MAIN
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Main Management Market Note

September 18, 2026

Our Offerings

MAIN MANAGEMENT, LLC

OUR STRATEGIES

Active
Sector Rotation
SECT
US CORE EQUITY

Thematic
Innovation
TMAT
GLOBAL MID-CAP GROWTH

International
Rotation
INTL
NON-US CORE EQUITY

BuyWrite
Hedged Equity
BUYW
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

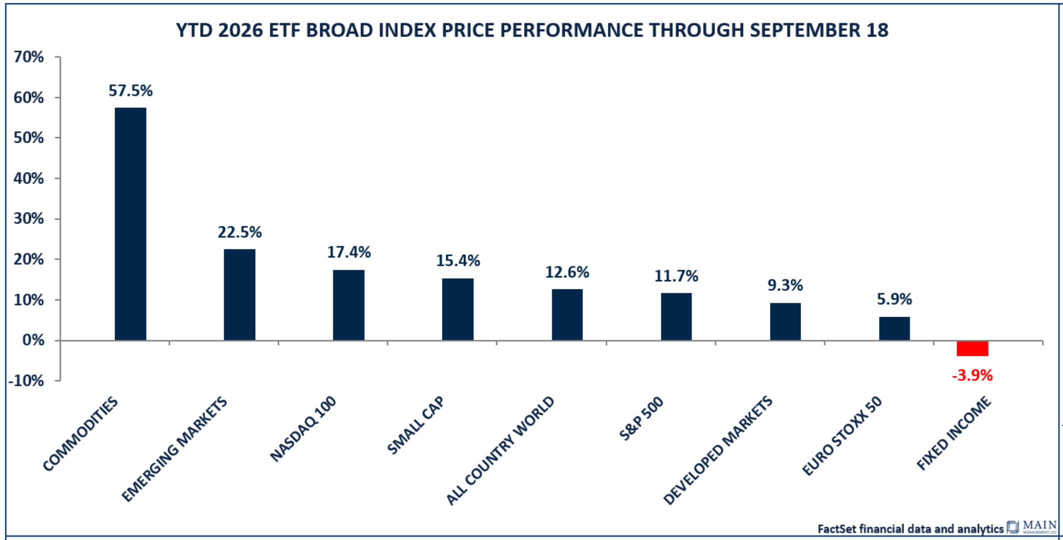
Research backed portfolios

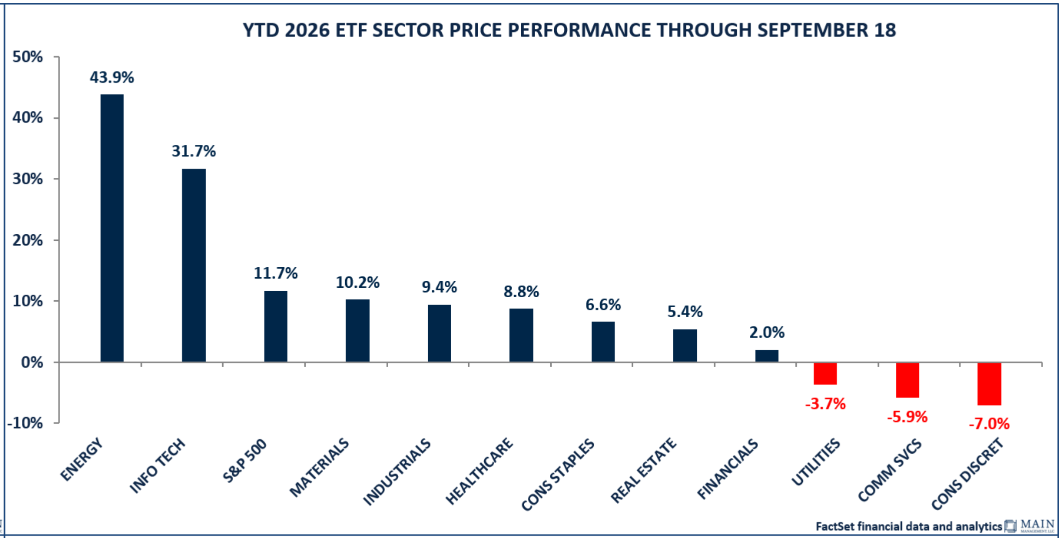
James Maxwell
Director, Research

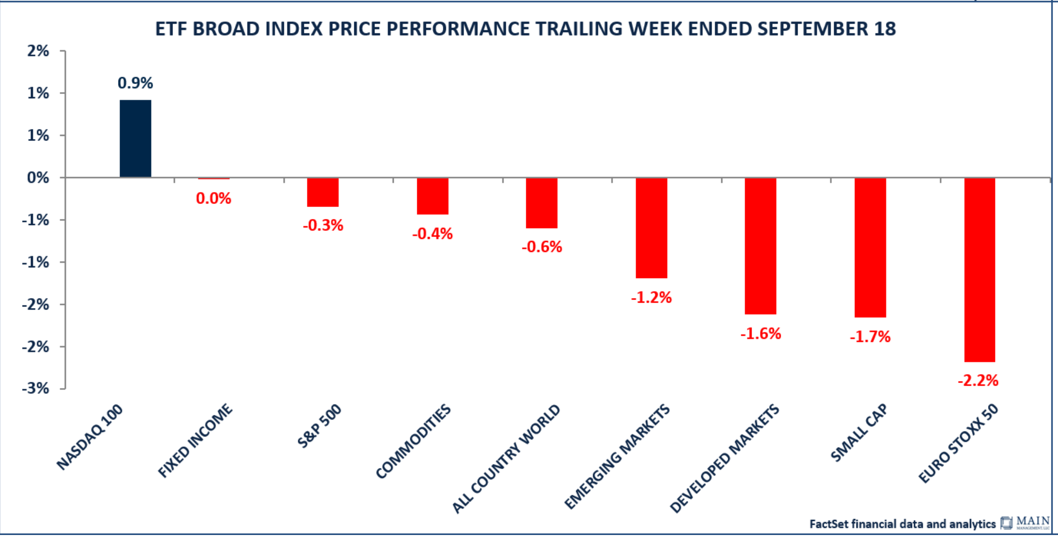
Alex Dippery
Research Analyst

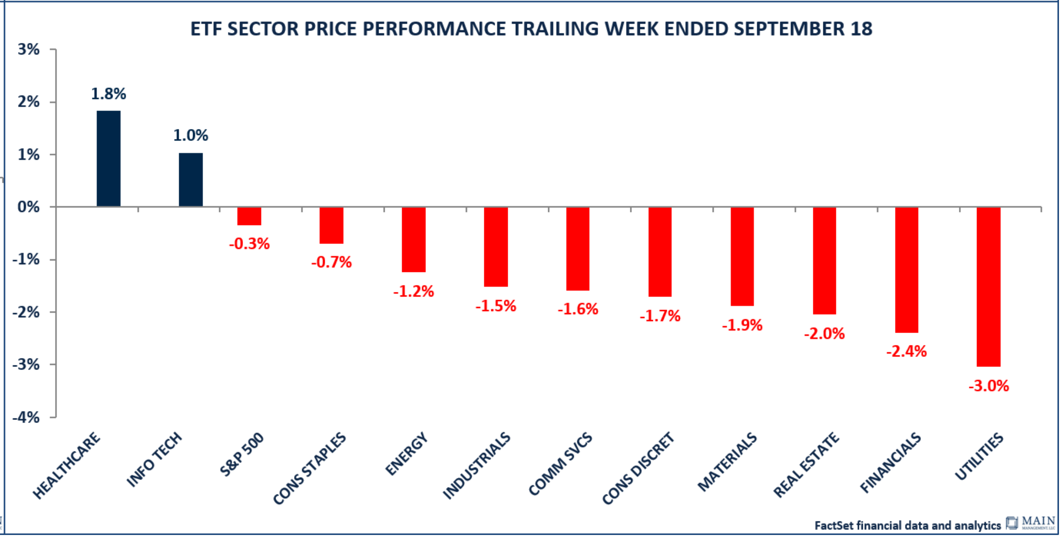
Advisors benefit from our comprehensive due diligence on other asset managers, insightful market commentary, and strategic asset class views.

Performance









Recession Dashboard

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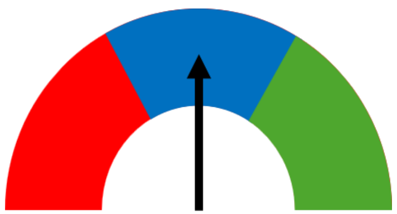
RECESSION START	INFLATION	CONSUMER	YIELD CURVE	HOUSING	SENTIMENT	AUTOS	EMPLOY-MENT	PMI	RETAIL SALES
NOV 1973	↓	—	—	↓	—	—	↓	↓	—
JAN 1980	↓	↓	↓	↓	↔	↓	↓	↓	—
JUL 1981	↓	↓	↓	↓	↔	↓	↓	↓	—
JUL 1990	↓	↓	↓	↓	↔	↓	↓	↔	—
MAR 2001	↔	↓	↓	↔	↔	↔	↓	↓	↔
DEC 2007	↓	↓	↓	↓	↔	↓	↓	↓	↓
DEC 2019	↑	↑	↔	↔	↑	↔	↑	↔	↔
SEP 2026	↓	↔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

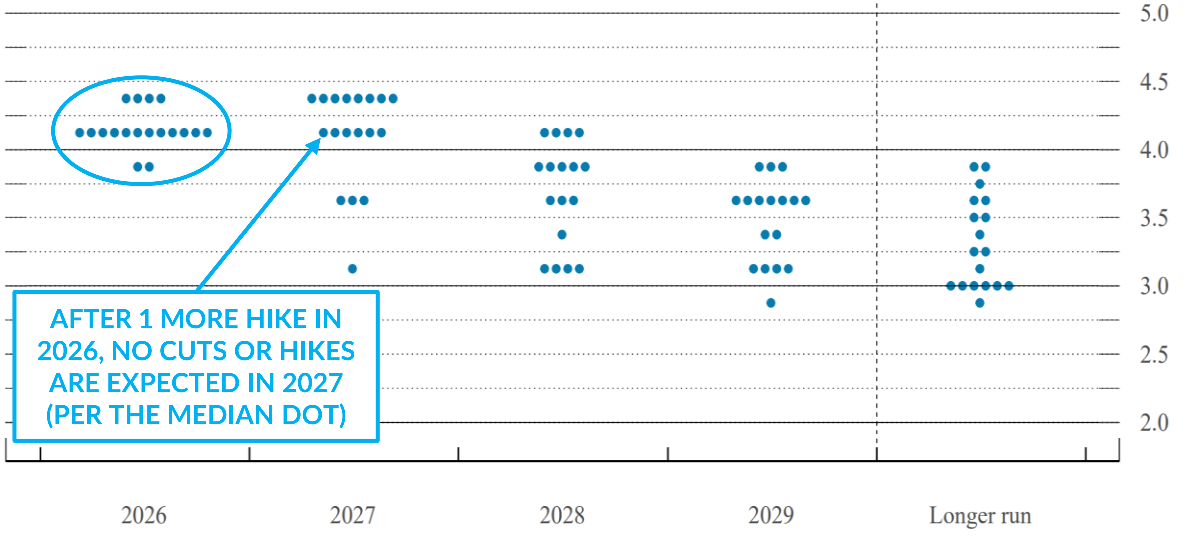


Inflation: *Headline CPI. Source: St. Louis Fed.* **Consumer**: *Conference Board Consumer Confidence. Source: The Conference Board.* **Yield Curve**: *10 year – 3 month Treasury spread. Source: FactSet financial data and analytics.* **Housing**: *Housing Starts & Existing Home Sales. Source: St. Louis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

FOMC

- The FOMC unanimously voted to raise the Fed Funds Rate to 3.75 – 4.00% this week, as expected. The GDP forecast for 2026 was revised up to 2.3% from 2.2% in June, and 2027 up to 2.4% from 2.3%. Unemployment expectations were revised down to 4.1% from 4.3% for both 2026 and 2027. Broad PCE and Core PCE inflation were both revised up for 2026, to 3.7% and 3.4%, respectively, while 2027 expectations were unchanged.
- The Dot Plot (right) shows that the committee expects one more hike this year to 4.00 – 4.25%. For the remainder of 2026, two members favor no further hikes while three are calling for two more hikes. Chairman Warsh did not submit his projection. Beyond one more hike this year, no changes are expected in 2027. The statement explained that the hike is meant to bring inflation down to the 2% target in a more timely fashion.

Variable	Median[1]				
	2026	2027	2028	2029	Longer run
Change in real GDP	2.3	2.4	2.2	2.1	2.0
June projection	2.2	2.3	2.2		2.0
Unemployment rate	4.1	4.1	4.1	4.1	4.2
June projection	4.3	4.3	4.2		4.2
PCE inflation	3.7	2.3	2.1	2.0	2.0
June projection	3.6	2.3	2.0		2.0
Core PCE inflation[4]	3.4	2.5	2.2	2.0	
June projection	3.3	2.5	2.1		
Memo: Projected appropriate policy path					
Federal funds rate	4.1	4.1	3.9	3.6	3.2
June projection	3.8	3.6	3.4		3.1



Where to from here?

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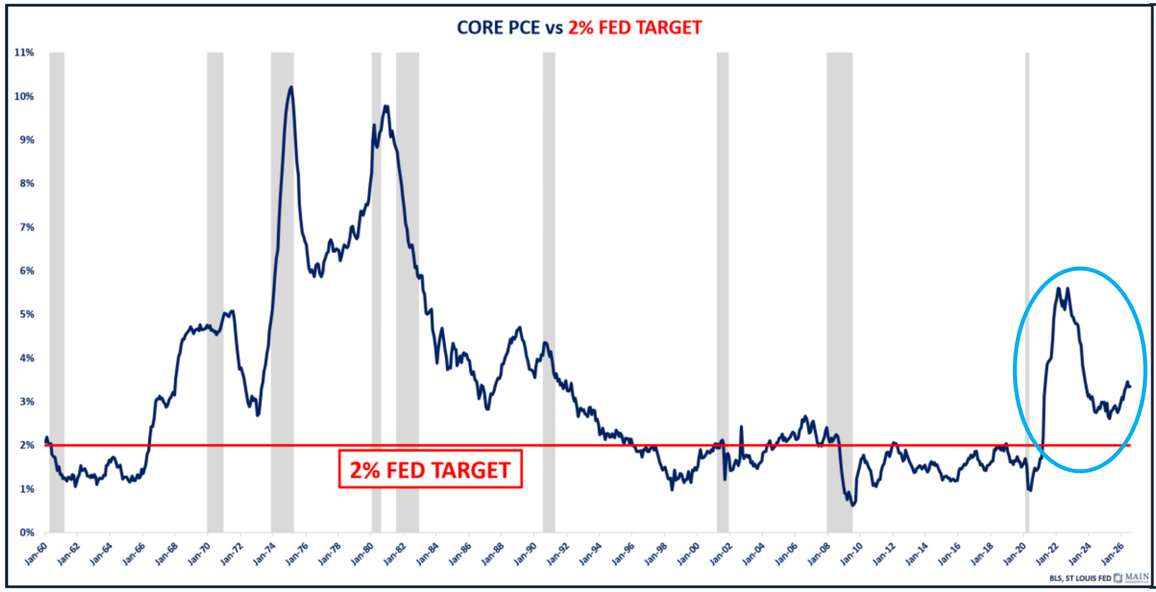
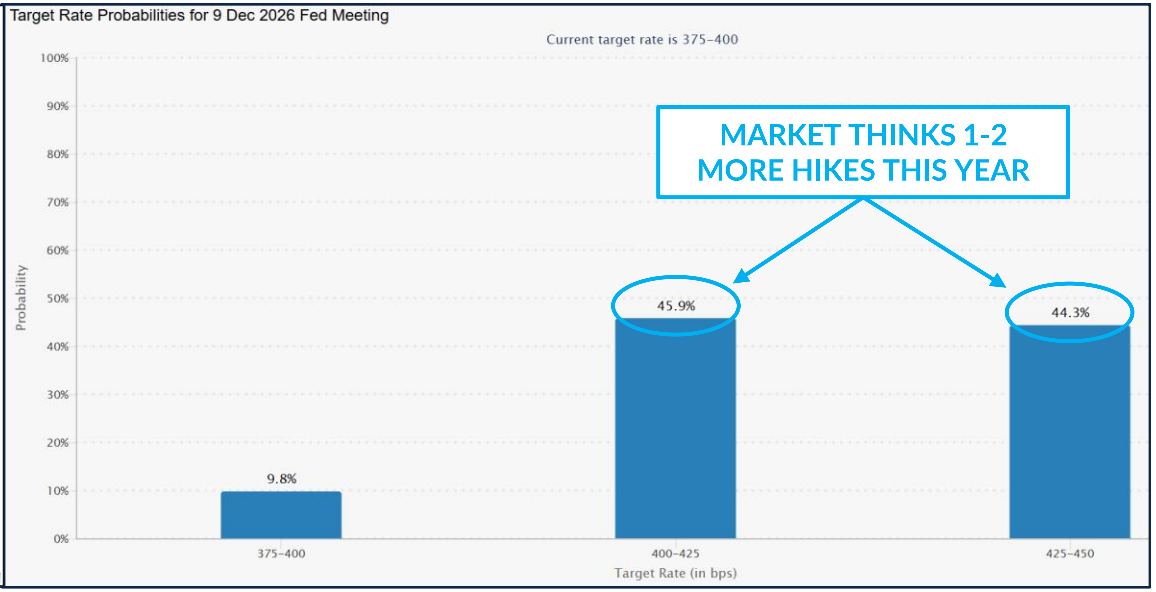
- The Fed is clearly focused on inflation, which has run above its 2% target for 65 straight months now, using the Core PCE measure (left). That's the longest streak since we ended the 30yr run in 1996! Overall, the tone was more hawkish than expected. As evidence, markets were pricing a 27% chance of another hike in October last week and now those odds are at ~58%.
- For the rest of 2026 (right), markets are current pricing in a 46% chance for one more hike and a 44% chance for two more hikes. Meanwhile, the 2yr Treasury Yield, which is viewed as a proxy for the longer-term Fed Funds rate, has risen to 4.74%, which implies 3.5 hikes from current levels.





NEUTRAL

Market Responses

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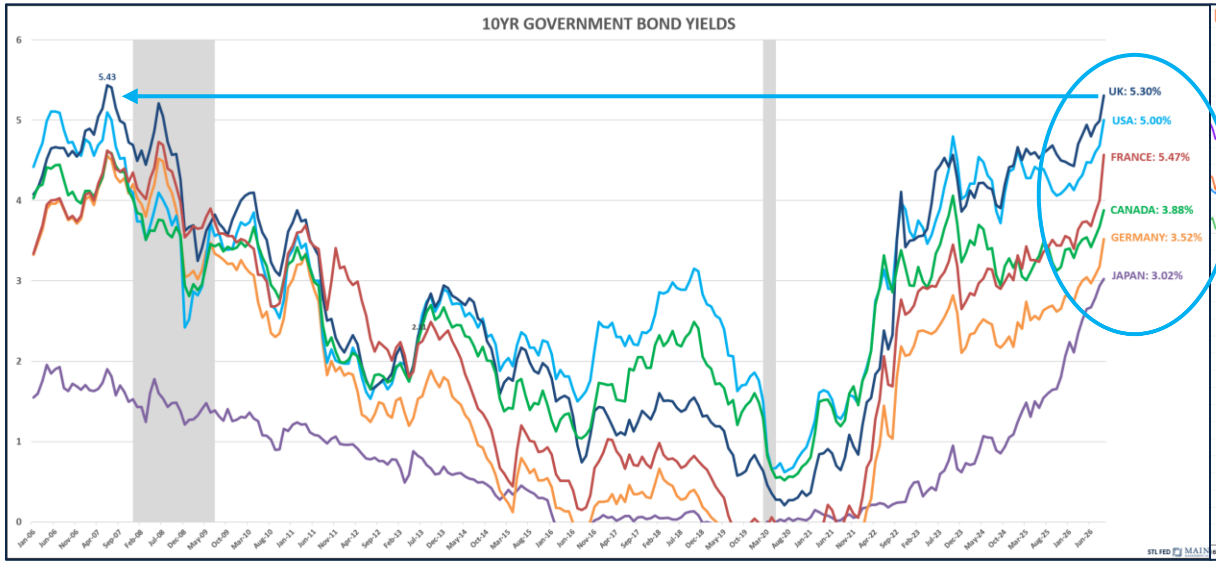
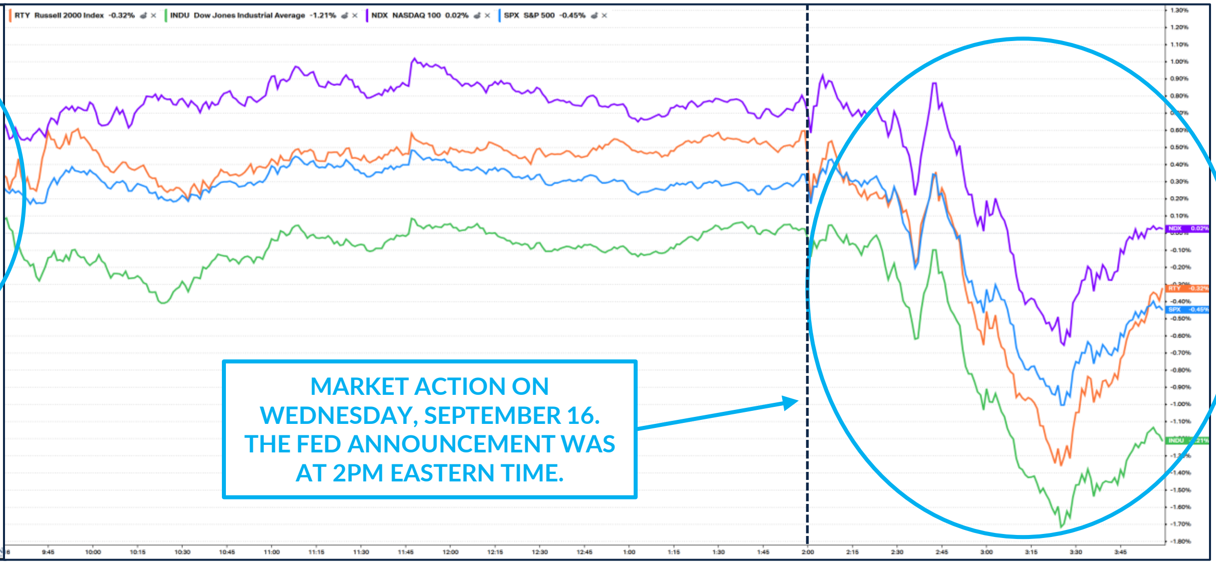
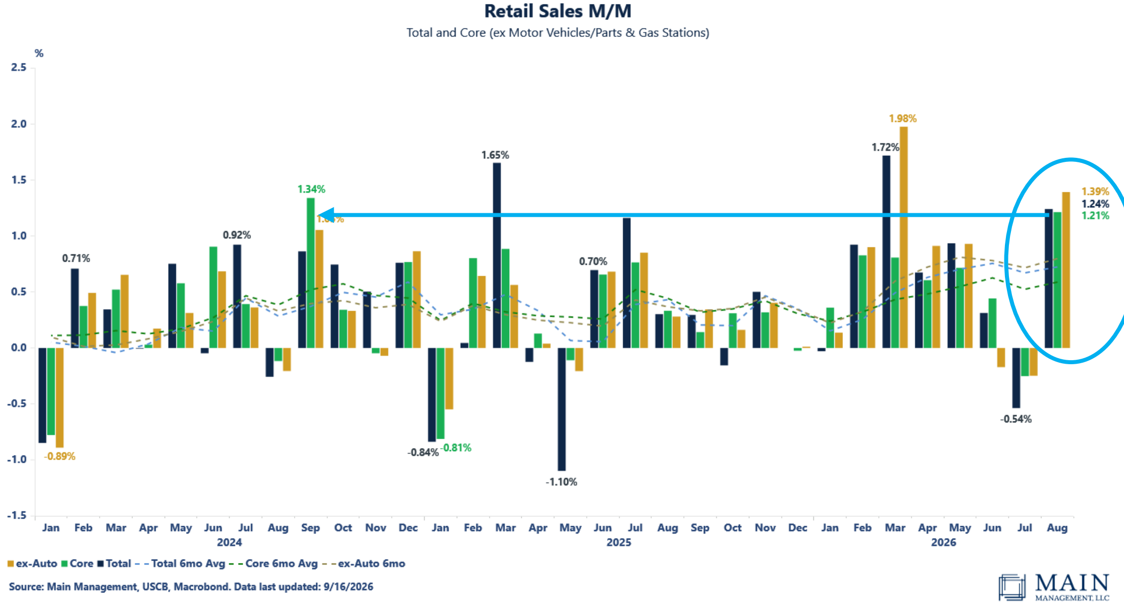
- On the left, we show 10yr government bond yields from around the globe. Other than Canada, they're all at their highest levels since 2007-2008, or in Japan's case, since 1996! As of Friday morning, yields had pulled back slightly from their intra-week highs, but you can see the trend is clearly higher, which is bad for bond investors. Many global central banks are in hiking mode, too.
- On the right, we show the broad indices performance on Wednesday around the Fed announcement. The S&P 500, Russell 2000, and DJIA closed lower as Warsh's press conference triggered a ~1% intraday swing. The Nasdaq managed to trade back to basically even. The 2yr treasury yield shifted from being down -6bp to being up +6bp while the 10yr yield moved from -6bp to 0bp. Financials, Regional Banks, Momentum Laggards and Housing were among the worst performing areas, along with Energy, which fell on the -3.2% decline in WTI. Semiconductors and AI held relatively well and the U.S. Dollar added +70bp thanks to the constructive outlook on the US economy and growth.

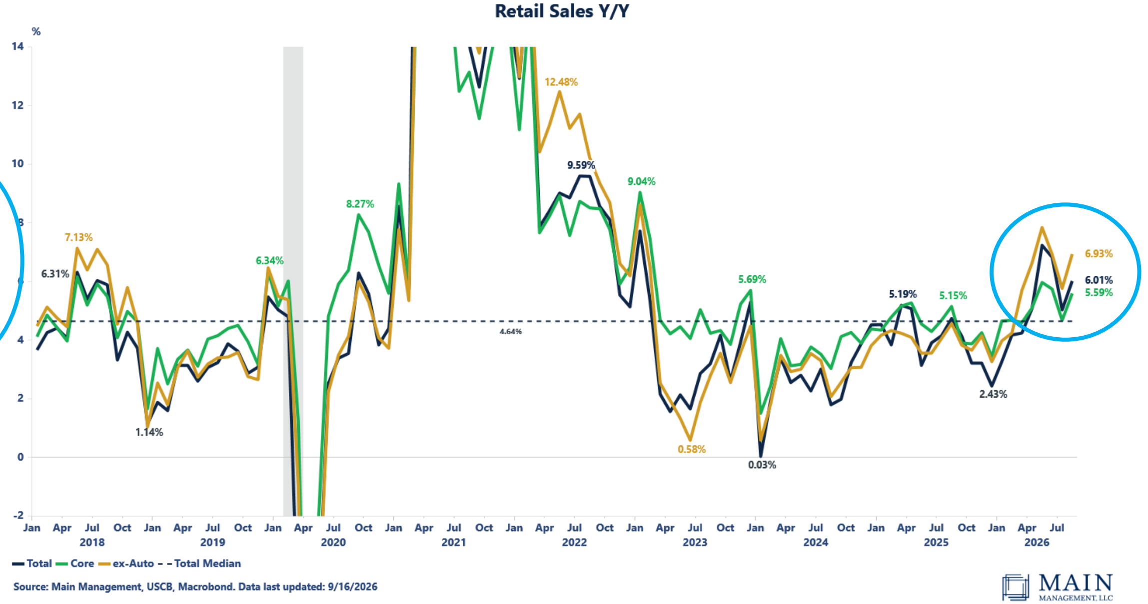




Retail Sales

- Retail Sales posted a robust +1.24% MoM increase in August (left, black), solidly above forecasts for a +0.8% rise. Core Sales (green) were up +1.21% MoM, the best since September 2024! Total ex-Autos (gold) also posted a strong +1.39% MoM gain, all reversing from July weakness and reminding investors not to bet against the American consumer.
- On the right, we show the YoY figures. All rebounded in August, continuing the uptrend that began in early 2024. Total Retail Sales are now up +6.01%, Core +5.59%, and ex-Autos +6.93%. All series are at all-time highs on an absolute basis as well.

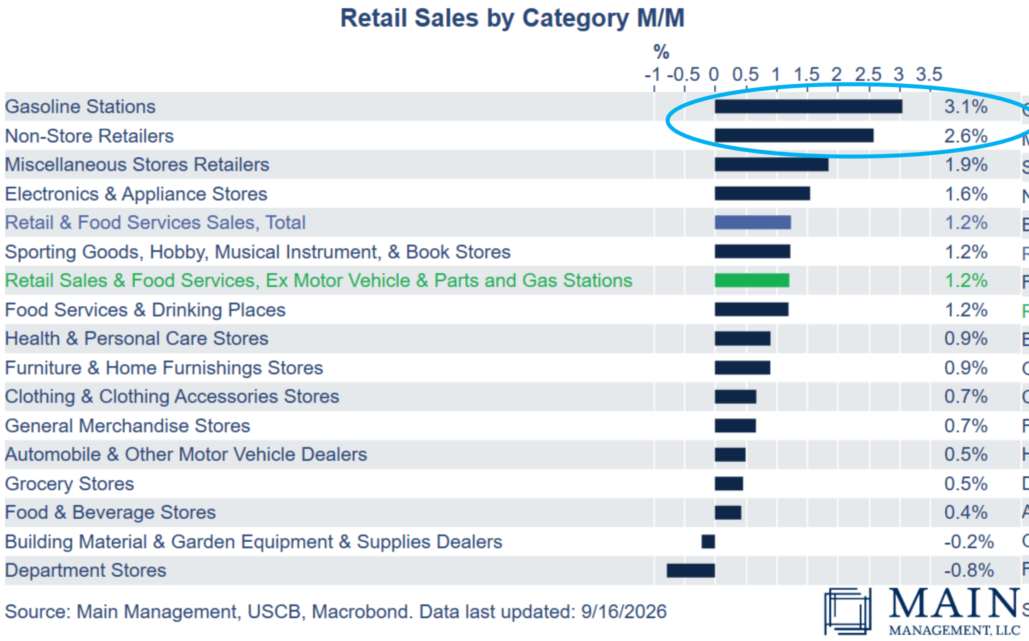


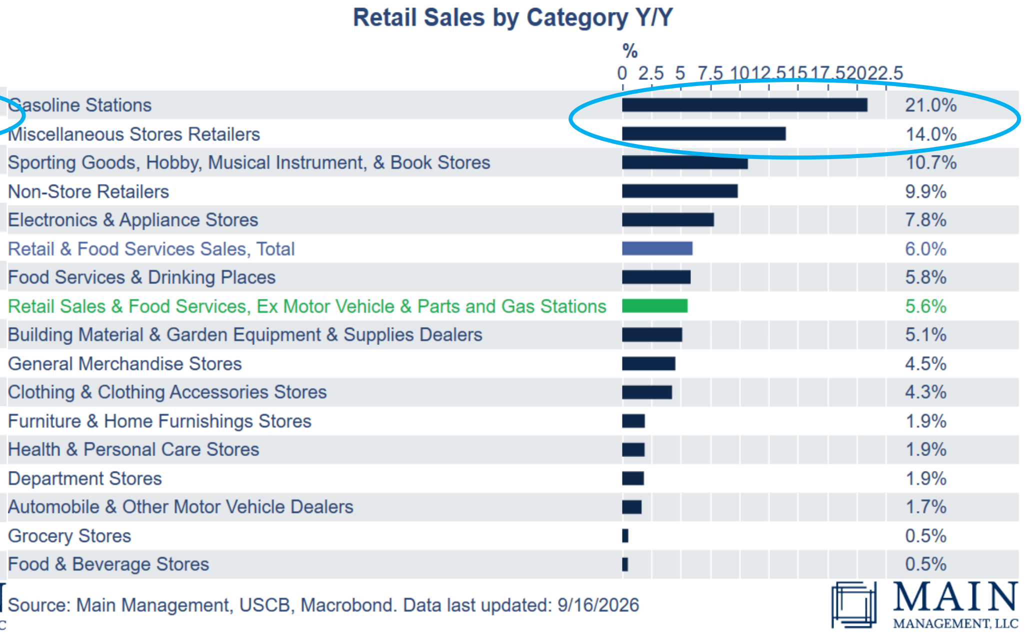


POSITIVE

Sales by Category

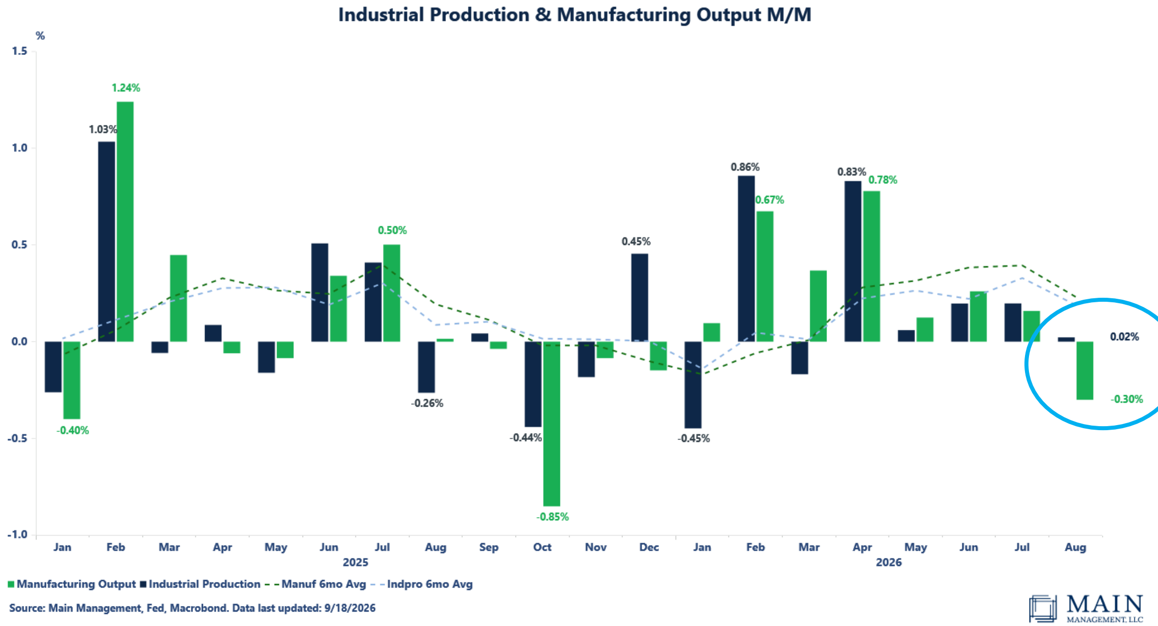
- Looking through at the categories, Gas Stations were up the most on a MoM basis (left), rising +3.1% in August. No surprise there given fuel prices remain elevated. Non-Store Retailers were up the next most at +2.6% MoM. The laggards were Dept Stores at -0.8% and Building Material/Garden Stores which were down -0.2%.
- On a YoY basis (right), all of the categories are positive for the first time since May 2021! Gas Stations again lead the way, up +21.0%, and then Misc. Stores at +14.0%. The laggards are Food & Beverage and Grocery Stores, both of which are up just +0.5% from a year ago.

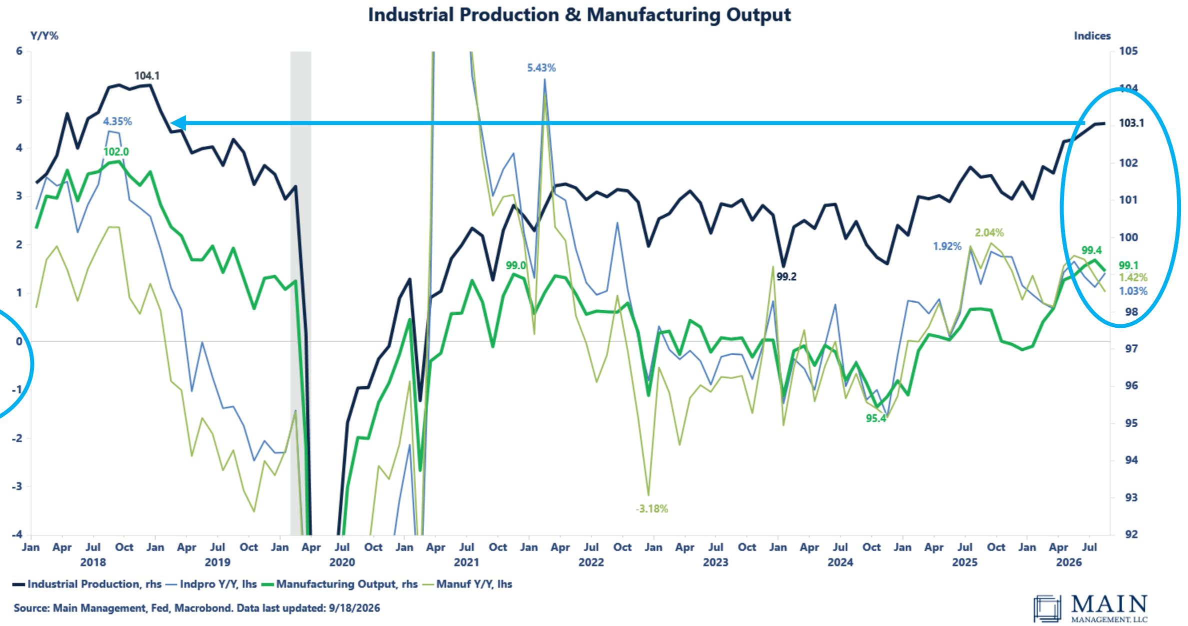




Industrial Production

- Industrial Production was basically flat in August at +0.02% MoM (left, black) while Manufacturing Output (green) fell -0.30% MoM, the biggest dip since October 2025. Both missed forecasts for +0.3% increases. The decline in output was led by Autos and Computer & Peripheral Equipment.
- Still, the Industrial Production Index (right, black) inched up to 103.1, the highest since January 2019! The Manufacturing Output Index (dark green) pulled back to 99.1 from 99.4, which was the highest since August 2019! Both slowed a bit on a YoY basis but remain in the uptrends that started in early 2025.

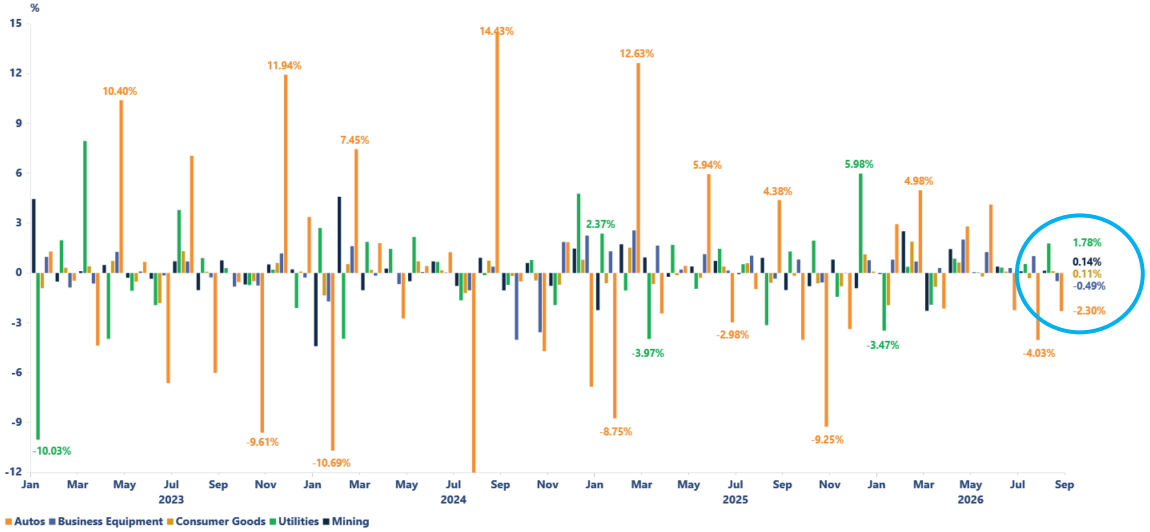




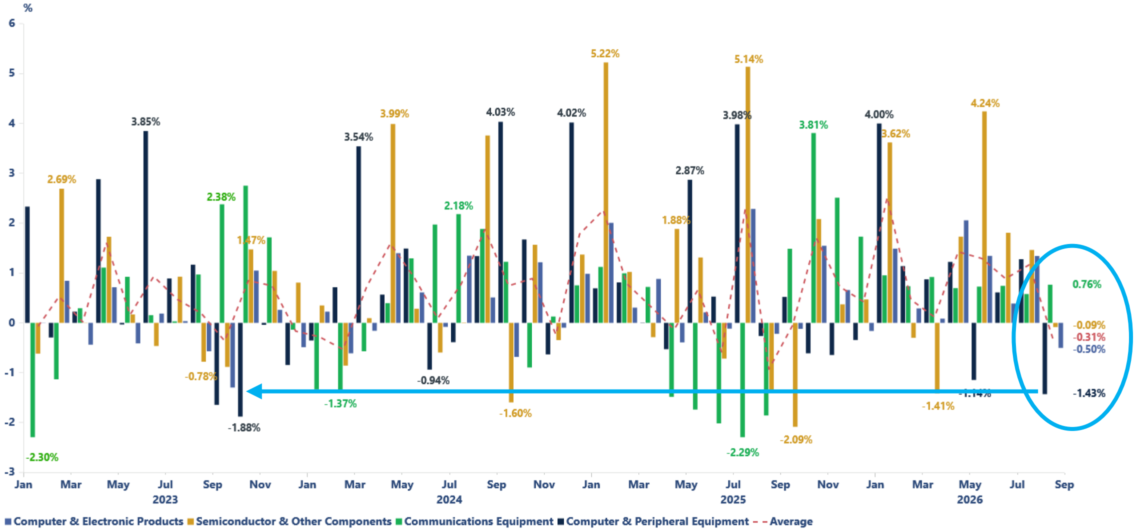
NEUTRAL

Industrial Components

- On the left are some of the major components for industrial production. As mentioned on the prior slide, Autos (orange) weighed on the headline figure, declining -2.30% MoM, the 3rd straight decline. They're also the most volatile component as evidenced by the outsized MoM swings. Utilities led the way up +1.78% MoM, their 5th consecutive increase. On a YoY basis (not shown), Autos are now down -12.6% while Utilities accelerated to +6.2%, just trailing Business Equipment which is up +7.10%.
- For the high-tech components (right), Computer & Peripheral Equipment (black) fell -1.43% MoM, the biggest dip since October 2023! Communications Equipment (green) was the only high-tech component to move higher, rising +0.76% MoM, its 12th straight up month. That component is rather cyclical, posting longer up/down streaks than most others. All these components are positive on a YoY basis, led by Comms Equip at +16.8%. Comp & Peripheral slowed to +5.5%, the least positive of the group.



Source: Main Management, Fed, Macrobond



Source: Main Management, Fed, Macrobond

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Import & Export Prices

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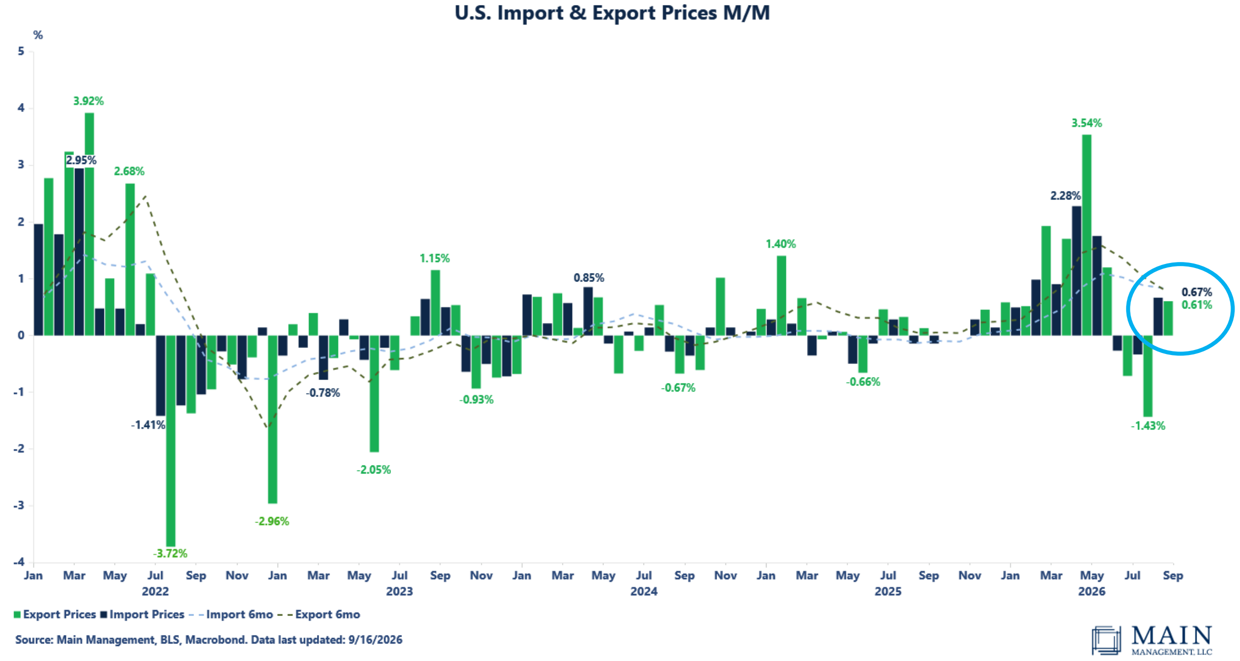
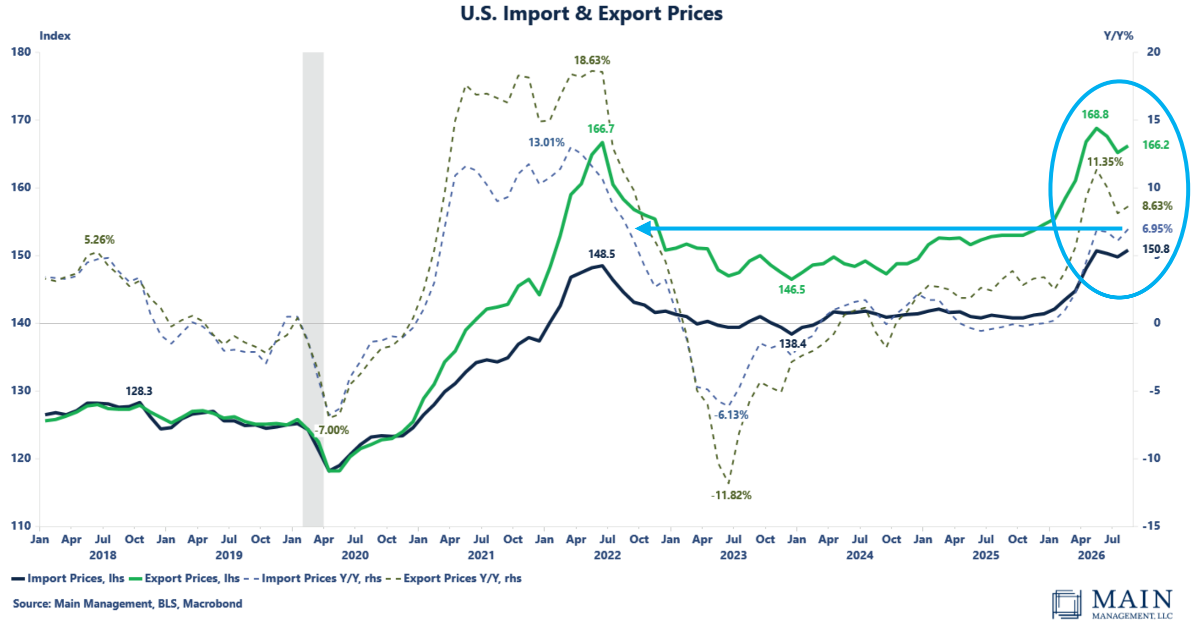
- Import and Export Prices both rebounded in August, with Imports up +0.67% (left, black) and Exports up +0.61% MoM. Both came in above expectations, which were for Import Prices to rise +0.4% and Export Prices to rise +0.5%. Interestingly enough, the increases were NOT driven by fuel/oil prices (more on the next slide).
- On the right, we show both the Import and Export Price indices (solid lines) and the YoY figures (dotted). Both indices rebounded in September, as did the YoY figures. Export Prices are up more at +8.63% YoY, but the Import Price Index hit an all-time high at 150.8 and is now up +6.95% YoY, the most since August 2022!





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Import Prices by Category

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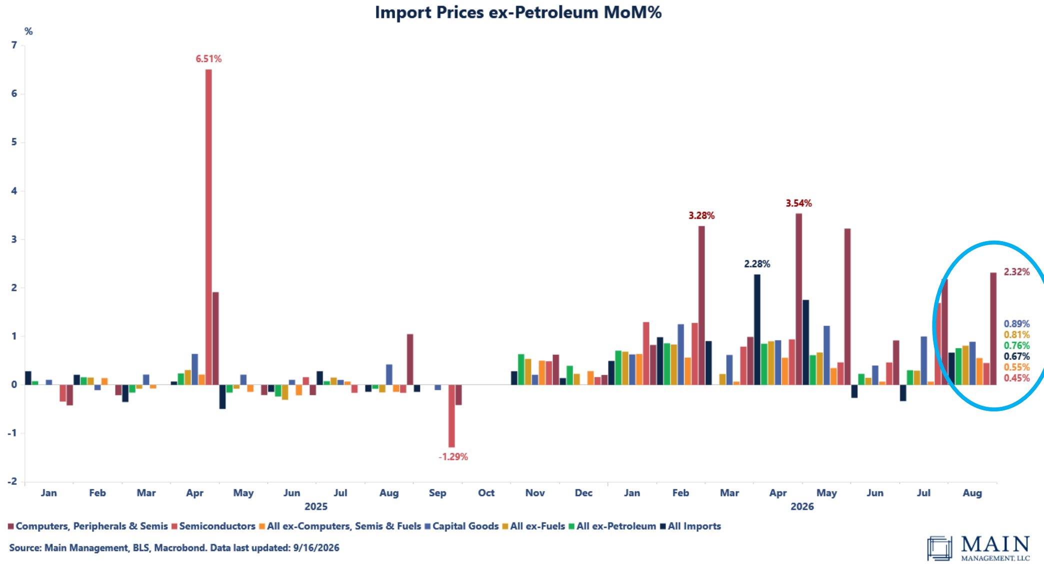
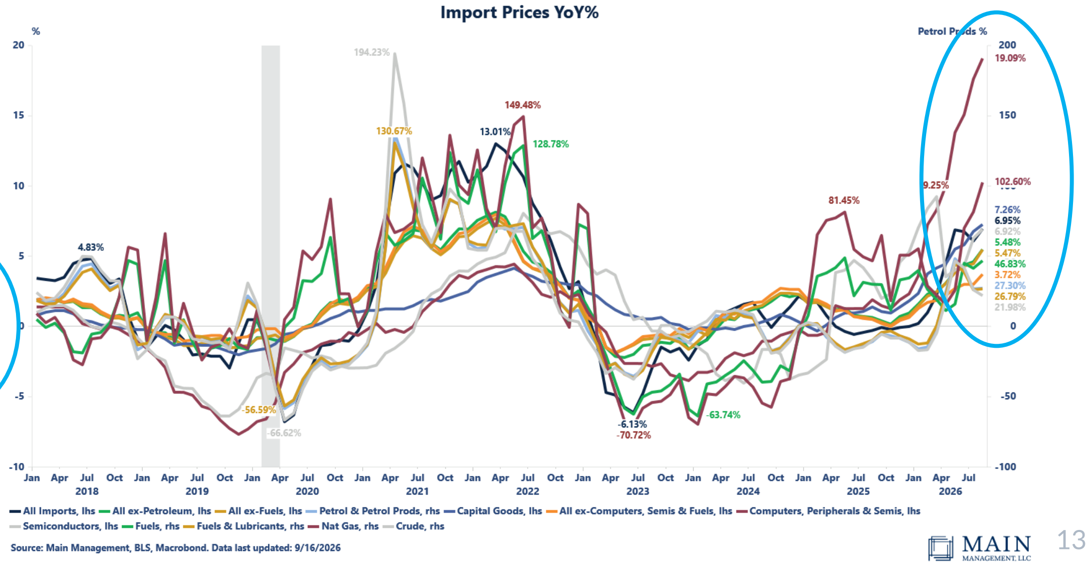
- As mentioned before, the Import Price increases were not driven by oil/fuel (Brent was actually down -7% in August). The gains were driven by Computers (left, maroon), which jumped +2.32% MoM, their 10th straight increase in a row! Capital Goods (blue) were up the next most at +0.89% MoM. In fact, all of the categories on the left (except for All Imports, which includes petrol products) have been up for 10 straight months!!!
- The YoY figures for all categories (incl. petrol) are on the right. Note that the petrol products are set to the right axis. Computers (maroon) are now up +19.09% YoY, the highest ever! Capital Goods (blue) accelerated to +7.26%, the most since 1988!! For petrol-related products, Natural Gas (maroon) is up the most at +102.60%, followed by Fuels (green) at +46.83%.

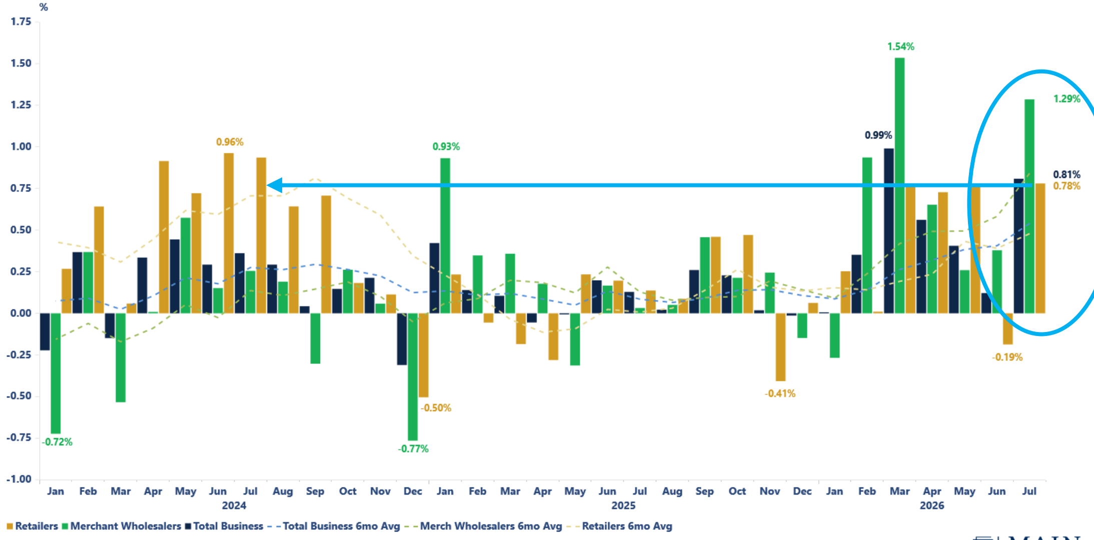




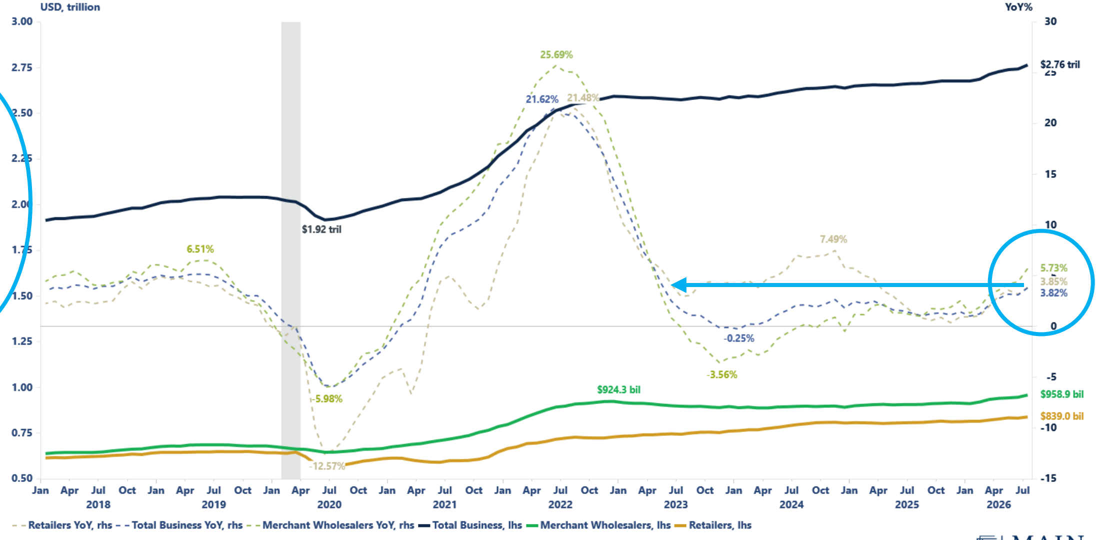
NEGATIVE

Business Inventories

- Business Inventories (left, black) rose +0.81% MoM in July, above forecasts for a +0.7% increase. Retailers' Inventories (gold) built by +0.78%, the highest since July 2024. Merchant Wholesalers (green) led the way, rising +1.29% MoM. The 6mo averages for both Total and Merchant Wholesalers Inventories (dotted blue & green) are now at their highest levels since November 2022 as they have risen for 7 and 6 straight months, respectively.
- All 3 categories are at new all-time highs on an absolute basis (right, solid lines). They're also all accelerating on a YoY basis (dotted lines). Total Business Inventories are up +3.82% YoY, the highest since May 2023. Retailers are up +3.85% YoY and Merchant Wholesalers have accelerated to +5.73% YoY, the highest since April 2023.



Source: Main Management, USCB, Macrobond. Data last updated: 9/16/2026



Source: Main Management, USCB, Macrobond. Data last updated: 9/16/2026

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Housing: Permits & Starts

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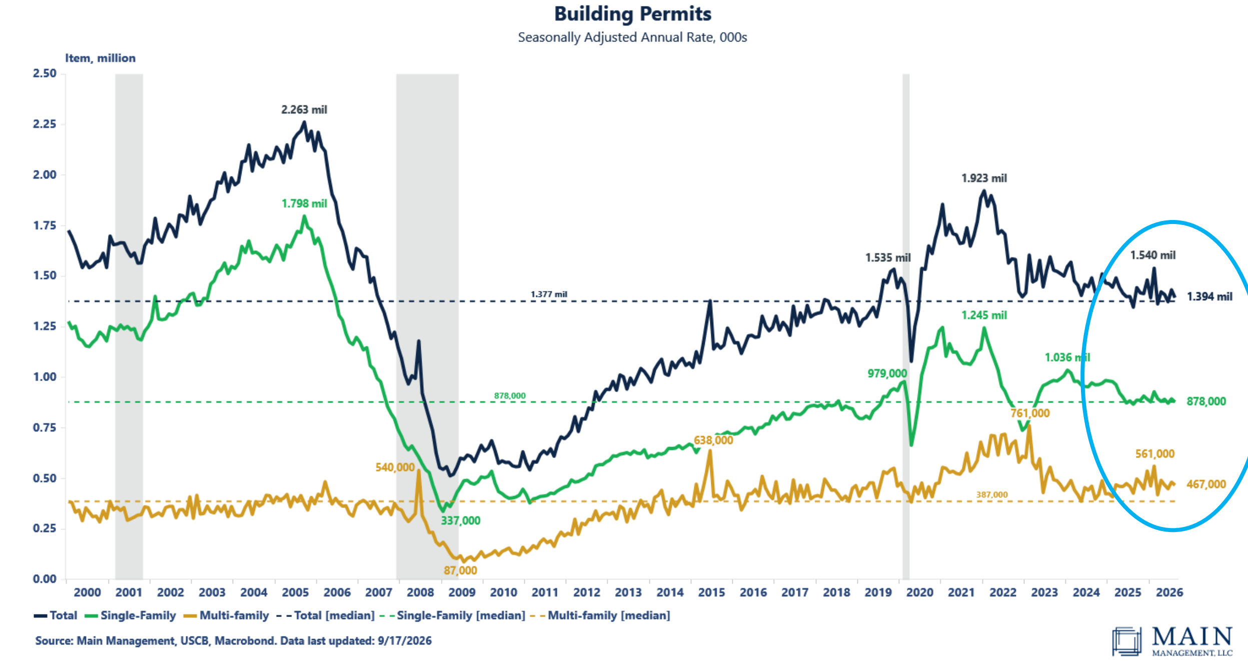
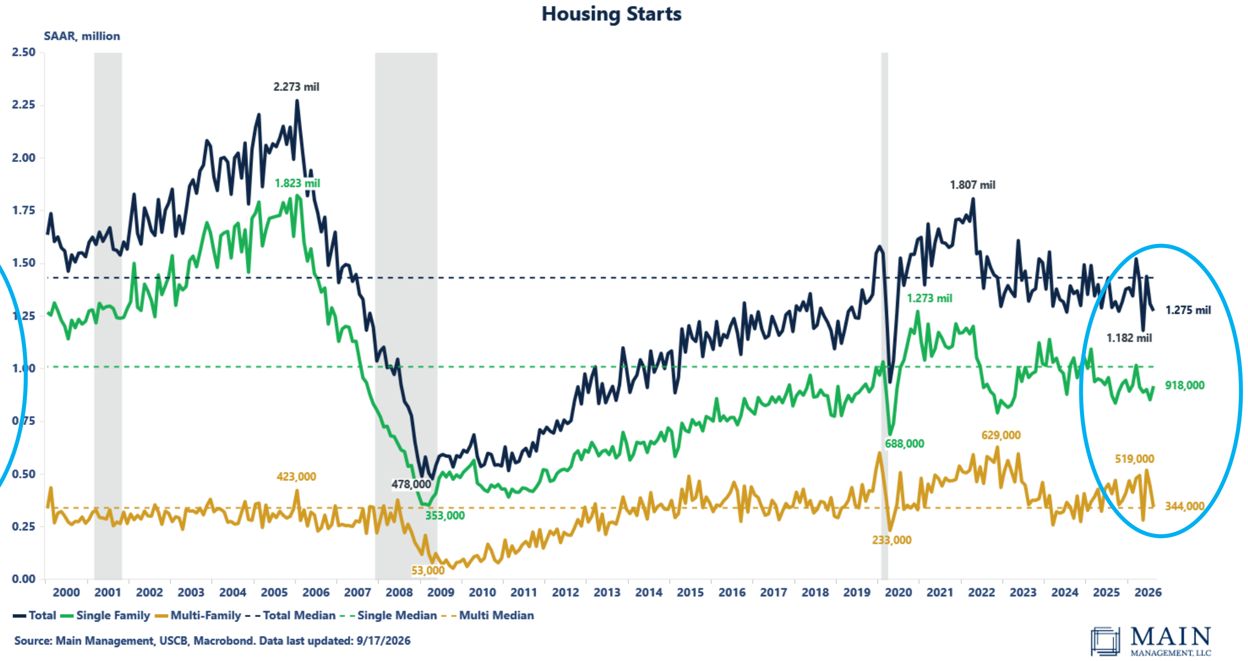
- No surprises here as the latest batch of housing data remains weak. Building Permits (left) declined across the board in August as Total Permits (black) ticked down to 1.394mil units SAAR, missing forecasts for a 1.41mil figure. Single Family (green) inched down to 878k, and Multi-Family (gold) ticked lower to 467k.
- Housing Starts (right) also fell in August as Total Starts slipped to 1.275mil units, also below forecasts for a 1.31mil reading. Single Family did move up to 918k but could not outweigh Multi-Family which continued lower to 344k, down from a multi-year high of 519k just 2 months ago.





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Summary

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- The FOMC raised rates as expected this week. The tone was more hawkish than expected. Markets are pricing in 1-2 more hikes this year as a result.
- Retail Sales beat expectations in August, posting a solid +1.2% MoM increase. They're now up +6.0% YoY with all major categories positive for the first time since May 2021! Don't bet against the American consumer!
- Industrial Production was flat in August while Manufacturing Output declined, weighed down by Autos and Computers.
- Import and Export Prices both posted increases above expectations in August despite oil prices moving lower during the month. High-tech categories drove the increases, with Computers now up a record +19% YoY!
- Business Inventories were up more than expected as both Retailers and Wholesalers rose to new record highs.
- Building Permits and Housing Starts declined in August as the overall housing market remains basically frozen.

- Upcoming data:
  - Richmond Fed Manufacturing (Tues)
  - Flash PMIs (Weds)
  - New Home Sales, Building Permits, Kansas Fed Manufacturing, Unemployment Claims (Thurs)
  - Durable Goods Orders, UMich Consumer Sentiment (Fri)

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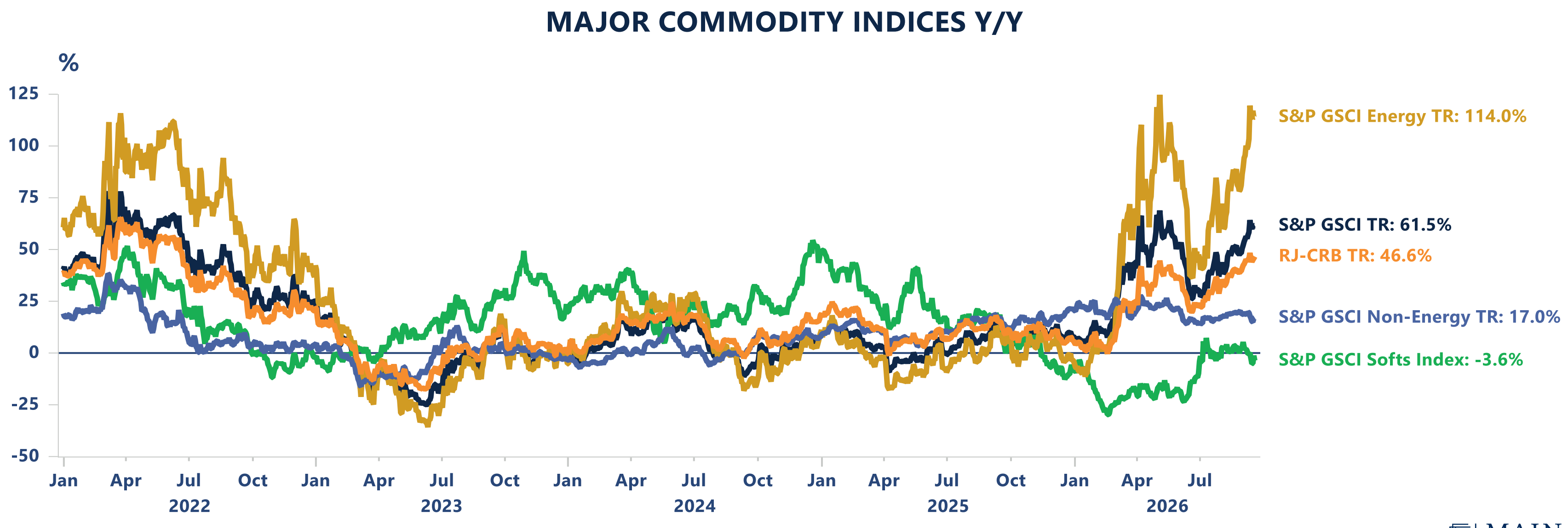
Appendix

Inflation Watch



Source: Main Management, S&P Global, CoreCommodity Management, LME, EIA, Macrobond, Johnson Matthey Platinum Today, NRCan, ICCO, ICO, USDA, MIAX, TREA, TMX, Macrobond. Data last updated: 9/18/2026

Commodity	1 Month	3 Months	YTD ↓	1 Year
Gasoline	10.2	21.8	105.7	71.8
Crude Oil	18.1	24.6	68.0	49.8
S&P GSCI	12.7	24.2	59.7	59.0
BBG Commodity Index	7.8	14.4	33.1	38.6
Soybeans	12.4	16.8	28.1	25.7
Cotton	-6.2	4.5	22.0	18.1
Corn	15.6	28.2	20.5	23.5
Copper	-0.4	5.6	16.5	43.9
Lumber	-3.2	-12.8	2.1	-3.9
US Dollar (DXY)	0.6	0.7	2.0	3.7
Gold	-0.8	0.2	0.4	17.7
Silver	0.7	-6.3	-6.7	54.2
Bitcoin	21.3%	16.5%	-12.7%	-34.6%
Coffee	-14.1	4.8	-16.7	-31.2
Natural Gas	6.1	-10.4	-21.3	-6.5

Source: Main Management, S&P Global, CME Group, ICE, LME, Macrobond. Data last updated: 9/18/2026

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Disclosures

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