



MAIN
MANAGEMENT, LLC

MAIN MANAGEMENT MARKET NOTE:

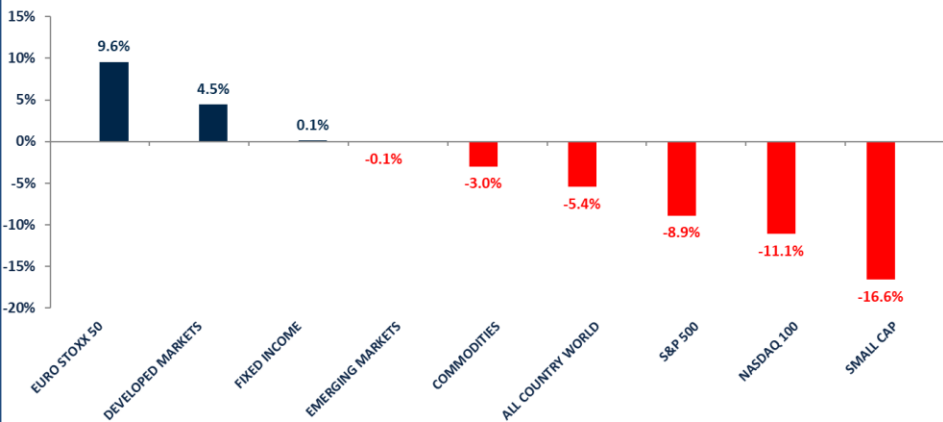
April 11, 2025

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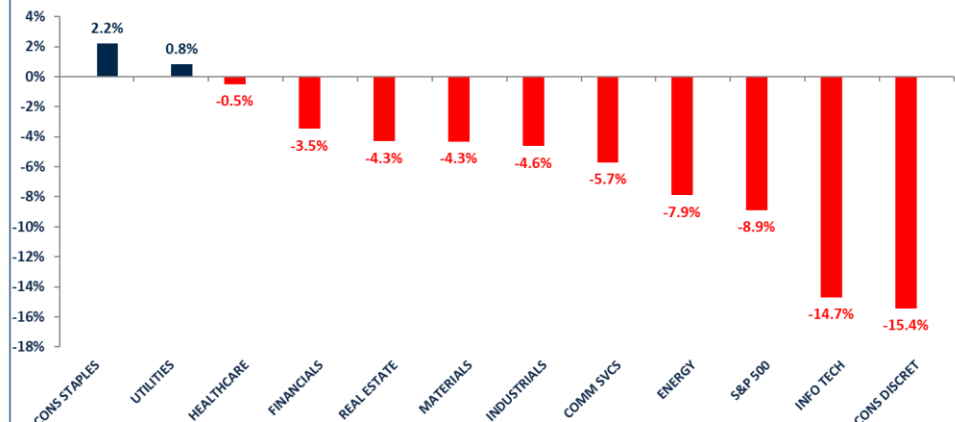
Performance

YTD 2025 ETF BROAD INDEX PRICE PERFORMANCE THROUGH APRIL 11



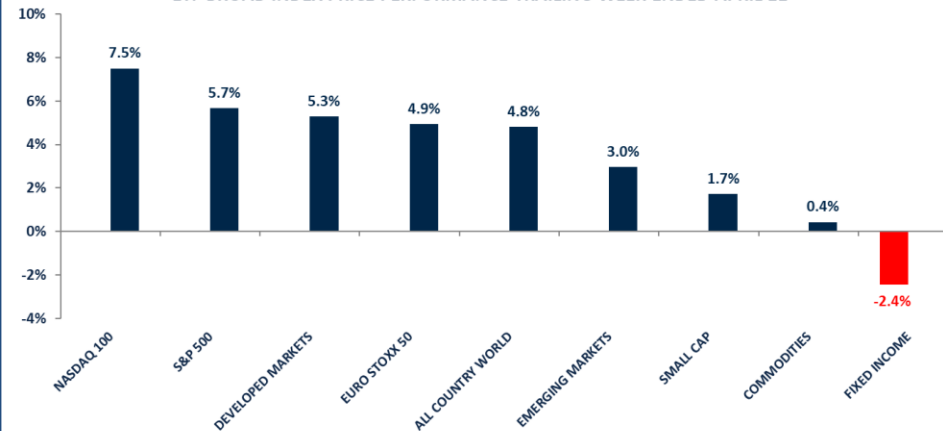
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YTD 2025 ETF SECTOR PRICE PERFORMANCE THROUGH APRIL 11



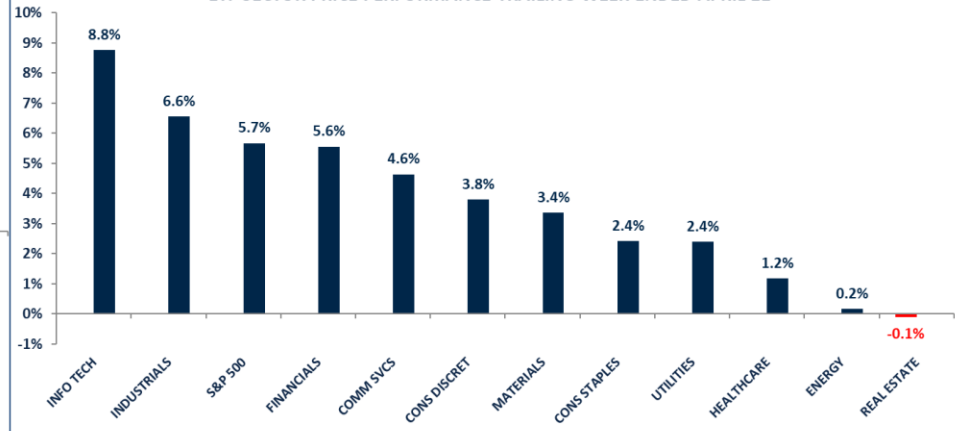
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ETF BROAD INDEX PRICE PERFORMANCE TRAILING WEEK ENDED APRIL 11



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ETF SECTOR PRICE PERFORMANCE TRAILING WEEK ENDED APRIL 11



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Recession Dashboard

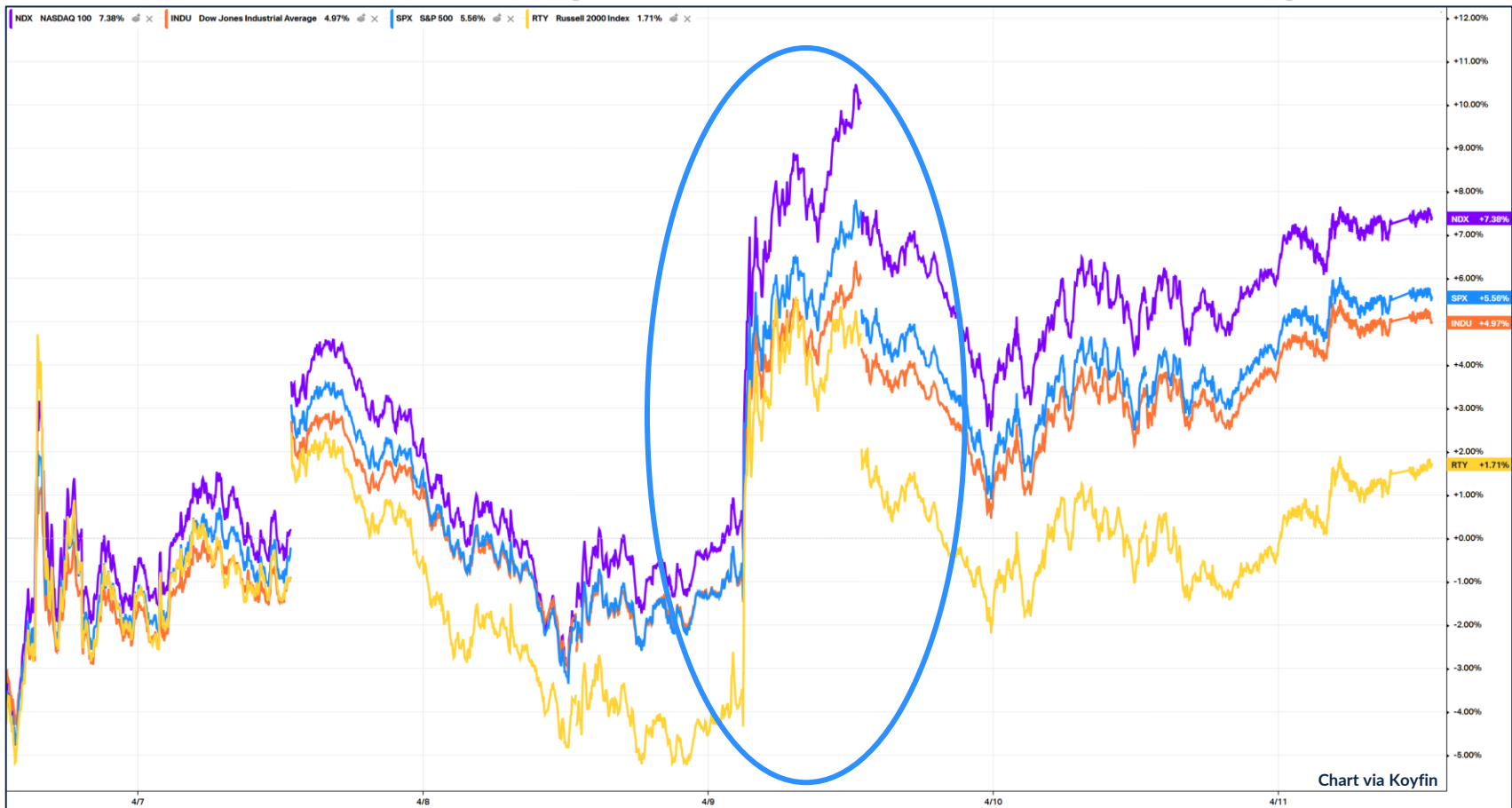
RECESSION START	INFLATION	CONSUMER	YIELD CURVE	HOUSING	SENTIMENT	AUTOS	EMPLOYMENT	PMI	RETAIL SALES
NOV 1973	↓	—	—	↓	—	—	↓	↓	—
JAN 1980	↓	↓	↓	↓	↔	↓	↓	↓	—
JUL 1981	↓	↓	↓	↓	↔	↓	↓	↓	—
JUL 1990	↓	↓	↓	↓	↔	↓	↓	↔	—
MAR 2001	↔	↓	↓	↔	↔	↔	↓	↓	↔
DEC 2007	↓	↓	↓	↓	↔	↓	↓	↓	↓
DEC 2019	↑	↑	↔	↔	↑	↔	↑	↔	↔
APR 2025	↔	↔	↔*	↔	↔	↔	↓	↔	↑
LAST CHANGE	GREEN DEC '24	GREEN APR '25	RED MAR '23	GREEN DEC '24	GREEN APR '25	RED JAN '25	BLUE SEP '22	GREEN APR '25	BLUE DEC '24

↑ Positive
↔ Neutral
↓ Negative

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.

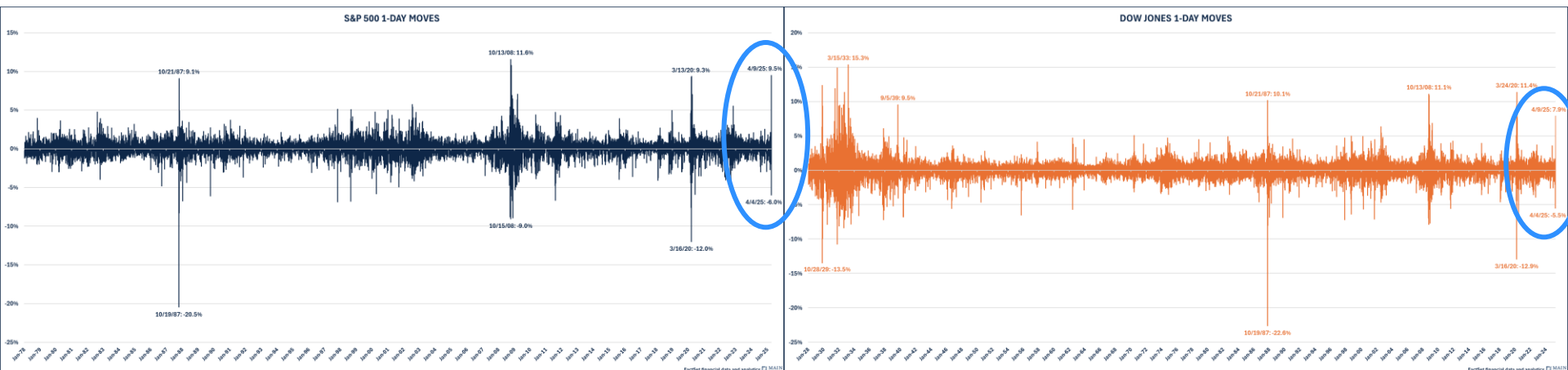
Market Action

After a tough stretch, markets had a blow off rally on Wednesday as Trump announced a 90-day pause on the reciprocal tariffs, with the Nasdaq surging +12%, the S&P 500 rising +9.5%, and the Dow Jones jumping +7.9%.



1-Day Moves

For some perspective, here we show the 1-day moves in the S&P 500 (left) and Dow Jones Industrial Average (right). As you can see, the last week has seen some historic moves. The +9.5% rise in the S&P 500 on April 9 was a roughly 8 standard deviation event (since 1978) and the +7.9% gain in the DJIA was a roughly 7 standard deviation event (since 1928). The +2,963-point gain in the DJIA was the biggest single day point increase in history! You'll likely also notice that April 4's moves to the downside were quite large relative to history.



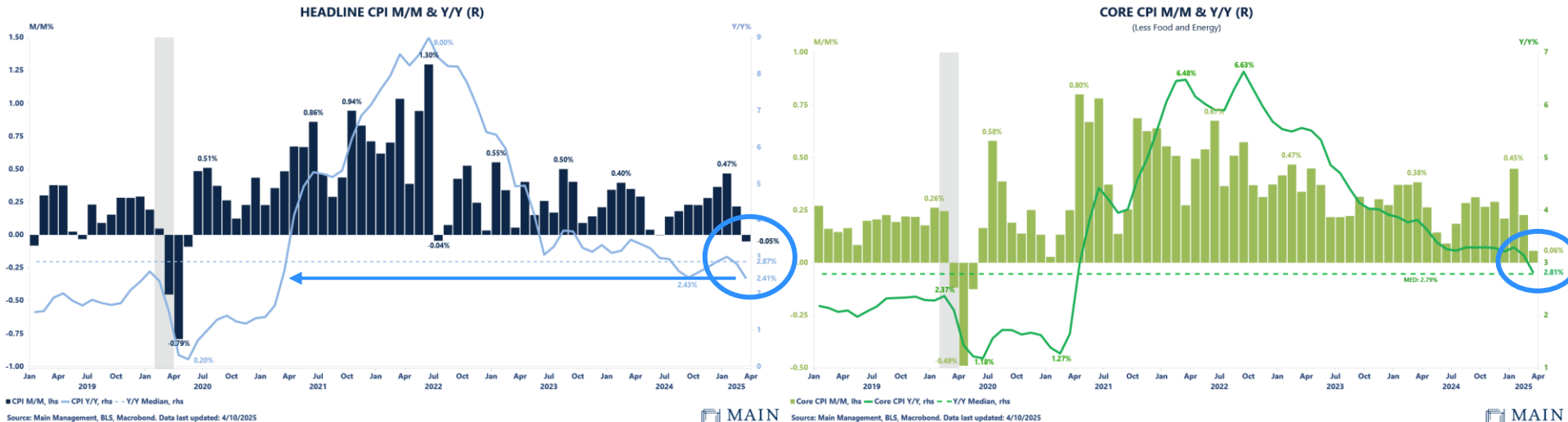
Yields

Bond yields have moved sharply higher this week, inflicting pain on fixed income investors. The 10yr Treasury Yield (blue) has risen to nearly 4.5% after being down at 4.01% on April 4. The 20yr Yield (green) has gone from 4.46% to 4.93% over the same time frame. Those April 4 levels were the lowest since last year.



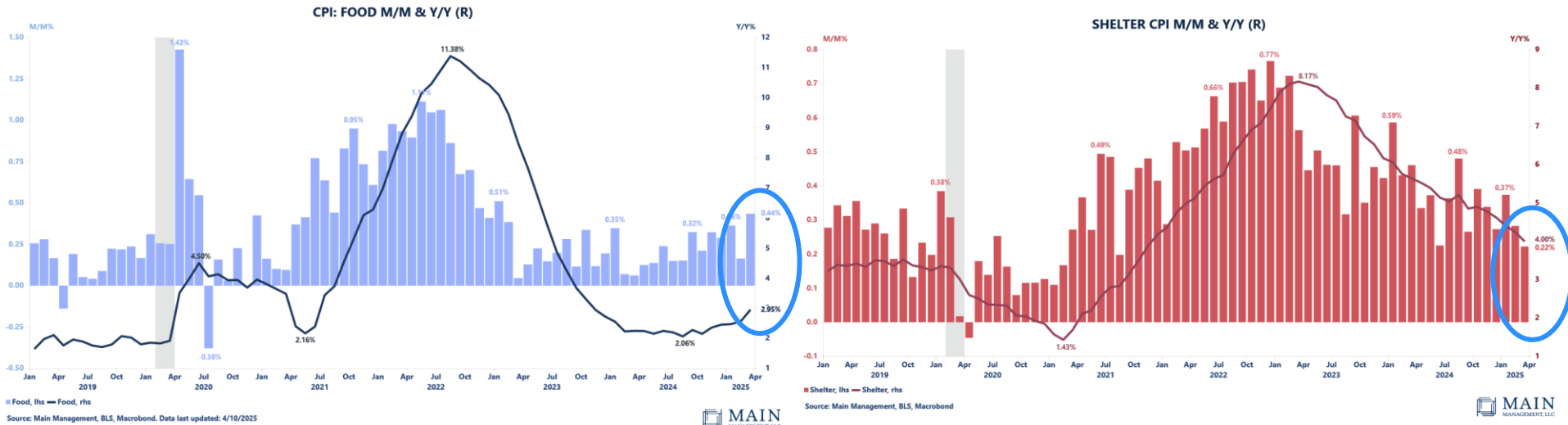
CPI – Headline Deflation

The Headline CPI (left) figure was down -0.05% M/M in March, solidly below forecasts for a +0.1% reading and the biggest decline since covid. This monthly reading is outright deflationary and helped the disinflation trend on the Y/Y figure, which slowed to +2.41%, its lowest since February 2021. Core CPI (right) rose just +0.06% M/M, also below forecasts and the smallest reading since January 2021. The Y/Y figure fell to +2.81%, the lowest since March 2021.



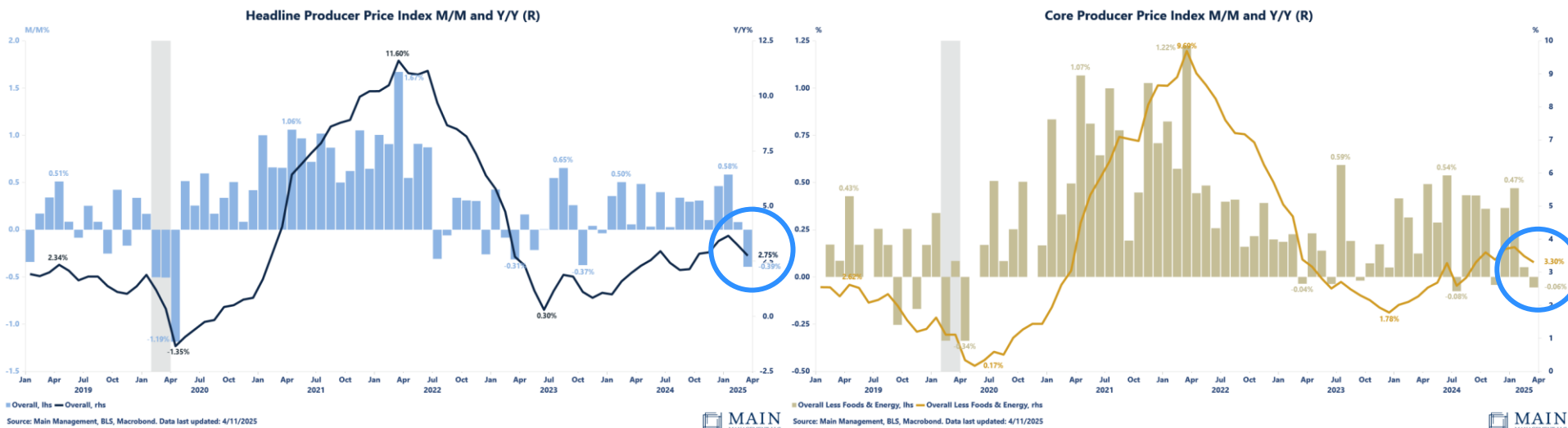
Food & Shelter

Under the covers, we see that Food prices (left) accelerated +0.44% M/M, the biggest monthly gain since January 2023. They're now up +2.95% Y/Y, the most since October 2023. Eggs are still up +60% from a year ago, for those keeping score at home. On the right we have Shelter, one of the largest components in the CPI basket. It rose +0.22% M/M, the smallest gain since August 2021, and the Y/Y figure decelerated to +4.00%, the lowest since November 2021!



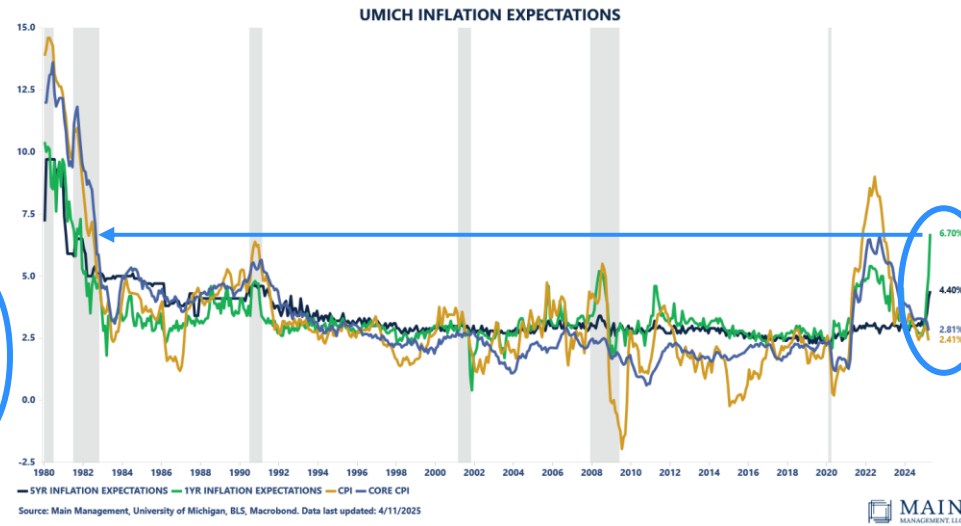
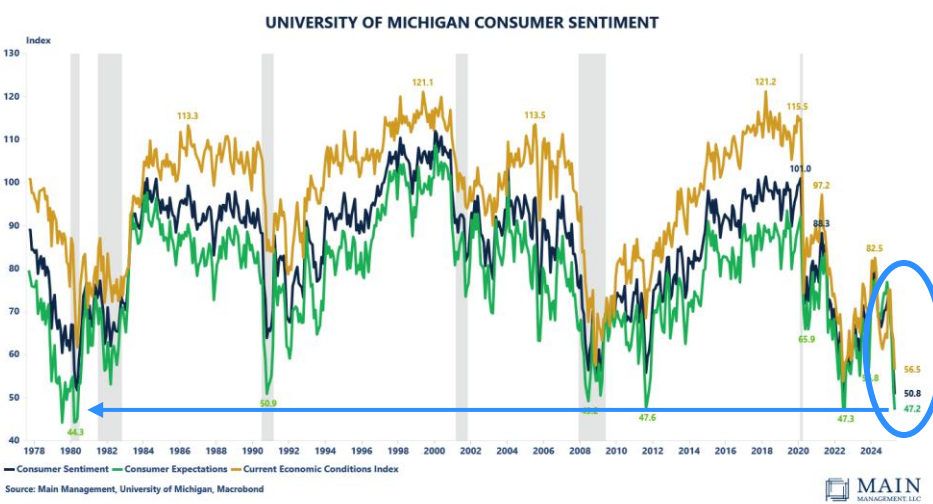
PPI – More Deflation

The March PPI readings were also deflationary, with the Headline PPI (left) down -0.39% M/M, the biggest decline since April 2020! The Y/Y figure slowed to +2.75%. Meanwhile, Core PPI ticked down -0.06% M/M, also well below forecasts for a +0.3% rise, and the Y/Y decelerated to +3.30%. If you remember, the February PPI readings were initially deflationary before getting revised up in this release. But PPI does tend to lead CPI and CPI was deflationary this month, following PPI's lead, so perhaps we will see more deflation in April's CPI reading. The good news is that these benign inflation readings may give the Fed more room to cut rates more proactively than some might anticipate.



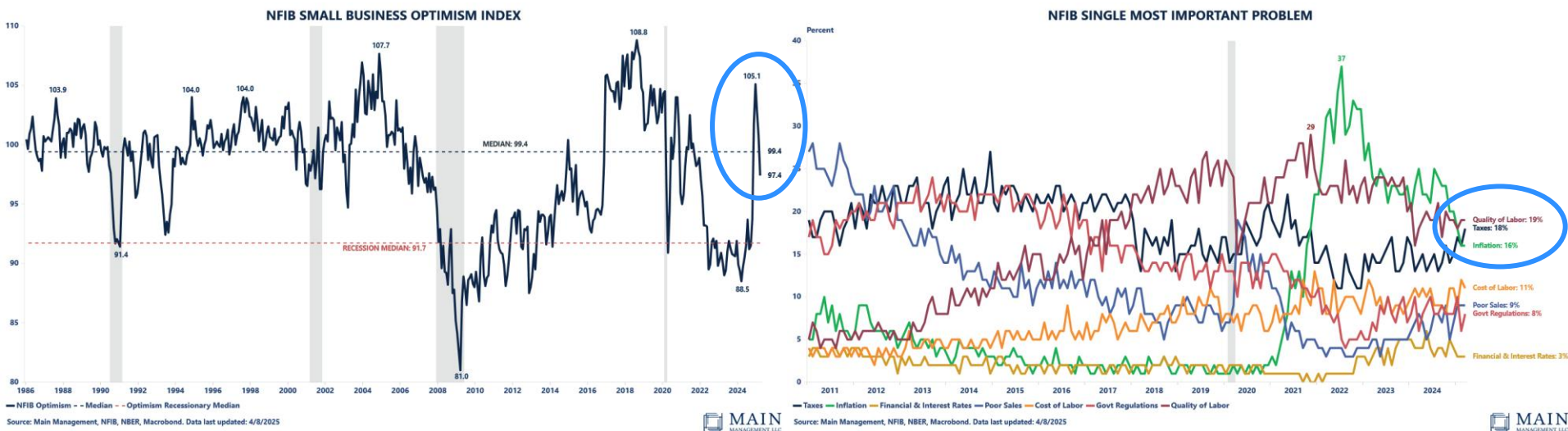
UMich Consumer Sentiment

The preliminary reading for UMich Consumer Sentiment (left) declined even further in April, with the Headline Index falling to 50.8. The Current Economic Conditions Index fell to 56.5, while the Consumer Expectations Index hit 47.2, the lowest since May 1980!! As sentiment has dropped, inflation expectations (right) have surged. 1-year inflation expectations rose to 6.7%, the highest since October 1981 and 5-year expectations are up to 4.40%, the highest since June 1991!!



NFIB Sentiment

The NFIB Small Business Optimism Index (left) declined for the 3rd month in a row to 97.4 in March, solidly below forecasts for a 101.3 reading. The single most important problem for firms (right) is Quality of Labor followed by Taxes.



Summary

- This week saw some wild moves in equity and fixed income markets as investors continue to digest the potential tariff scenarios.
- CPI came in well below forecasts with the headline figure declining -0.05% M/M and Core up just +0.06%
- PPI was also deflationary in April, with the broad index down -0.39% M/M and Core down -0.06% M/M.
- Sentiment remains depressed as evidenced by the UMich Consumer Sentiment Index which fell to 50.8. Notably, the Expectations Index is at its lowest since the early 1980s! And on the business side, the NFIB Small Business Optimism Index fell for the 3rd month in a row to 97.4.
- Upcoming key data to watch:
 - Retail Sales (Wednesday)
 - Industrial Production (Wednesday)
 - Housing Starts (Thursday)
 - Markets Closed Friday (Good Friday)

Appendix

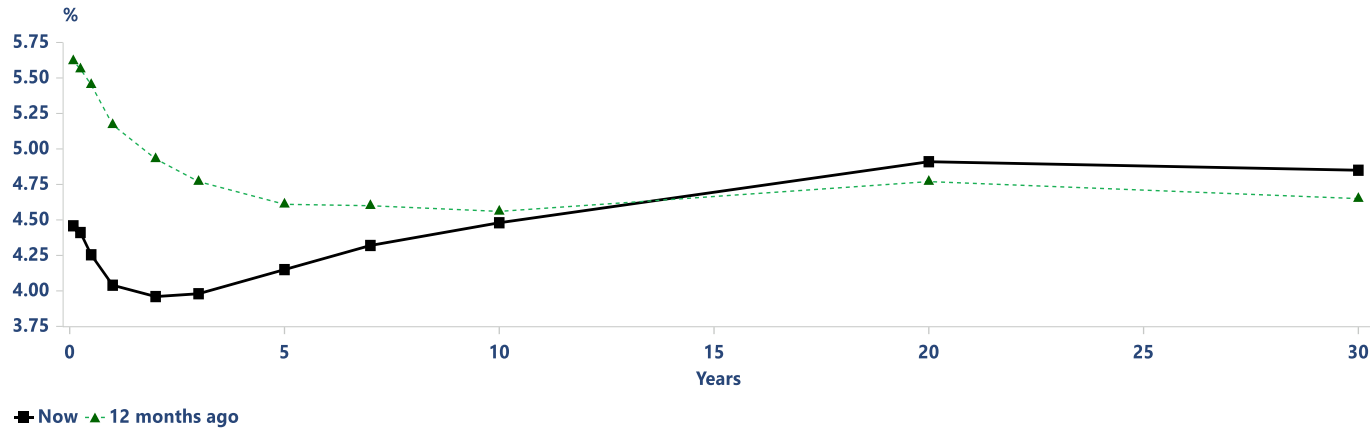
Yields & Futures

FED FUNDS FUTURES & 2-YEAR TREASURY YIELD



Source: Main Management, CME Group, U.S. Treasury, Macrobond. Data last updated: 4/11/2025

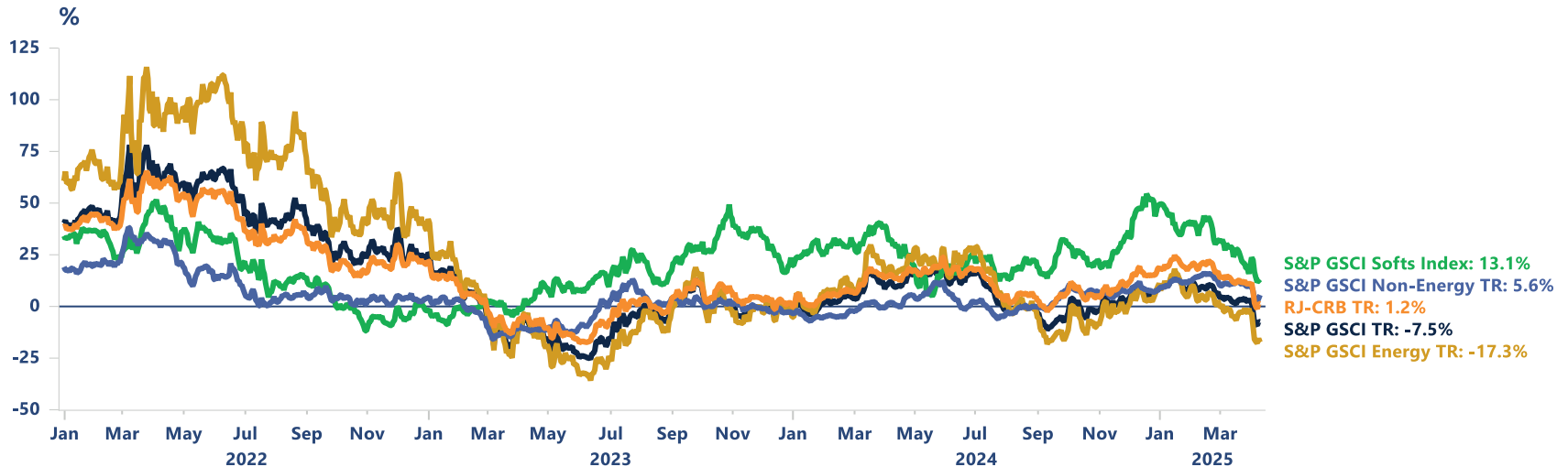
US TREASURY YIELD CURVE



Source: Main Management, U.S. Treasury, Macrobond. Data last updated: 4/11/2025

Inflation Watch

MAJOR COMMODITY INDICES Y/Y



Source: Main Management, S&P Global, CoreCommodity Management, LME, EIA, LBMA, Macrobond, LPPM, NRCan, ICCO, ICO, USDA, MIAx, TREX, TMX, Macrobond. Data last updated: 4/11/2025

Commodity	1 Month	3 Months	YTD ↓	1 Year
Gold	9.1	18.9	21.8	34.9
Coffee	-12.1	7.6	7.2	60.5
Silver	-5.8	-0.4	6.0	10.0
Corn	6.1	5.9	5.3	12.0
Lumber	-10.3	1.9	4.6	3.7
Copper	-6.4	0.3	3.8	-3.1
Soybeans	1.9	3.7	3.1	-12.4
BBG Commodity Index	-4.8	-0.6	1.1	-2.9
Gasoline	-7.0	-3.3	-2.0	-28.8
Natural Gas	-19.1	-3.9	-2.1	90.0
Cotton	2.6	-3.0	-2.8	-22.7
S&P GSCI	-5.9	-6.1	-4.4	-7.7
US Dollar (DXY)	-2.9	-7.6	-7.0	-3.1
Bitcoin	-8.2%	-13.9%	-14.8%	15.2%
Crude Oil	-10.4	-19.3	-17.0	-30.5

Source: Main Management, S&P Global, CME Group, ICE, LME, Macrobond. Data last updated: 4/10/2025

Disclosures

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