



MAIN
MANAGEMENT, LLC

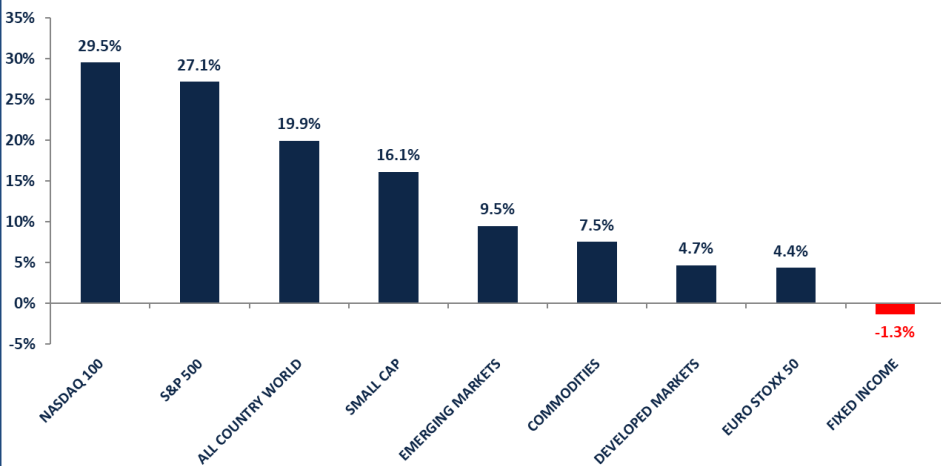
MAIN MANAGEMENT MARKET NOTE: **December 13, 2024**

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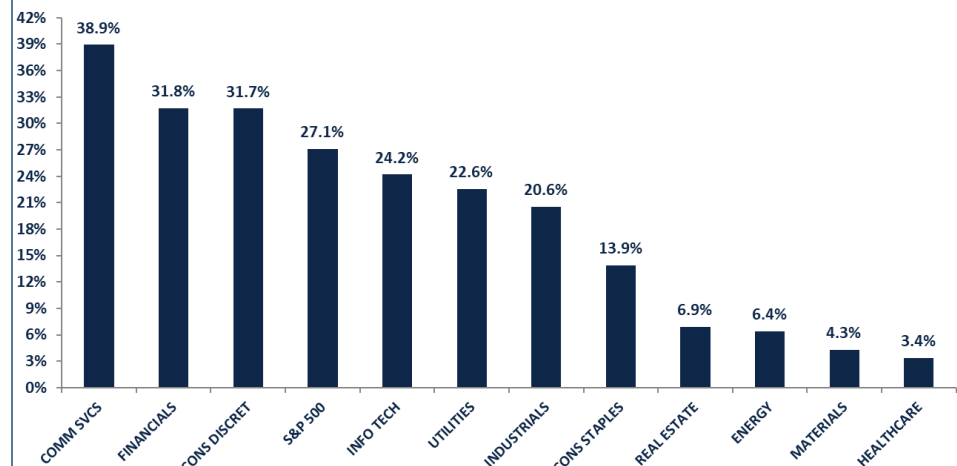
Performance

YTD 2024 ETF BROAD INDEX PRICE PERFORMANCE THROUGH DECEMBER 13



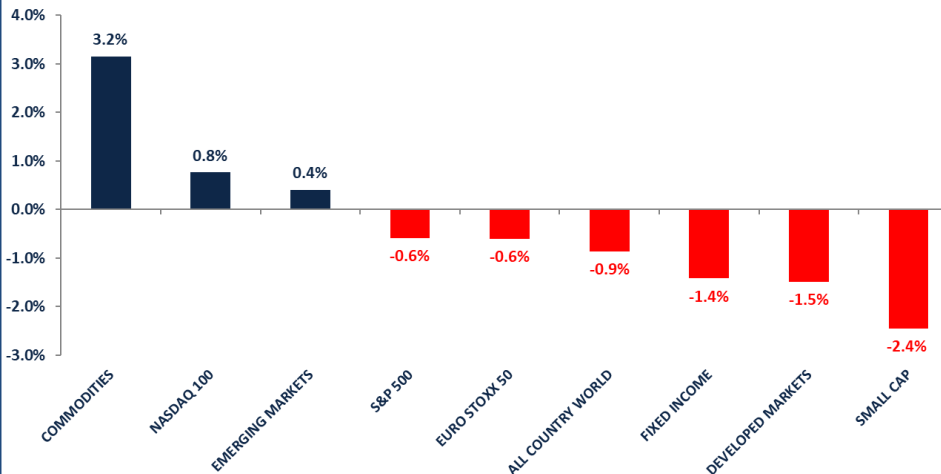
FactSet financial data and MAIN

YTD 2024 ETF SECTOR PRICE PERFORMANCE THROUGH DECEMBER 13



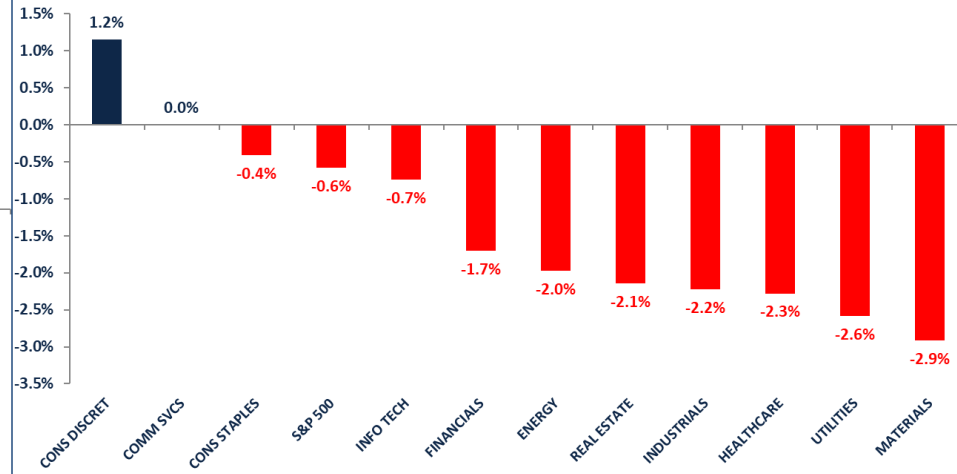
FactSet financial data and MAIN

ETF BROAD INDEX PRICE PERFORMANCE TRAILING WEEK ENDED DECEMBER 13



FactSet financial data and MAIN

ETF SECTOR PRICE PERFORMANCE TRAILING WEEK ENDED DECEMBER 13



FactSet financial data and MAIN

Recession Dashboard

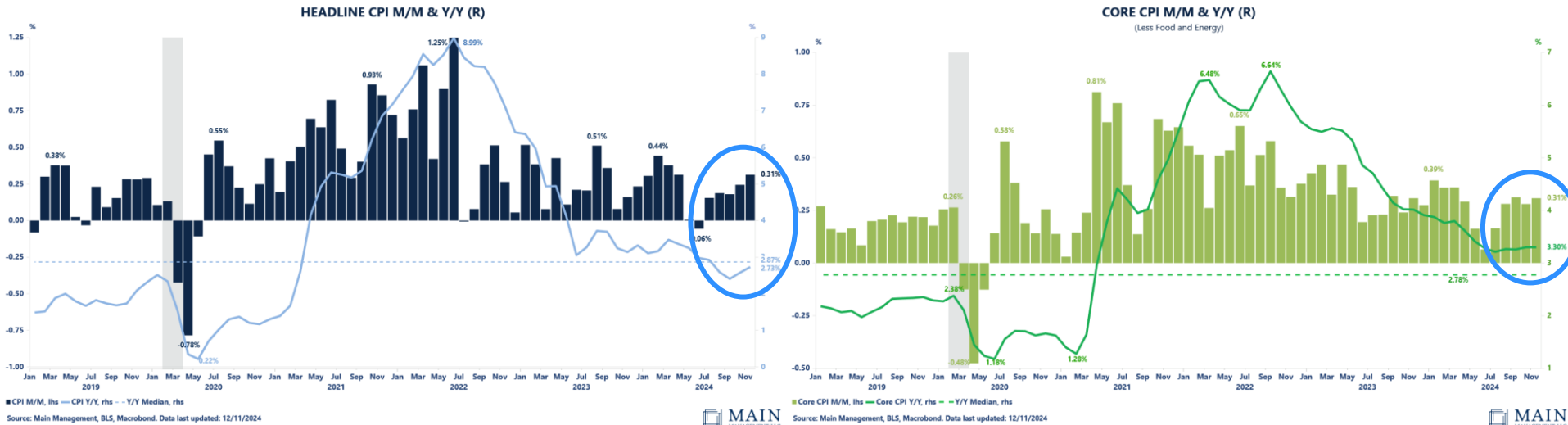
RECESSION START	INFLATION	CONSUMER	YIELD CURVE	HOUSING	SENTIMENT	AUTOS	EMPLOYMENT	PMI	RETAIL SALES
NOV 1973	↓	—	—	↓	—	—	↓	↓	—
JAN 1980	↓	↓	↓	↓	↔	↓	↓	↓	—
JUL 1981	↓	↓	↓	↓	↔	↓	↓	↓	—
JUL 1990	↓	↓	↓	↓	↔	↓	↓	↔	—
MAR 2001	↔	↓	↓	↔	↔	↔	↓	↓	↔
DEC 2007	↓	↓	↓	↓	↔	↓	↓	↓	↓
DEC 2019	↑	↑	↔	↔	↑	↔	↑	↔	↔
DEC 2024	↔	↑	↔*	↔	↑	↓	↓	↑	↑
LAST CHANGE	GREEN DEC '24	BLUE DEC '24	RED MAR '23	GREEN DEC '24	BLUE DEC '24	BLUE SEP '23	BLUE SEP '22	BLUE JUN '23	BLUE DEC '24

↑	Positive	↔	Neutral	↓	Negative
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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, AAI 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

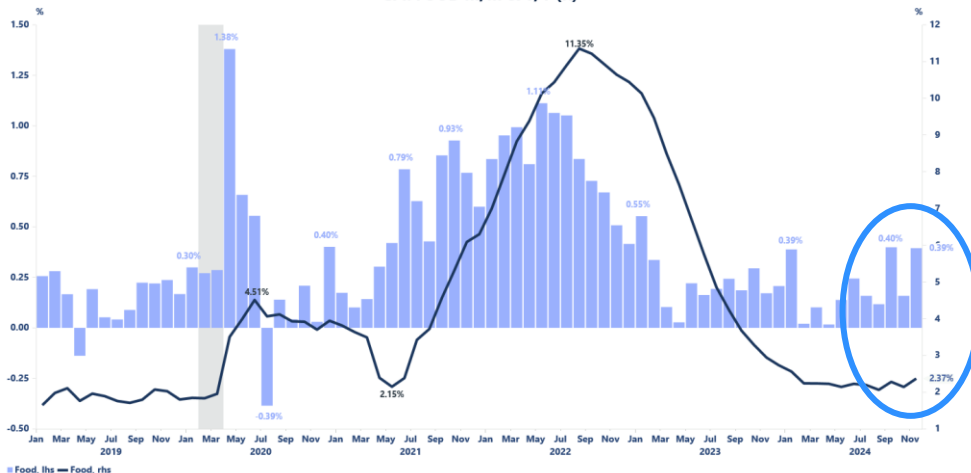
November Headline CPI (left) came in slightly above forecasts, rising +0.31% M/M vs 0.20% expected. This reading marks the 5th straight increase and the biggest since April. The Y/Y figure accelerated to +2.73%. Core CPI (right) was in line with expectations, also posting a +0.31% M/M rise, which kept the Y/Y figure basically unchanged at +3.30%. These readings solidified market expectations for a rate cut next week, with CME odds currently around 95%.



Food & Shelter CPI

Food Prices (left) rose +0.39% M/M, marking over 4 straight years of monthly price increases! The Y/Y figure accelerated to +2.37%, biggest rise since January 2024, and it looks like it might be trying to break out of the flattish trend it's been in of late. Shelter CPI (right) continues to remain elevated, posting a +0.34% M/M gain in November. The Y/Y Shelter figure did slow to +4.78%, the lowest since March 2022, but that's still higher than any other point in the prior 30 years!

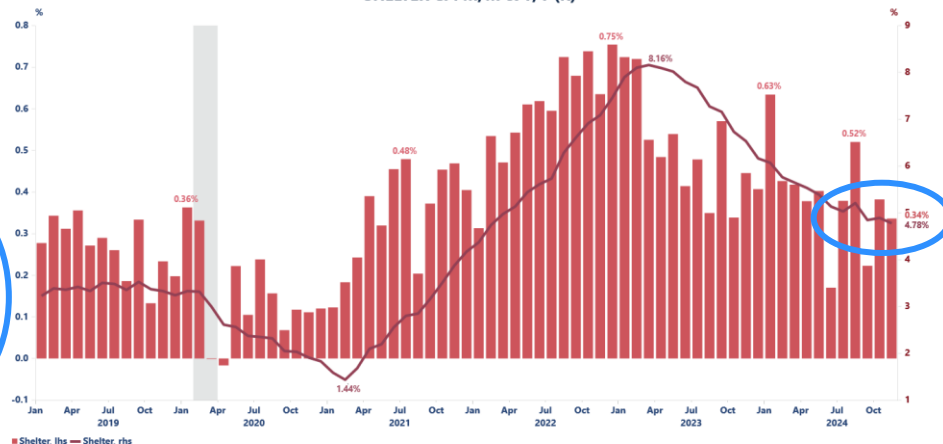
CPI: FOOD M/M & Y/Y (R)



Source: Main Management, BLS, Macrobond. Data last updated: 12/11/2024



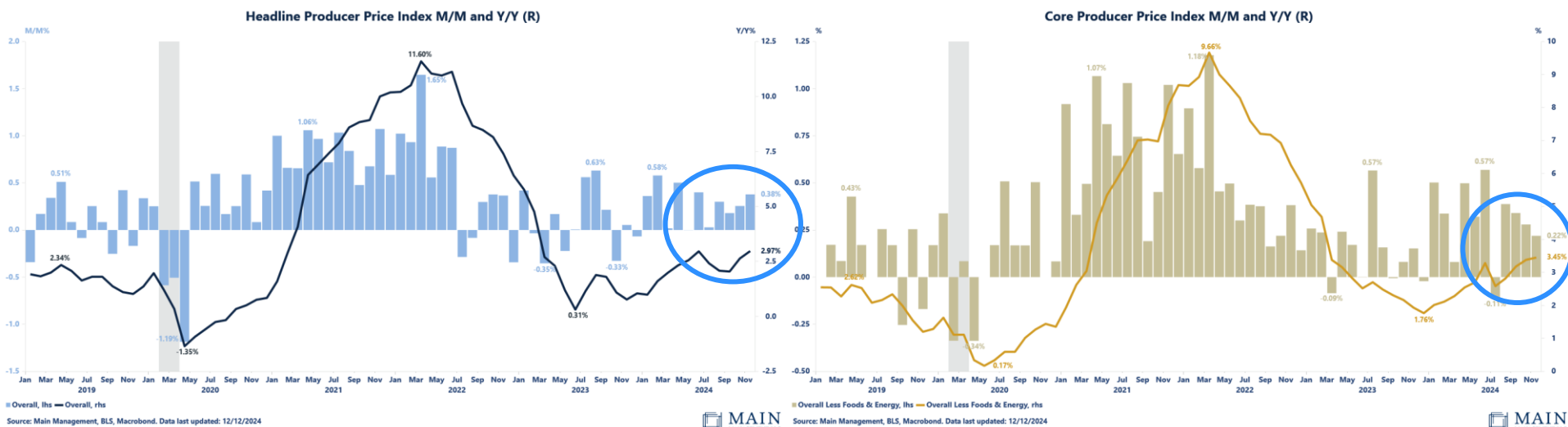
SHELTER CPI M/M & Y/Y (R)



Source: Main Management, BLS, Macrobond



November Headline PPI (left) came in at +0.37% M/M, above forecasts for a 0.3% reading and the highest in 5 months. October was revised up to 0.26% from 0.20%. The Y/Y figure accelerated to +2.97%, which is the highest since Feb. 2023. Core PPI (right) posted a +0.22% M/M reading, the smallest in 4 months, while the Y/Y figure accelerated to +3.45%, the highest since Feb. 2023 as well. These hotter-than-expected readings could be looked at as ominous for December CPI prints (especially re food), as PPI tends to feed into / lead CPI.



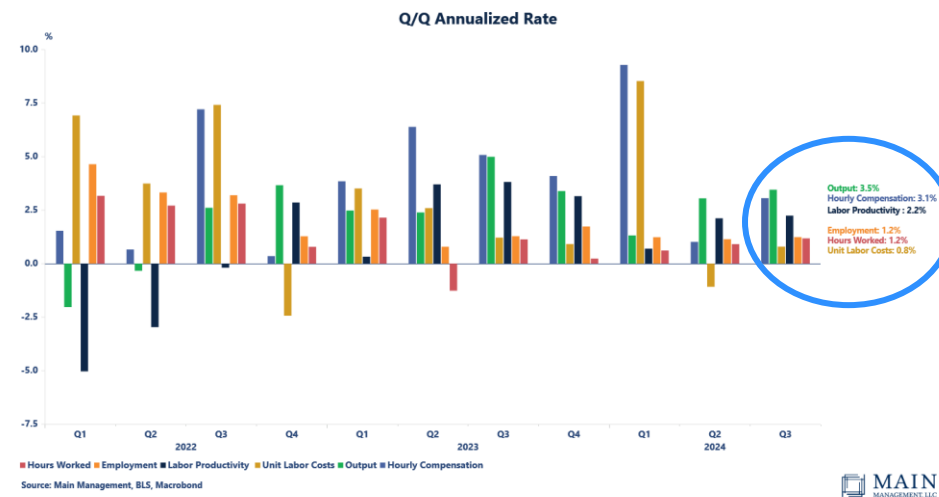
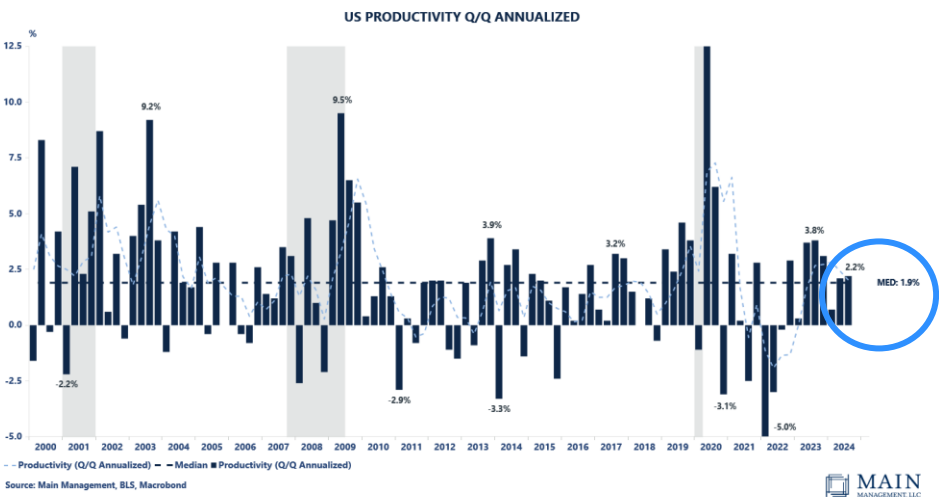
Food & Energy PPI

Under the covers, Food PPI surged +3.07% M/M, the biggest rise since November 2022. The Y/Y figure accelerated to +5.02%, the highest since February 2023. The Food reading was driven by a big increase in the price of eggs due to an outbreak of avian flu. Energy (right) ticked up +0.20% M/M while the Y/Y figure remains in the red at -6.20%, an ongoing deflationary element.

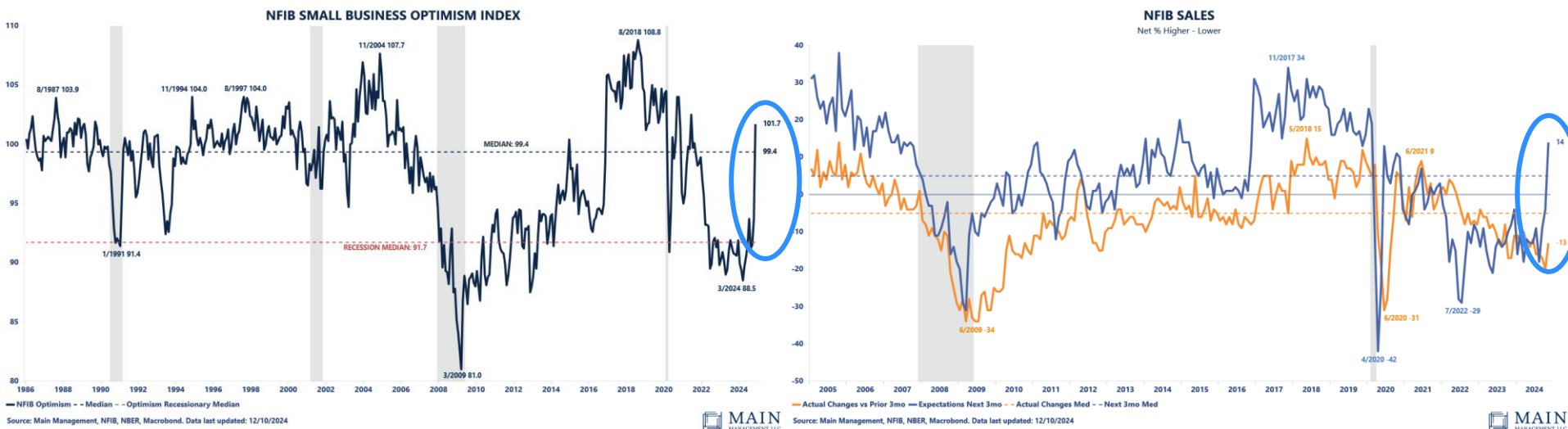


Productivity

The final reading for Q3 2024 U.S. Productivity came in at +2.2% annualized, in line with the preliminary estimate. Notably, Unit Labor Costs were revised markedly lower to 0.8% from 1.9%, which is a good sign for inflation. Output and Hours Worked were unchanged at 3.5% and 1.2%, respectively. Hourly Compensation was revised lower to 3.1% from 4.2% and Employment was revised down to 1.2% from 1.4%.



The NFIB Small Business Optimism Index jumped 8 points in November to 101.7, its highest reading since June 2021! Many of the underlying components improved as well, with Sales expectations perhaps being the most notable. A net 14% more firms are forecasting higher versus lower sales in the next 3 months, the most since February 2020!!



SUMMARY

- November's Headline CPI reading came in slightly above forecasts at +0.31% M/M, while Core posted the same M/M rise which was in line with expectations. The odds of a Fed cut next week now stand at roughly 95%.
- Both Headline and Core PPI came in above forecasts, accelerating to +2.97% and +3.45% Y/Y, respectively, the highest readings since Feb. 2023 for both.
- The final reading for Q3 2024 U.S. Productivity was unchanged from the preliminary estimates at 2.2%. Unit Labor Costs were revised solidly lower to 0.8% from 1.9%, a good sign for inflation.
- The NFIB Small Business Optimism Index surged to 101.7, its highest since June 2021. Sales and CapEx forecasts showed large improvements.
- Upcoming key data to watch:
 - Retail Sales & Industrial Production (Tuesday)
 - Final Q3 2024 U.S. GDP Reading (Thursday)
 - Core PCE, Income & Spending (Friday)

APPENDIX

YIELDS & FUTURES

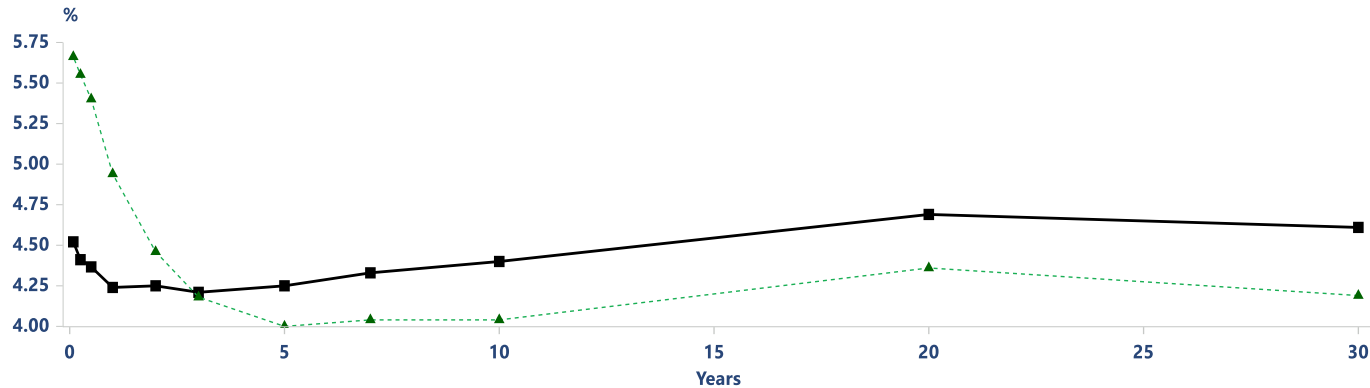
FED FUNDS FUTURES & 2-YEAR TREASURY YIELD



— Fed Funds Futures Dec '24 — 2yr Treasury Yield

Source: Main Management, CME Group, U.S. Treasury, Macrobond. Data last updated: 12/13/2024

US TREASURY YIELD CURVE

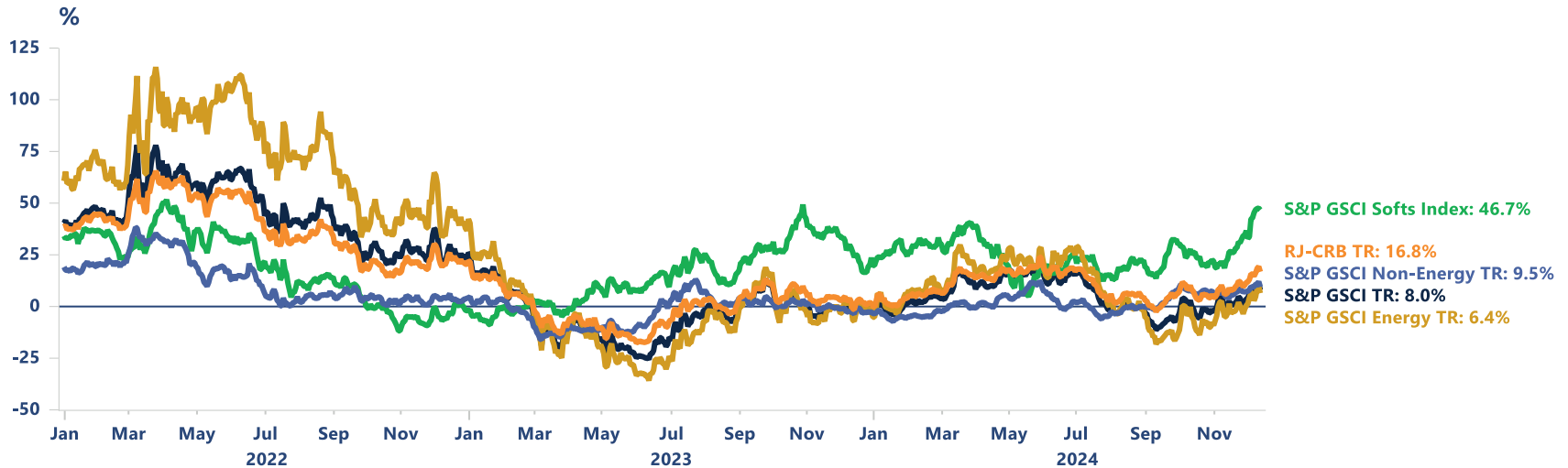


■ Now ▲ 12 months ago

Source: Main Management, U.S. Treasury, Macrobond. Data last updated: 12/13/2024

INFLATION WATCH

MAJOR COMMODITY INDICES Y/Y



Source: Main Management, S&P Global, CoreCommodity Management, LME, EIA, LBMA, Macrobond, LPPM, NRCan, ICCO, ICO, USDA, MIA, TRE, TMX, Macrobond. Data last updated: 12/13/2024

Commodity	1 Month	3 Months	YTD ↓	1 Year
Bitcoin	12.8%	74.5%	137.6%	142.6%
Coffee	25.9	29.3	71.3	66.3
Natural Gas	18.3	52.2	37.4	42.1
Silver	2.3	9.3	30.9	37.1
Gold	2.3	6.7	30.0	35.3
S&P GSCI	2.8	7.2	7.7	9.0
Copper	-2.5	0.0	5.7	8.6
US Dollar (DXY)	1.3	5.2	5.5	2.7
Lumber	-3.2	12.2	1.2	1.9
BBG Commodity Index	1.9	5.2	0.4	1.8
Crude Oil	2.2	4.4	-2.9	-2.4
Gasoline	1.6	4.8	-5.4	-2.7
Corn	0.4	13.5	-8.4	-6.3
Cotton	0.6	1.1	-13.5	-14.5
Soybeans	-1.6	1.6	-23.0	-25.5

Source: Main Management, S&P Global, CME Group, ICE, LME, Macrobond. Data last updated: 12/12/2024

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.

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