



**MAIN**  
MANAGEMENT, LLC

# **MAIN MANAGEMENT MARKET NOTE:**

## **May 30, 2025**

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# Advisory Board Update

Main Management is excited to announce Rusty Vanneman as our new Chairman of the Advisory Board. Rusty is a widely respected investment executive with over 35 years of experience in the financial industry. A long-time friend of the firm and a yearly speaker at our Top Advisor Conference, Rusty epitomizes our core values of “Client First, Exceptional Service.” We are thrilled to have him help advise on our next chapter of growth in the coming years.



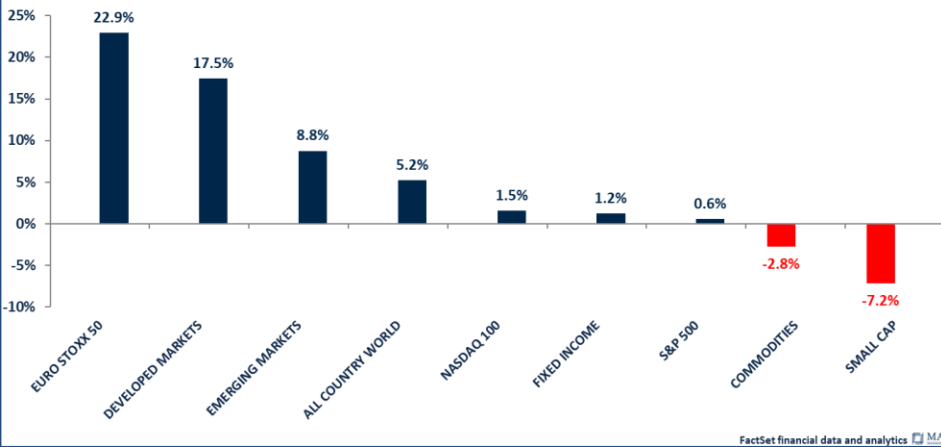
Chairman of the Advisory Board

**Rusty Vanneman**

<https://www.mainmgt.com/our-advisory-board/rusty-vanneman/>

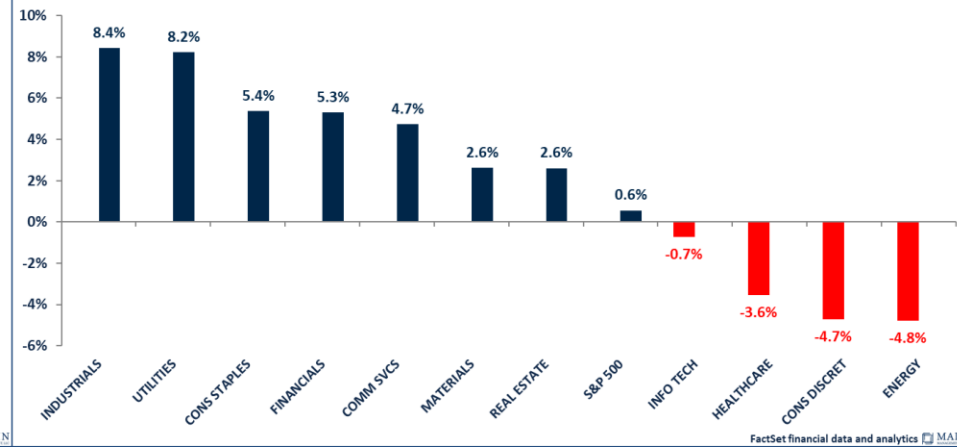
# Performance

YTD 2025 ETF BROAD INDEX PRICE PERFORMANCE THROUGH MAY 30



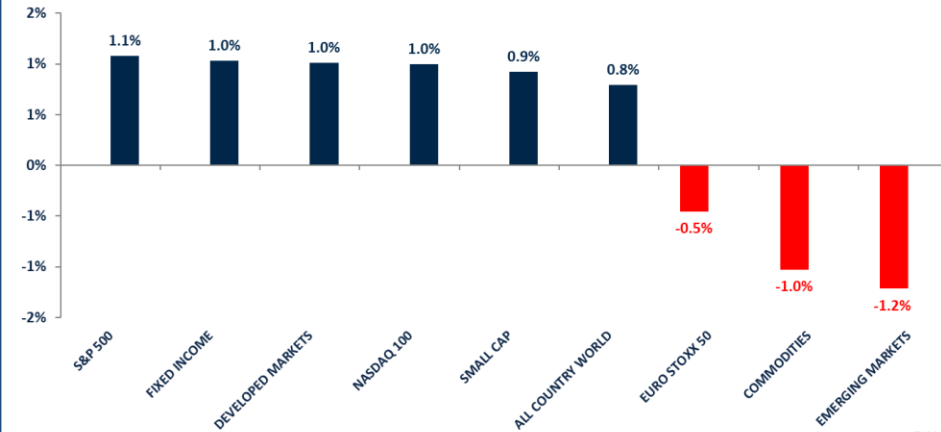
FactSet financial data and analytics MAIN

YTD 2025 ETF SECTOR PRICE PERFORMANCE THROUGH MAY 30



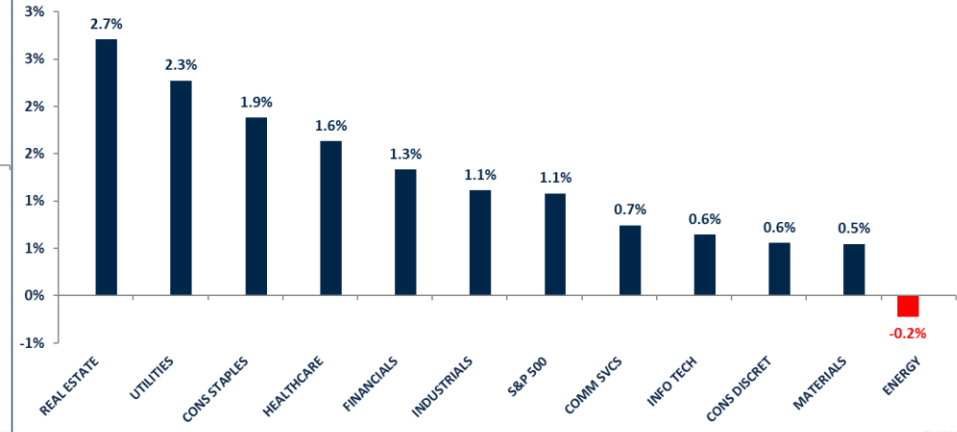
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ETF BROAD INDEX PRICE PERFORMANCE TRAILING WEEK ENDED MAY 30



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ETF SECTOR PRICE PERFORMANCE TRAILING WEEK ENDED MAY 30



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# Recession Dashboard

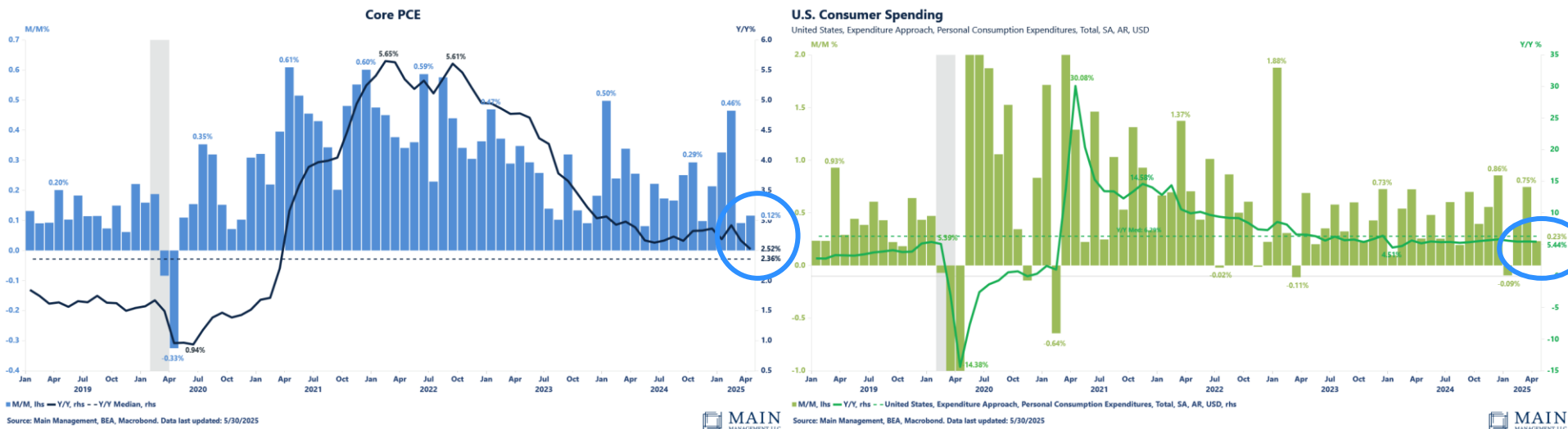
RECESSION START	INFLATION	CONSUMER	YIELD CURVE	HOUSING	SENTIMENT	AUTOS	EMPLOYMENT	PMI	RETAIL SALES
NOV 1973	↓	—	—	↓	—	—	↓	↓	—
JAN 1980	↓	↓	↓	↓	↔	↓	↓	↓	—
JUL 1981	↓	↓	↓	↓	↔	↓	↓	↓	—
JUL 1990	↓	↓	↓	↓	↔	↓	↓	↔	—
MAR 2001	↔	↓	↓	↔	↔	↔	↓	↓	↔
DEC 2007	↓	↓	↓	↓	↔	↓	↓	↓	↓
DEC 2019	↑	↑	↔	↔	↑	↔	↑	↔	↔
MAY 2025	↔	↔	↔*	↔	↔	↔	↓	↔	↑
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
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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.

# Core PCE

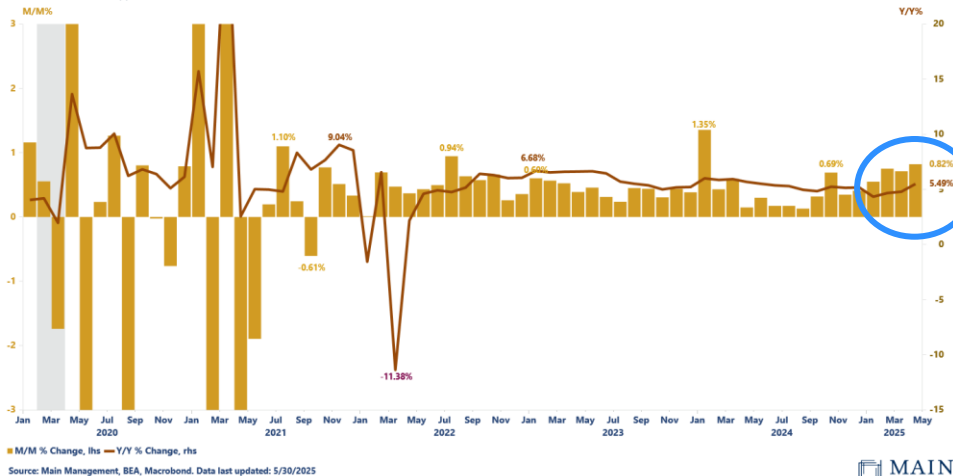
Core PCE (left) was up +0.12% M/M in April, basically in line with forecasts. The Y/Y figure slowed to +2.52%, the lowest since March 2021! This continued disinflation affords the Fed more leeway when setting policy as the markets turn their attention to the May employment report next week. Consumer Spending (right) slowed in April, not really surprising given the tariff front-running that occurred in March. Spending posted a +0.23% M/M gain and is up +5.44% from a year ago, still hanging in there and above pre-covid levels.



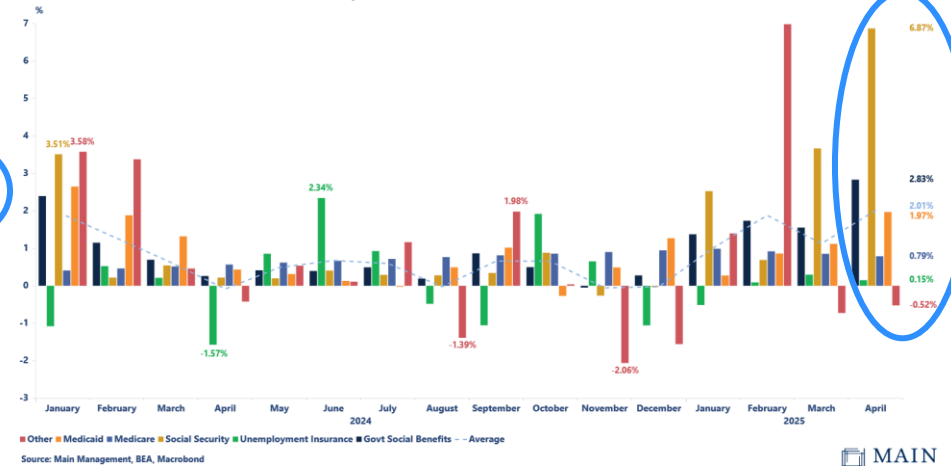
# Incomes

Personal Incomes (left) accelerated to +0.82% M/M, biggest monthly gain since January 2024. The Y/Y figure rose to +5.49%, the highest since May 2024. This reading was far above expectations for a +0.3% rise and was driven by +6.9% M/M increase in Social Security payments (right) which are now up +16.8% Y/Y, the most since June 1981! On the income subsidy side, we are also seeing a slight uptick in Unemployment Insurance, which is now up +4.1% Y/Y, the most since July 2024.

**U.S. Personal Income**  
United States, Income Approach, Personal Income, Total, SA, AR, USD



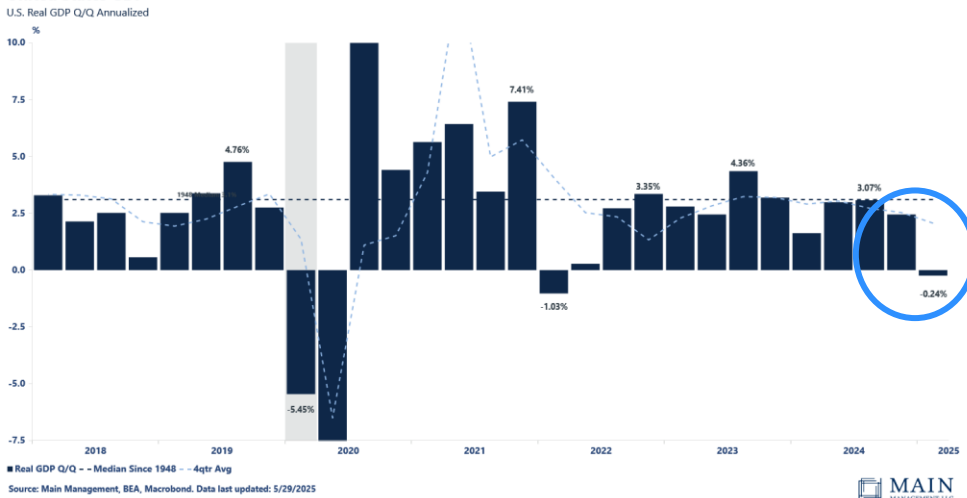
**M/M CHANGE IN INCOME SUBSIDIES**



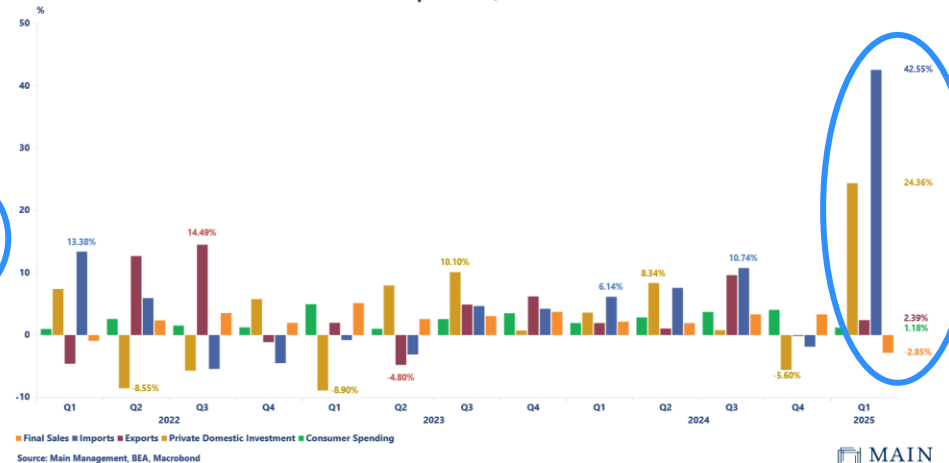
# Q1 GDP

The 2<sup>nd</sup> estimate for Q1 2025 U.S. GDP was revised up slightly to -0.24% from -0.28% in the preliminary reading (left). For the components (right), Imports were still up massively along with Private Domestic Investment, and both items saw upward revisions from the 1<sup>st</sup> reading. Consumer Spending and Final Sales were revised down, which isn't great as spending is around 70% of the economy. Exports were revised up slightly as well. Looking beyond the Q1 tariff-related trade distortions, the Atlanta Fed's GDPNow is forecasting a +3.8% Q2 reading.

United States GDP  
U.S. Real GDP Q/Q Annualized

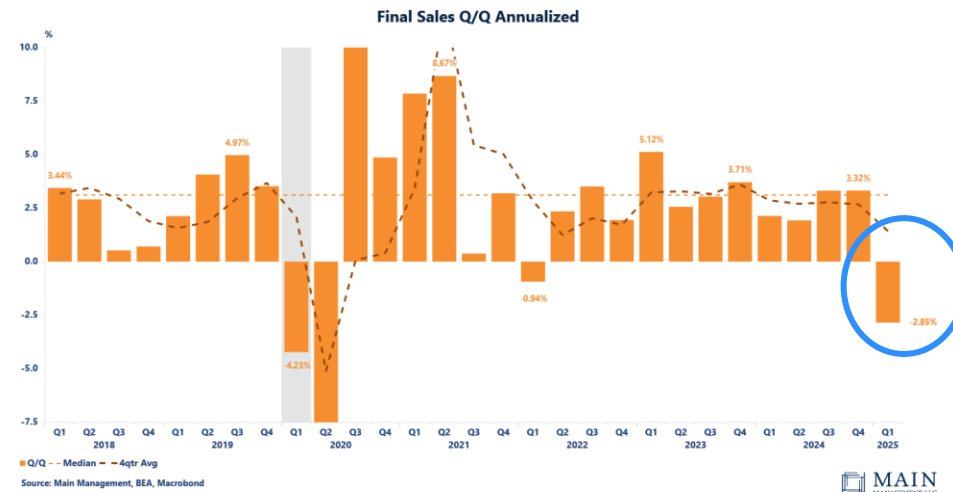
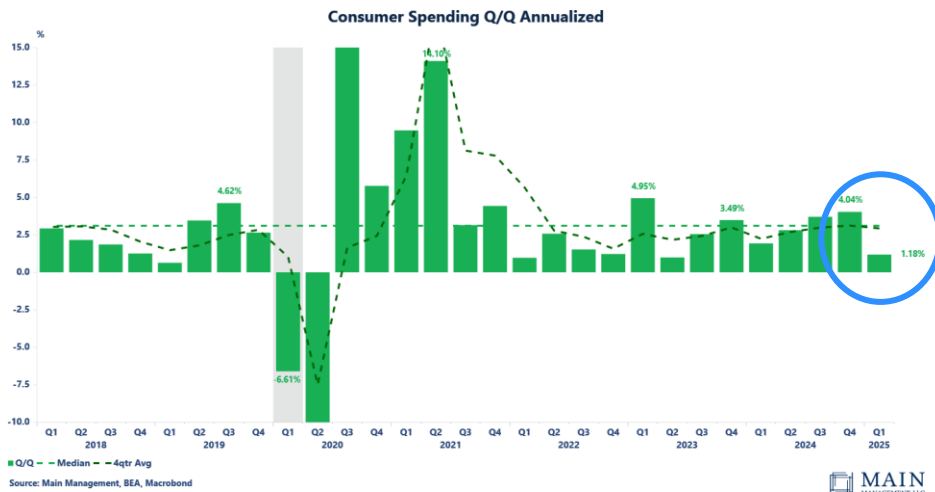


GDP Components Q/Q Annualized



# Spending & Final Sales

Here's a closer look at Consumer Spending (left), which was revised down to +1.18% from +1.79%, which is the smallest increase since Q2 2023. Final Sales were also revised lower to -2.85% from -2.51%, the biggest decline since covid.

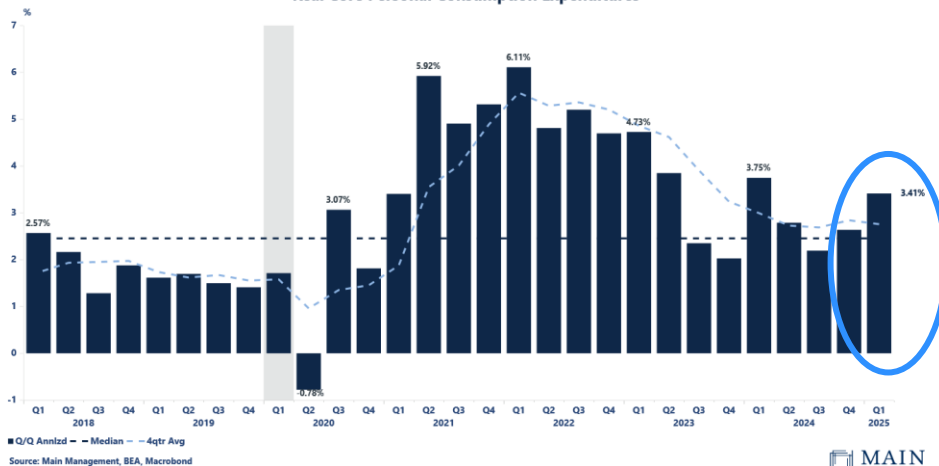




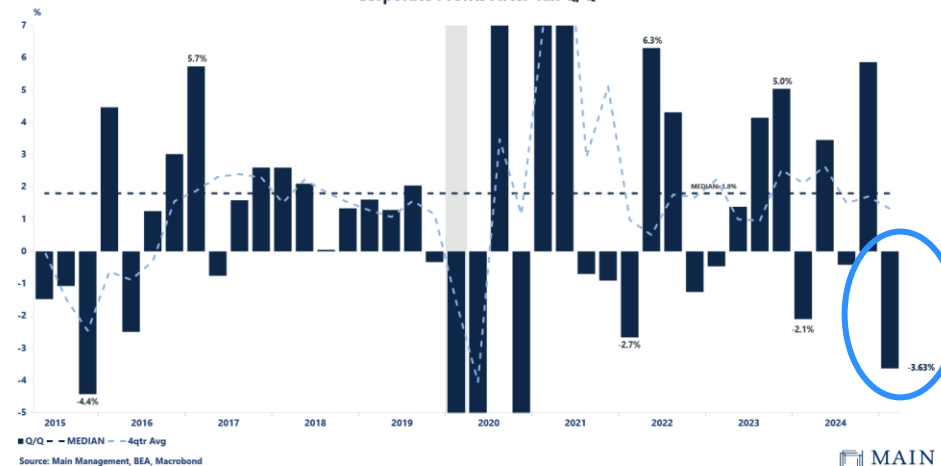
# Inflation & Profits

Real Core Personal Consumption Expenditures (left) were revised lower in Q1, down to 3.41% from 3.46%, a positive development for the inflation story. Still, it is the highest reading in a year. Meanwhile, Corporate Profits (right) fell -3.6% in Q1, reversing Q4's +5.9% jump and marking the biggest decline since Q4 2020. On an absolute basis, profits are at their 2<sup>nd</sup> highest level ever (\$3.19t), up +5.1% Y/Y.

Real Core Personal Consumption Expenditures

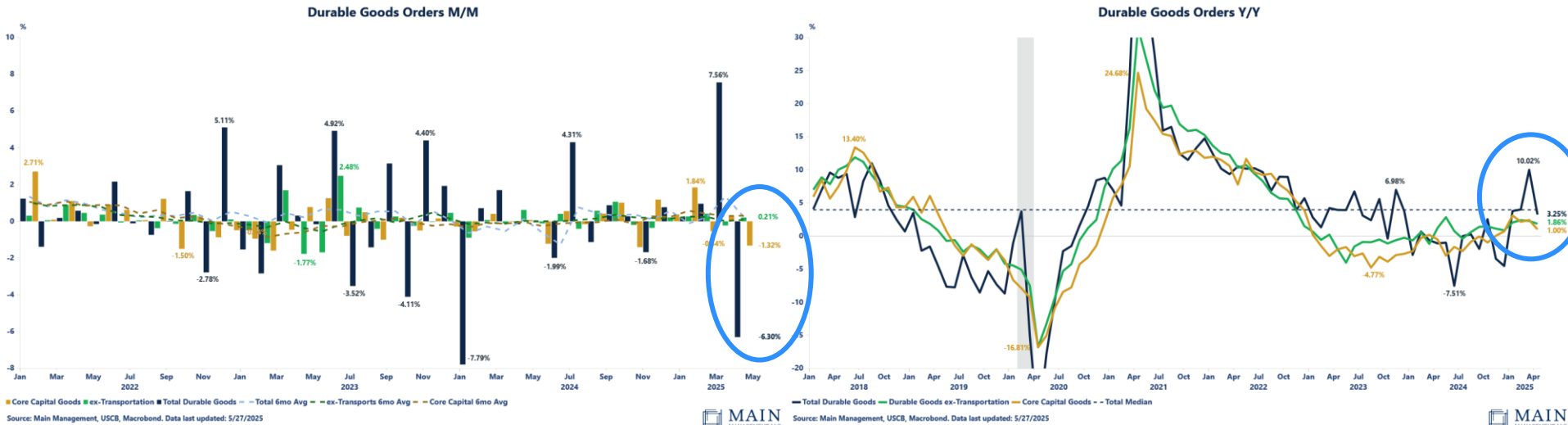


Corporate Profits After Tax Q/Q



# Durable Goods Orders

After a spike in March, Durable Goods Orders declined -6.30% M/M in April (left), better than forecasts for a -7.8% drop. Orders for Core Capital Goods were down -1.32% M/M and Orders for Goods ex-Transports were up +0.21%. On a Y/Y basis (right), Total Durable Goods slowed to +3.25%, Core to +1.00%, and Goods ex-Transports ticked down to 1.86%. The report was largely better than feared, helped by firmer-than-expected shipments of core goods, aircraft, and computers.

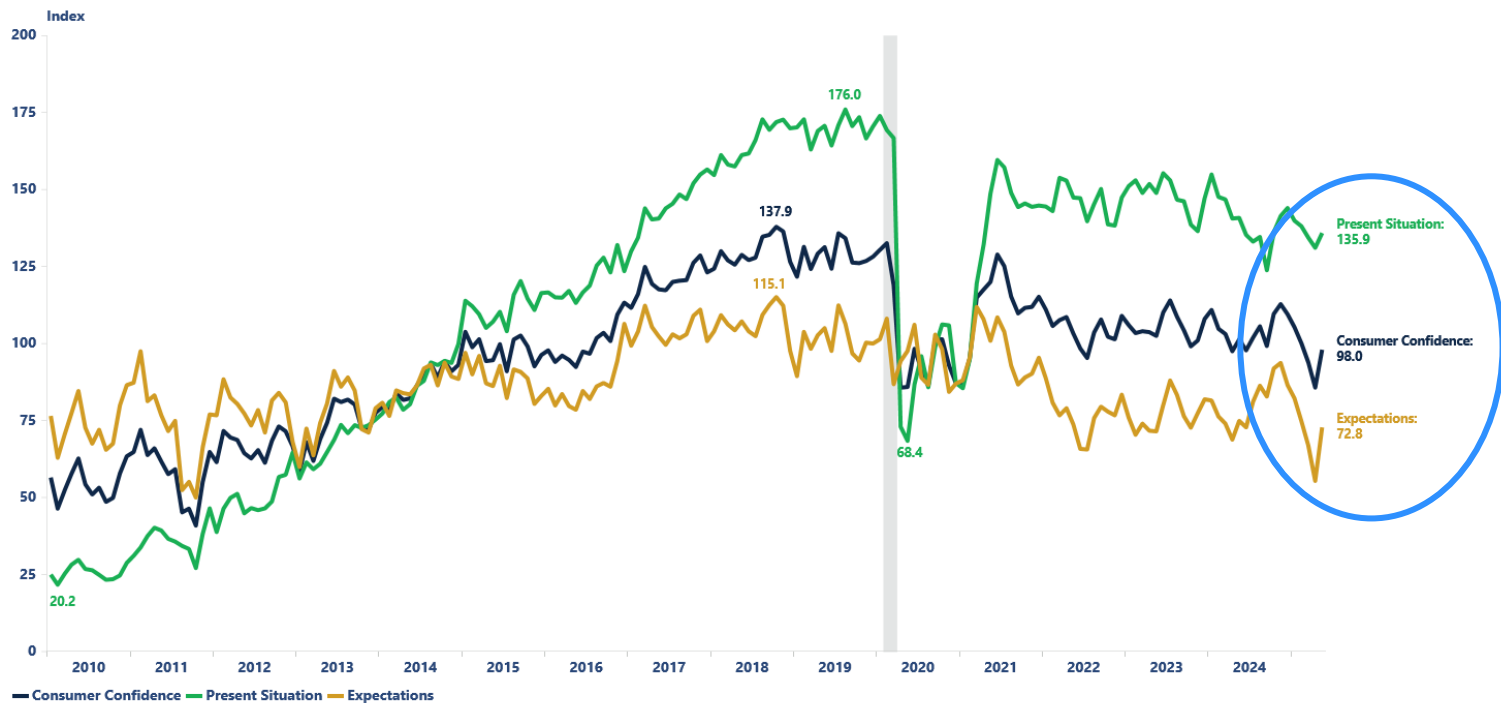


# Consumer Confidence

The Conference Board's Consumer Confidence Index rebounded unexpectedly to 98.0 in May, well above forecasts for an 87 reading. The Expectations sub-index rose to 72.8 while that for the Present Situation moved higher to 135.9. The +17.4-point surge in Expectations is the biggest monthly increase since 2009!

## Conference Board Consumer Confidence

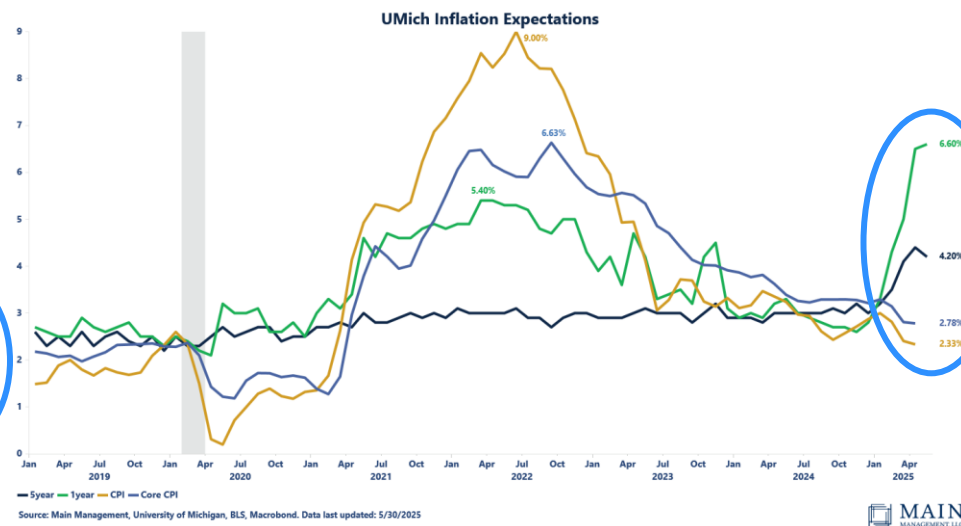
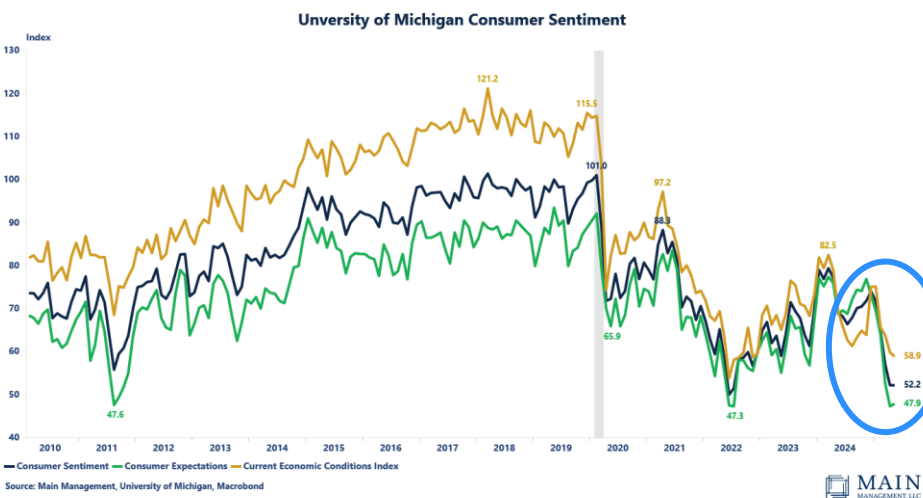
Gauging Consumer Outlook with Emphasis on Labor Market Conditions and Job Availability



Source: Main Management, TCB, Macrobond. Data last updated: 5/27/2025

# Consumer Sentiment

Also on the sentiment side, we got the final reading for the University of Michigan Consumer Sentiment for May (left), which was revised up to 52.2 from the preliminary 50.8, resulting in an unchanged level from April (and the first non-negative monthly move since Dec. 2024). Consumer Expectations were revised up to 47.9 from 46.5, the first uptick M/M since Nov. 2024. Current Conditions were also revised up to 58.9 from 57.6 but still declined from April. The 1yr inflation expectations (right) were revised down to 6.6% from 7.3% and the 5yr down to 4.2% from 4.6%, the first abatement in months. Still, both sentiment and inflation expectations have a ways to go before they recover to more normal historical levels.



# Summary

- Core PCE came in as expected, slowing to +2.52% Y/Y, the lowest since March 2021. Spending slowed while Incomes jumped on Social Security benefits.
- The 2<sup>nd</sup> estimate for Q1 2025 U.S. GDP was revised up slightly to -0.24%. Consumer Spending, Final Sales, and Q1 Core PCE were all revised lower.
- Durable Goods Orders fell -6.3% M/M in April, beating forecasts. The report was largely better than feared.
- Sentiment indicators are starting to show signs of life and inflation expectations are slowing.
- Upcoming key data to watch:
  - Manufacturing & Service PMIs (Mon/Tues/Weds)
  - JOLTS (Tues)
  - Trade Balance & Productivity (Thurs)
  - May Nonfarm Payrolls (Fri)

# Appendix

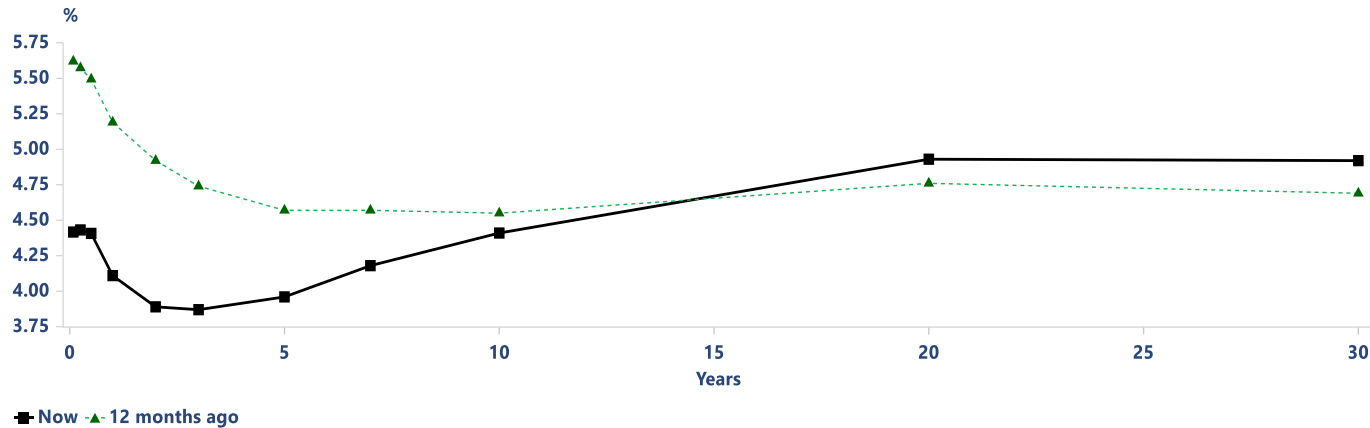
# Yields & Futures

## FED FUNDS FUTURES & 2-YEAR TREASURY YIELD



Source: Main Management, CME Group, U.S. Treasury, Macrobond. Data last updated: 5/30/2025

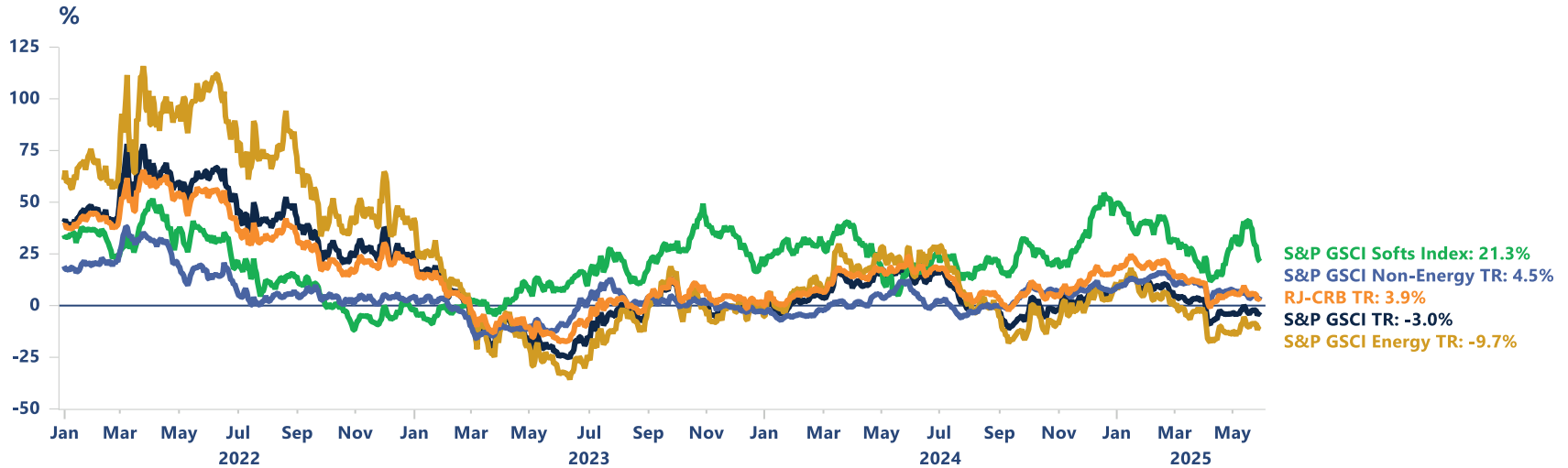
## US TREASURY YIELD CURVE



Source: Main Management, U.S. Treasury, Macrobond. Data last updated: 5/30/2025

# Inflation Watch

## MAJOR COMMODITY INDICES Y/Y



Source: Main Management, S&P Global, CoreCommodity Management, LME, EIA, LBMA, Macrobond, LPPM, NRCAN, ICCO, ICO, USDA, MIA, TREA, TMX, Macrobond. Data last updated: 5/30/2025

Commodity	1 Month	3 Months	YTD ↓	1 Year
Gold	-0.8	15.3	27.3	40.5
Silver	0.9	4.7	15.0	4.1
Bitcoin	11.2%	24.7%	13.1%	54.7%
Copper	2.0	2.3	10.9	-7.7
Coffee	-17.4	-8.0	9.0	50.9
Lumber	2.9	-7.1	6.4	10.7
Soybeans	0.0	2.8	5.4	-14.5
Gasoline	-2.2	3.1	2.9	-17.9
BBG Commodity Index	-2.2	-3.3	2.1	-5.4
S&P GSCI	-1.1	-4.9	-1.9	-5.3
Corn	-6.0	-3.8	-2.5	-3.3
Natural Gas	11.1	-10.5	-3.1	36.0
Cotton	-2.3	-0.6	-5.2	-21.3
US Dollar (DXY)	0.3	-7.4	-8.5	-5.1
Crude Oil	-2.0	-13.6	-15.5	-24.9

Source: Main Management, S&P Global, CME Group, ICE, LME, Macrobond. Data last updated: 5/29/2025



# 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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