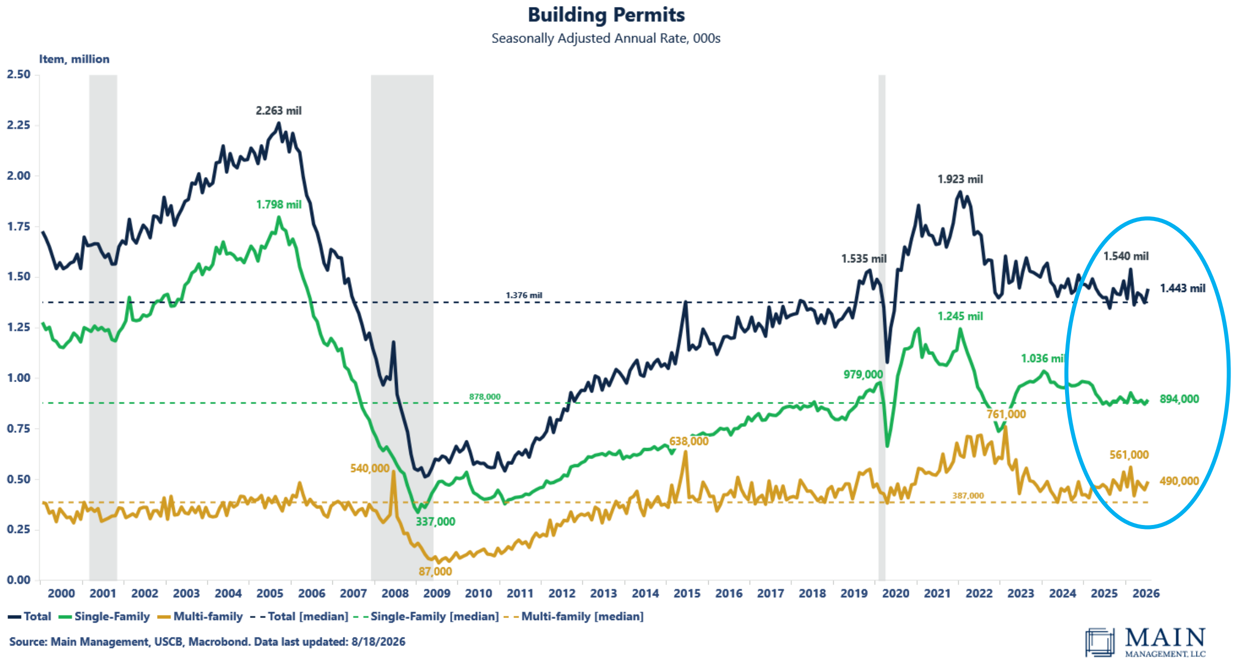




Building Permits

- Total Building Permits (left, black) came in above forecasts in July, rising +5.02% MoM, led by Multi-Family Permits (gold) which jumped +9.13% MoM. Single Family Permits (green) were up a more muted +2.52% MoM.
- Total Permits now stand at 1.443mil units SAAR (right), above expectations for a 1.37mil reading. Single Family Permits inched up to 894k units as Multi-Family hit 490k. All have been trending sideways for a few years now…



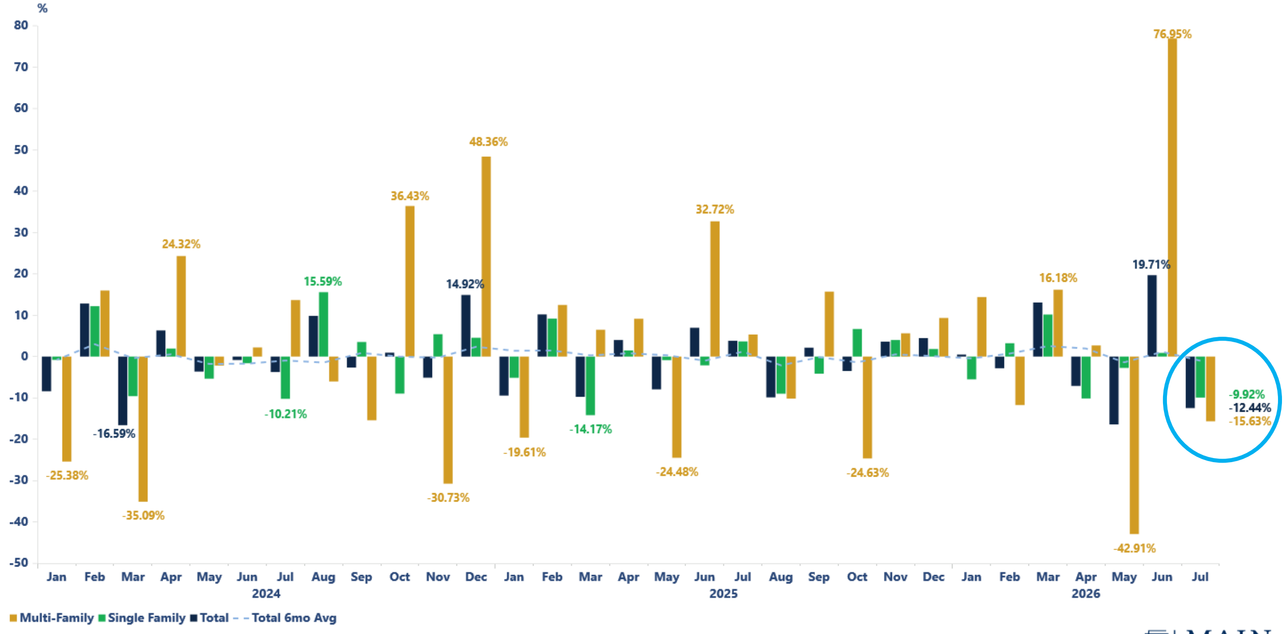


NEUTRAL

Housing Starts

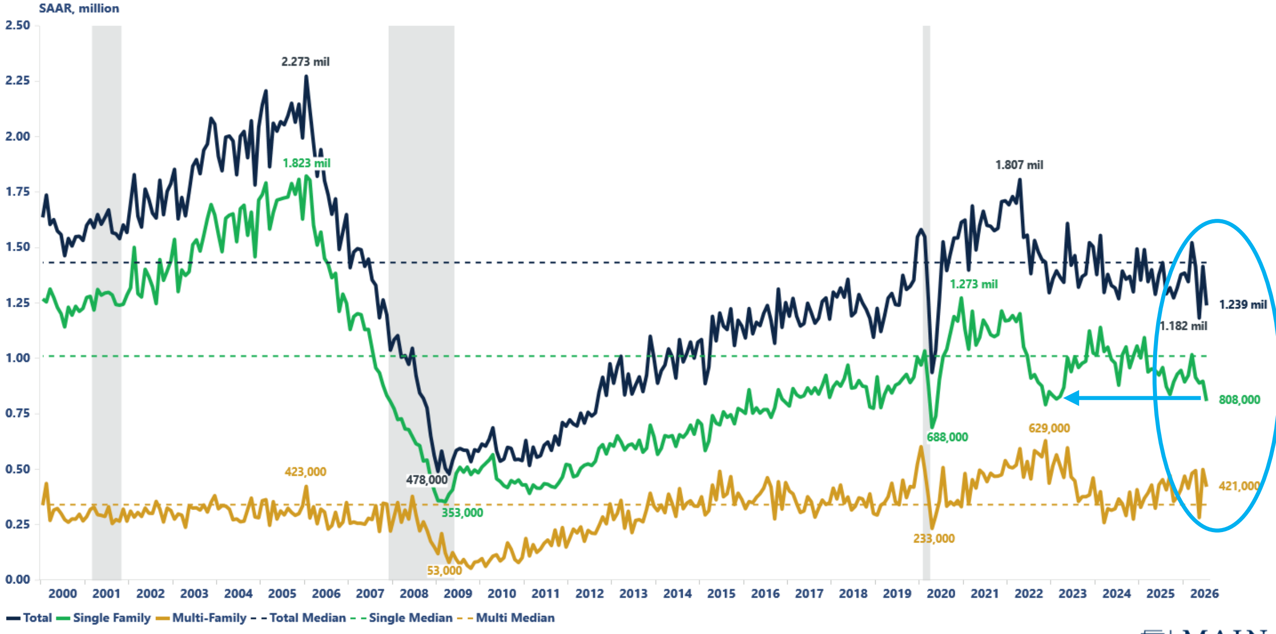
- Housing Starts, on the other hand, were uniformly down in July. Total Starts (left, black) fell -12.44% MoM, led down by Multi-Family (gold) which fell -15.63%, and Single Family (green) which were down -9.92% MoM.
- With that decline, Total Starts fell back to 1.239mil units (right, black), firmly below forecasts for a 1.35mil figure. Single Family Starts slowed to 808k units, the lowest since Nov. 2022! Multi-Family stand at 421k.

Housing Starts M/M



Source: Main Management, USCB, Macrobond. Data last updated: 8/18/2026

Housing Starts



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NEGATIVE

Pending Home Sales

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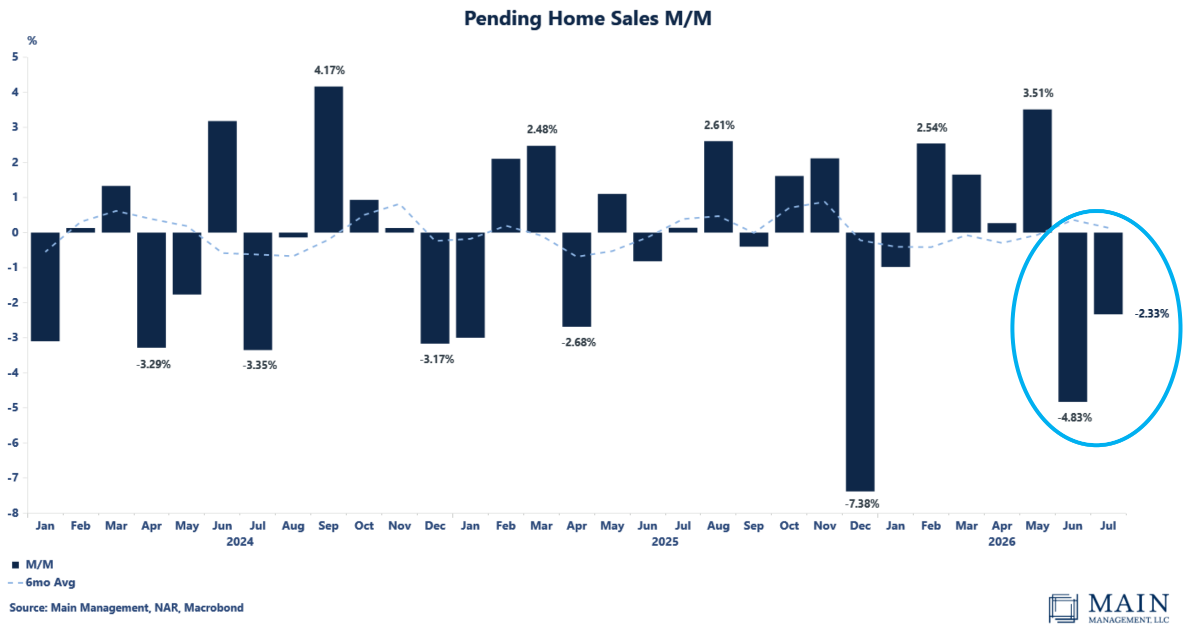
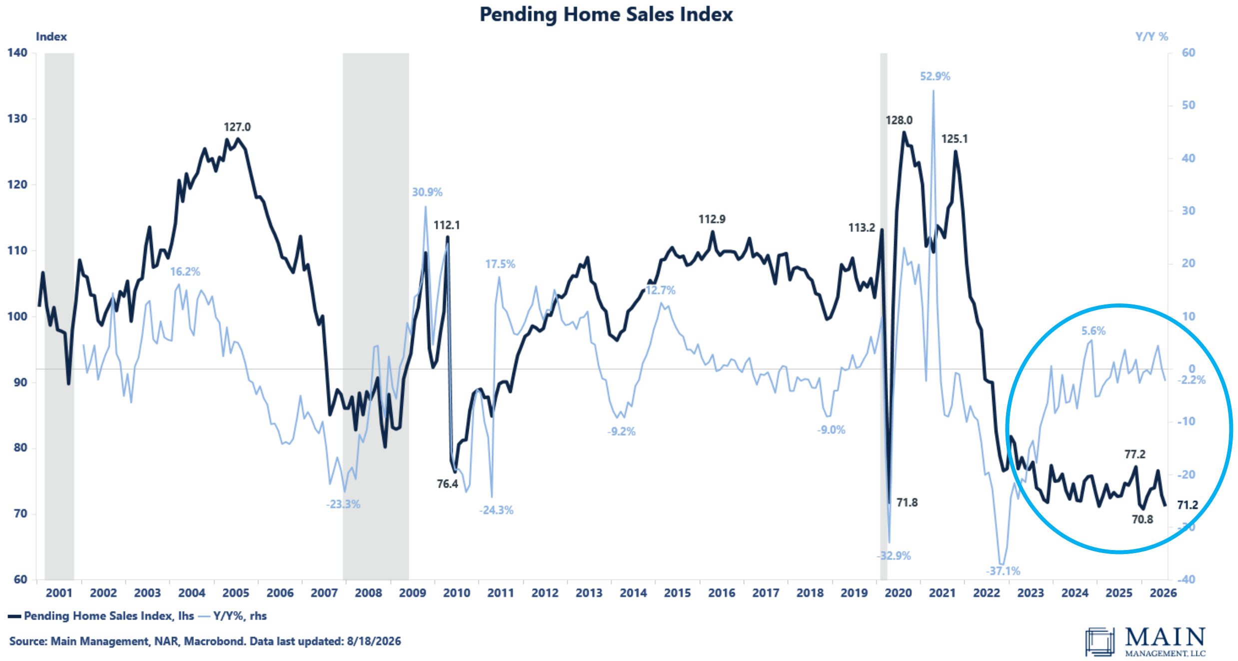
- Pending Home Sales were down -2.33% MoM (left), the 2nd down month in a row after 4 straight up months. This reading was a big miss relative to expectations which were for a +0.3% increase.
- The Index (right) fell back to 71.2, one of the lowest readings in history, down -2.2% YoY. As has been the case for a few years now, the housing market has really been stuck since the meteoric rise in interest rates in 2022.





NEGATIVE

NY & Philly Manufacturing

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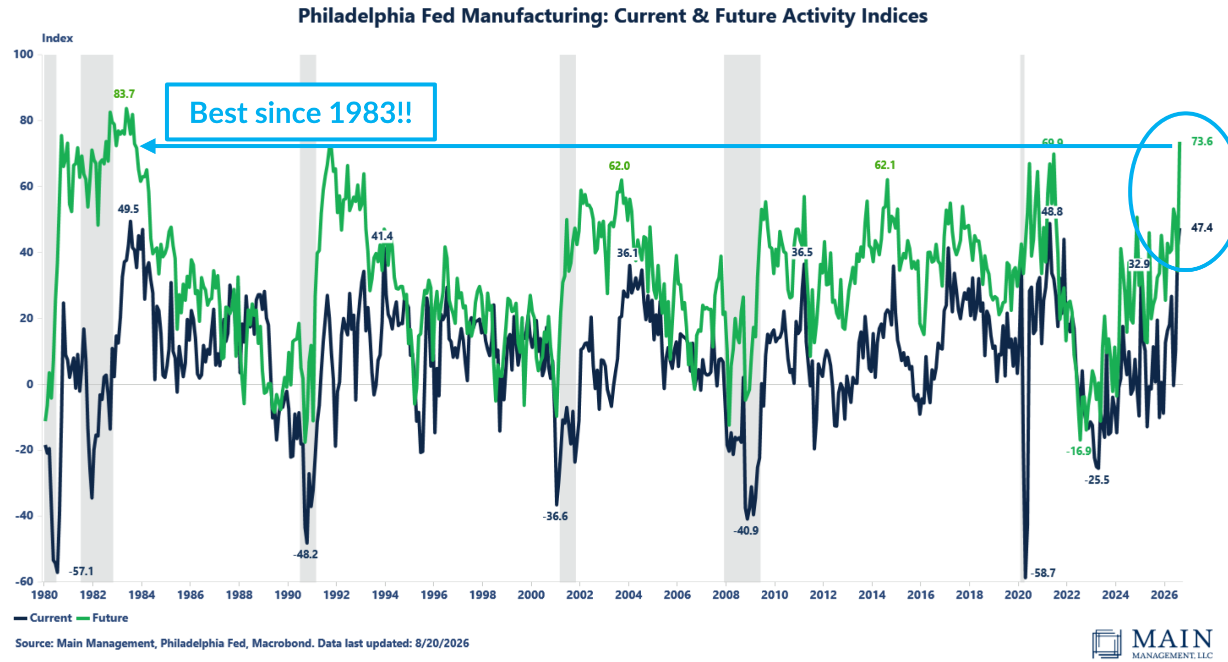
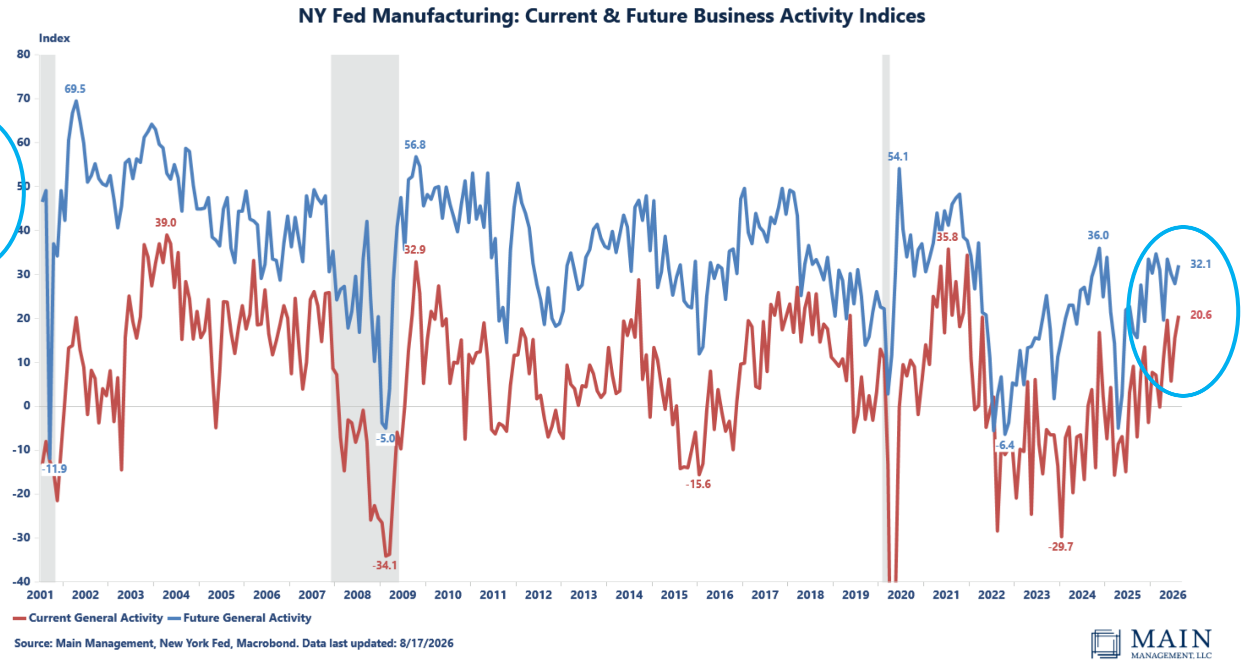
- The Philly Fed Manufacturing Indices (left) posted a very strong month in August, with Current Activity (black) hitting 47.4, well above forecasts for a 25 reading and the best since April 2021! Future Activity (green) continued higher to 73.6, the highest since August 1983!! The +39.2-point MoM surge in Future activity is the biggest MoM gain on record. Current Activity rose another +6.0-points MoM, following July's +31.1-point pop.
- The NY Manufacturing Indices (right) moved higher in August as well, with Current Activity (red) hitting 20.6, the best since December 2021! Future Activity also improved to 32.1.





POSITIVE

Regional Manufacturing

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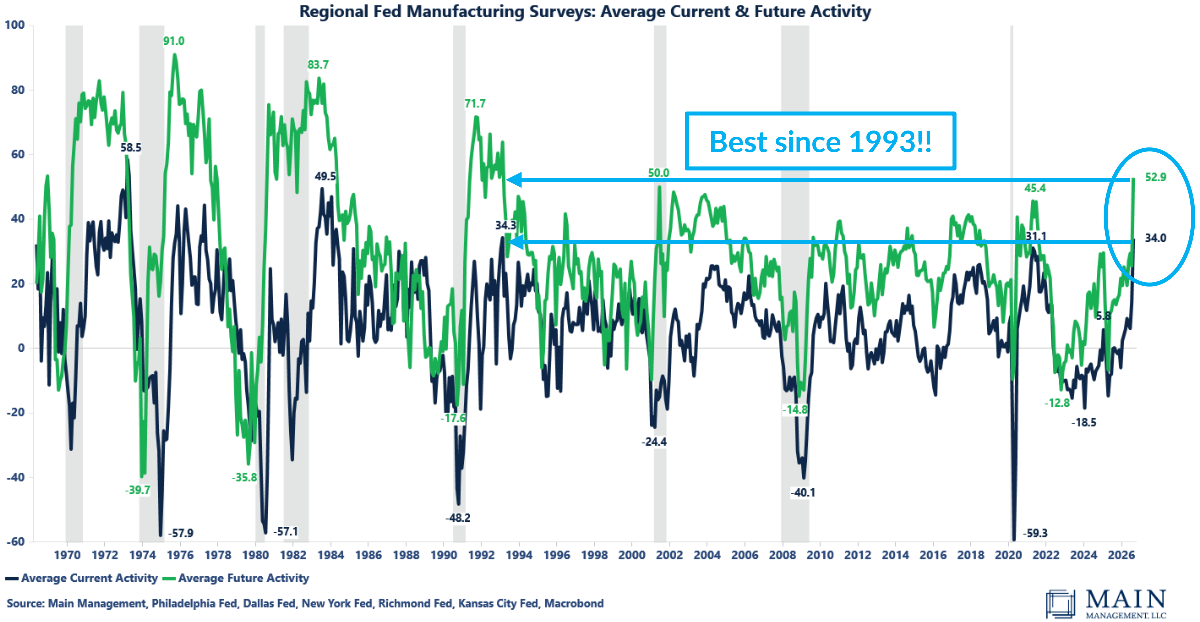
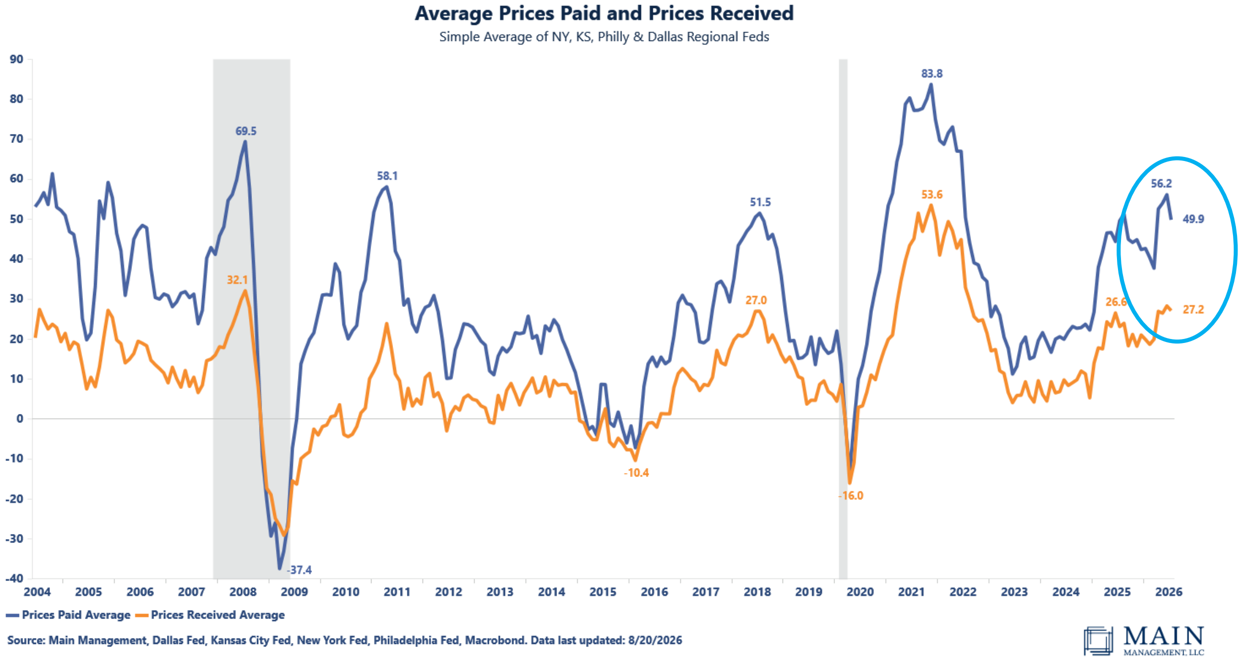
- On the left, we show the Average Current (black) and Future (green) headline manufacturing indices for the regional Feds. As you can see, things have been improving over the last couple years, with a marked acceleration in the last few months. At their current levels, both indices are the highest they've been since February 1993!
- The pricing indices (right) remain elevated, however. Aside from the 2022 spike, both Prices Received and Prices Paid are basically at their highest levels in over a decade. The figures shown are as of July, but the 2 regional readings we have for August so far have shown decreases, which is encouraging from an inflation standpoint.

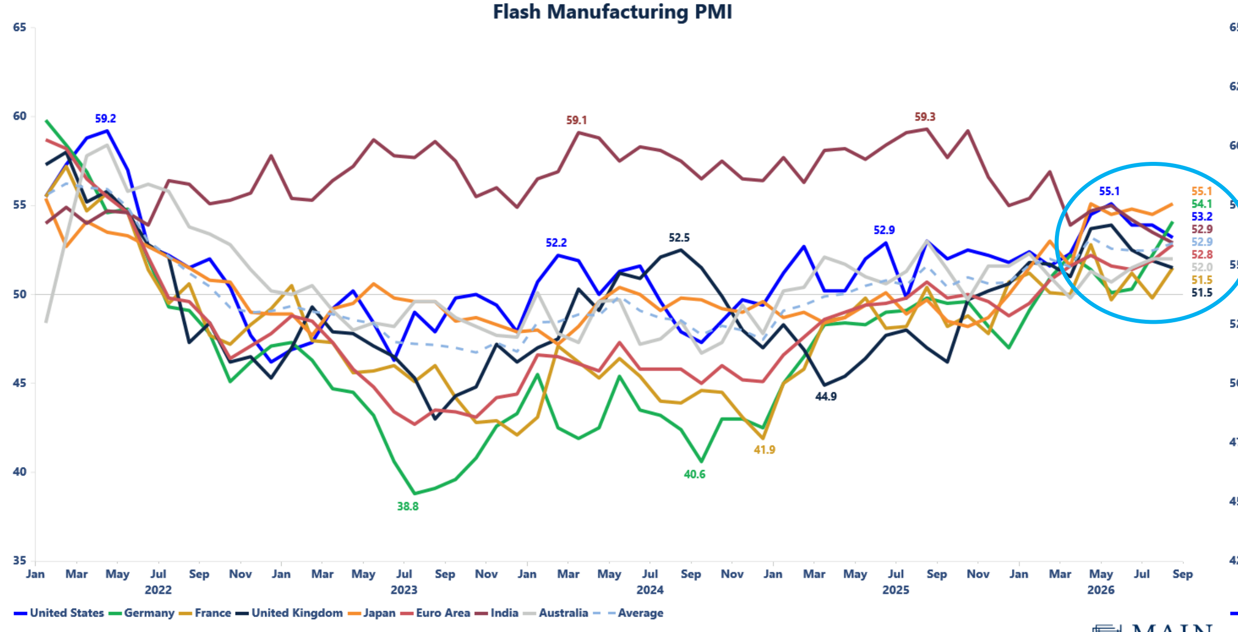




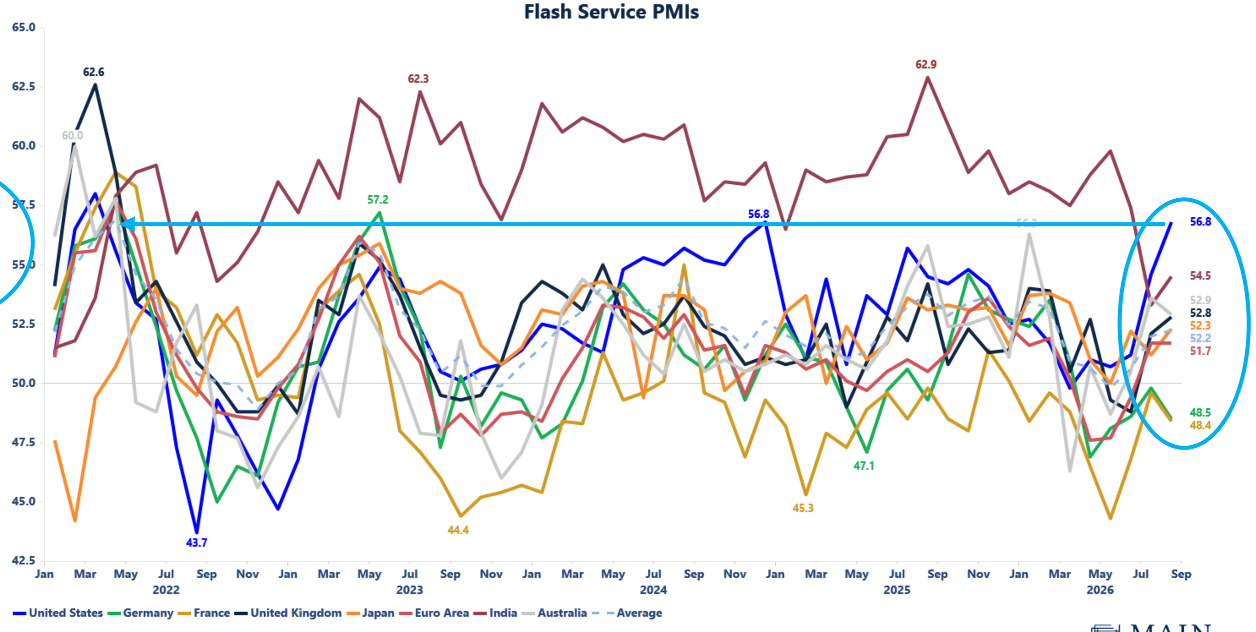
POSITIVE

Flash PMIs

- The flash Manufacturing PMIs (left) were mixed in August, as the U.S. slid to 53.2, below expectations for a 53.9 reading. Germany hit 54.1, the best since May 2022! France, the Euro Area, and Japan also moved higher while the U.K. and India declined. Australia was little changed and the simple flash average (dotted) ticked up to 52.9.
- The flash Service PMIs (right) were more positive, led by the U.S. which hit 56.8, tied for the highest since March 2022! Australia, Germany, and France pulled back while the broader Euro Area was unchanged. The U.K., India, Japan, and the simple flash average all improved.



Source: Main Management, S&P Global, Macrobond. Data last updated: 8/21/2026



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Summary

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- Industrial Production and Manufacturing Output both posted moderate gains in July as the indices hit their highest levels since 2019. Output has been up for 6 straight months!
- Import and Export Prices unexpectedly dropped in July, with Exports falling -1.3% MoM, the most since May 2023! Both remain elevated relative to history, however.
- The housing market remains trapped by high prices and mortgage rates. Permits were up while both Starts and Pending Home Sales were down.
- The NY and Philly Fed Manufacturing Indices moved higher in August, with Philly showing exceptionally strong figures not seen in decades!
- July Flash PMIs were relatively mixed, but the U.S. Services figure did hit its highest level since March 2022!

- Upcoming data:
    - New Home Sales, Building Permits, and Home Price Indices (Tues)
    - Core PCE, Income & Spending, Q2 2026 GDP, and Durable Goods Orders (Weds)
    - Goods Trade Balance, Retail & Wholesale Inventories (Thurs)
    - UMich Consumer Sentiment (Fri)

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Appendix

Inflation Watch

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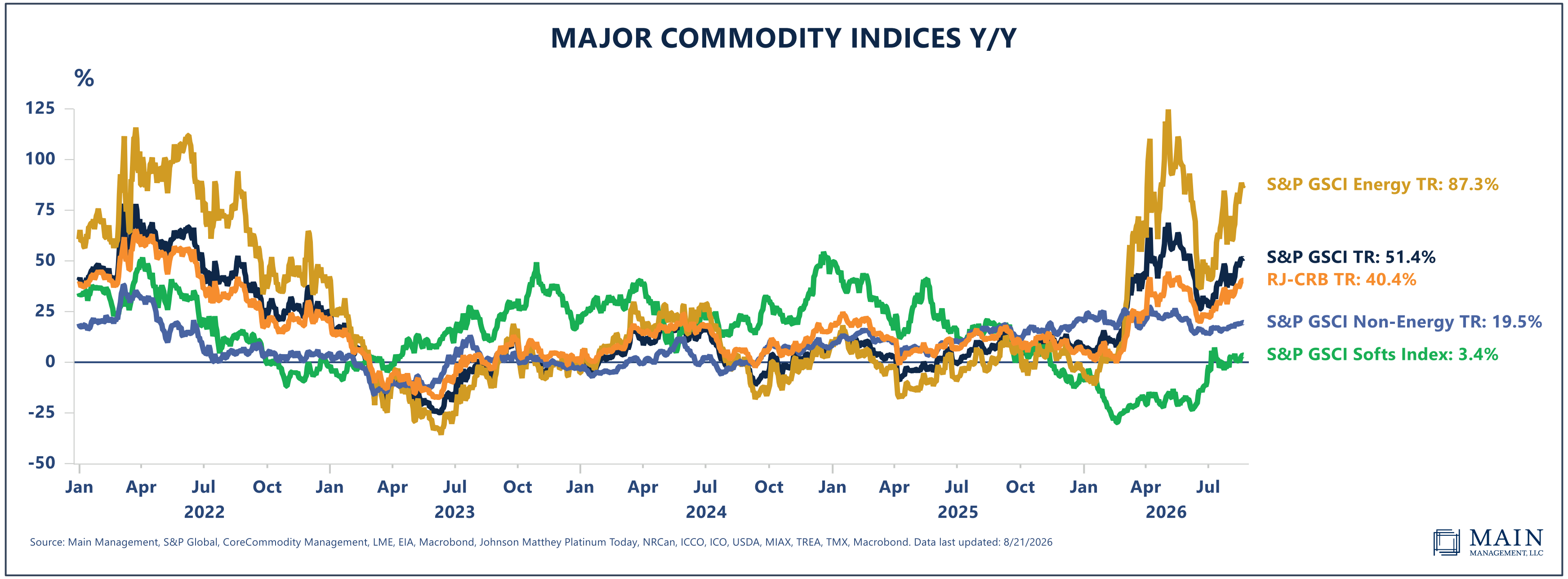

Commodity	1 Month	3 Months	YTD ↓	1 Year
Gasoline	-3.8	-11.7	91.3	56.2
Crude Oil	2.6	-20.5	49.7	38.3
S&P GSCI	7.3	-2.7	46.9	54.3
Cotton	12.9	5.7	35.4	31.4
BBG Commodity Index	6.1	-2.4	27.1	40.1
Soybeans	1.3	0.9	18.5	20.5
Copper	4.2	5.4	13.1	46.4
Corn	7.6	0.7	8.7	26.1
Lumber	-9.0	-2.9	7.3	-2.9
Gold	12.5	0.8	4.5	36.3
Coffee	10.7	34.6	4.3	2.1
US Dollar (DXY)	-1.9	-0.4	0.6	0.6
Silver	21.4	-9.1	-3.0	82.6
Bitcoin	14.3%	-4.8%	-16.5%	-35.3%
Natural Gas	-6.1	-12.2	-25.9	-1.2

Source: Main Management, S&P Global, CME Group, ICE, LME, Macrobond. Data last updated: 8/21/2026

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Disclosures

Main Management, LLC (“Main Management”, or the “Firm”) is an investment adviser registered under the Investment Advisers Act of 1940, as amended. The Firm was founded in 2002 and provides investment management services primarily to high net worth, family groups, foundations/endowments, and serves as a sub-adviser to third-party investment advisers & broker-dealers.

The information contained herein was prepared using sources that the Firm believes are reliable, but the Firm does not guarantee its accuracy. The information reflects subjective judgments, assumptions and the Firm’s opinion on the date made and may change without notice. The Firm is not obligated to update this information. Nothing herein should be construed as investment advice or a recommendation to purchase or sell securities. The information is not intended as an offer to provide advisory services in any state or jurisdiction where such offer would not be permitted under applicable registration requirements. All equity investing entails risk of loss.

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