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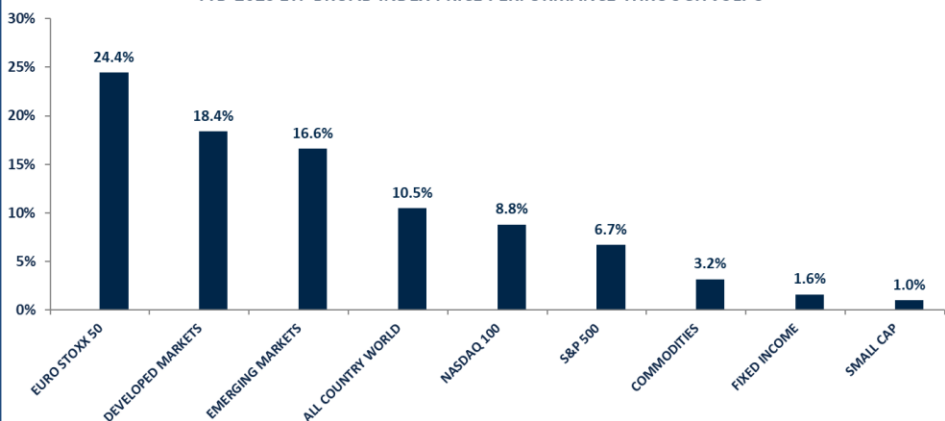
July 3, 2025

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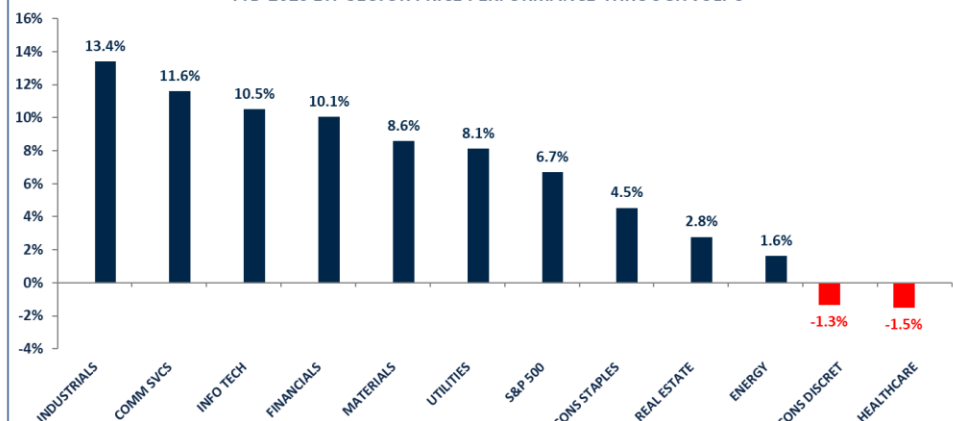
Performance

YTD 2025 ETF BROAD INDEX PRICE PERFORMANCE THROUGH JULY 3



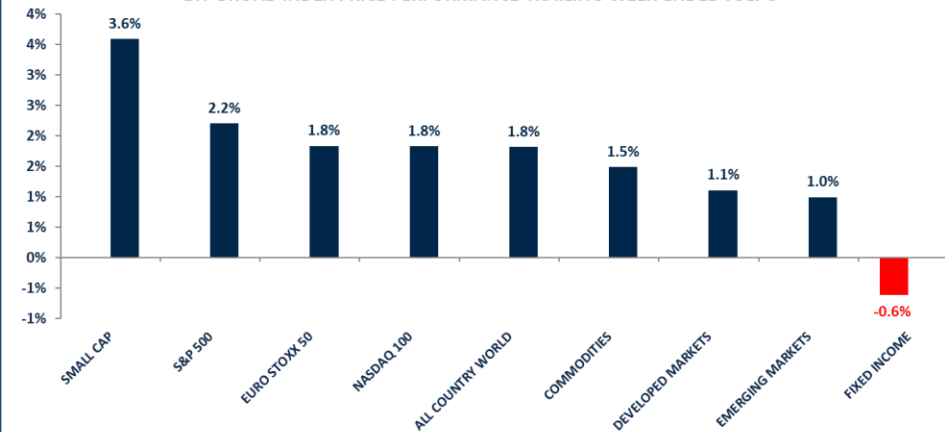
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YTD 2025 ETF SECTOR PRICE PERFORMANCE THROUGH JULY 3



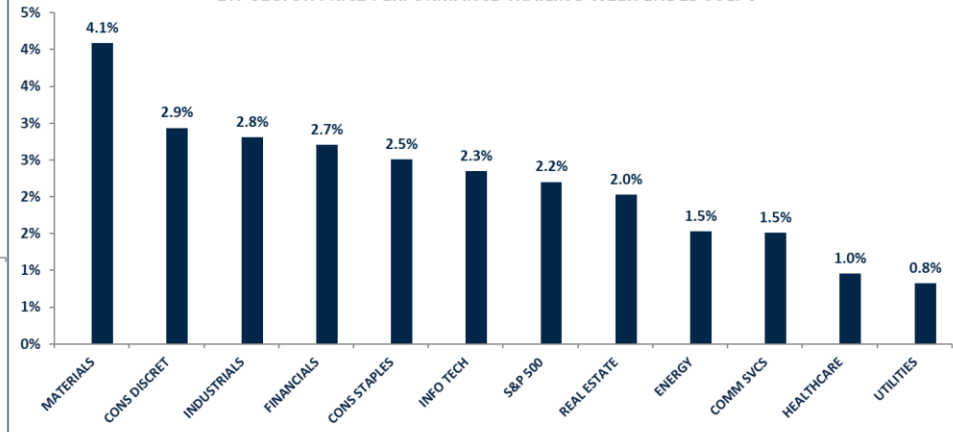
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ETF BROAD INDEX PRICE PERFORMANCE TRAILING WEEK ENDED JULY 3



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ETF SECTOR PRICE PERFORMANCE TRAILING WEEK ENDED JULY 3



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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	↑	↑	↔	↔	↑	↔	↑	↔	↔
JULY 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

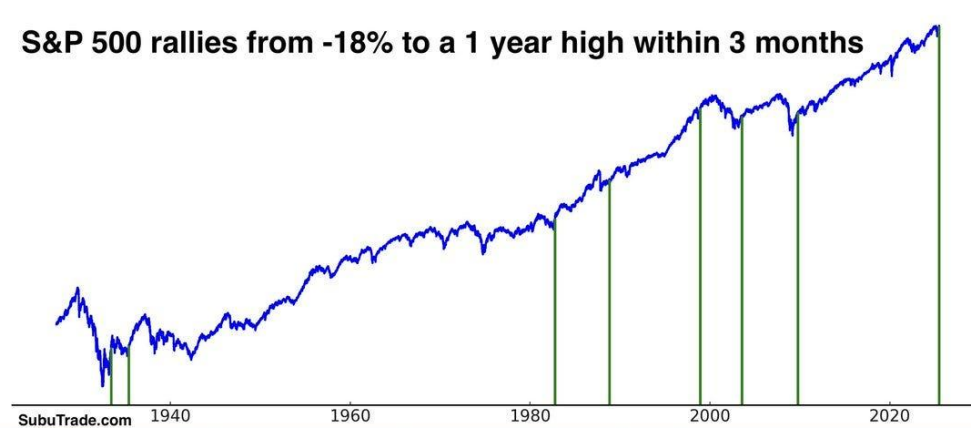
↑ Positive
↔ Neutral
↓ Negative

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.

A Quick Recovery

The S&P 500 has fully recovered from April 8's bottom, making new all-time highs this week. That's a remarkable comeback and while some people are calling for the market to take a breather, the below table shows that in prior similar recoveries, the S&P 500 has been higher 1 year later in every instance. And not only that, but it has been higher by an average of nearly 22%!

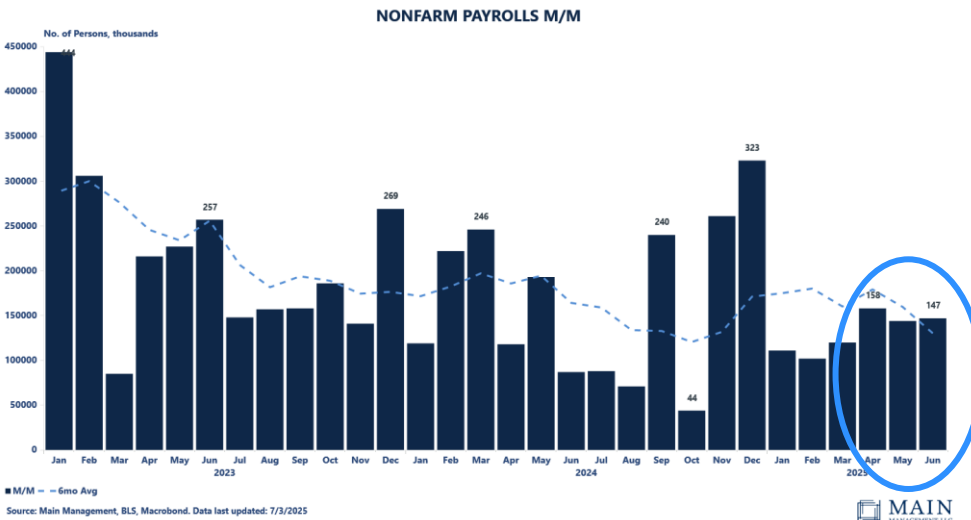
S&P 500 rallies from -18% to a 1 year high within 3 months



S&P 500 after it rallies from -18% to a 1 year high within 3 months								
SubuTrade.com, 1927-present, using daily HIGH \$								
	1 Week Later	2 Weeks Later	1 Month Later	2 Months Later	3 Months Later	6 Months Later	9 Months Later	1 Year Later
May 27, 1933	2.18%	7.99%	6.02%	26.56%	8.71%	-4.36%	13.38%	13.59%
May 16, 1935	0.20%	-1.89%	0.90%	4.28%	10.36%	19.12%	33.47%	48.01%
October 7, 1982	4.48%	7.97%	10.37%	10.81%	12.79%	17.83%	30.04%	30.23%
October 18, 1988	1.07%	-0.11%	-5.57%	-1.11%	2.56%	9.94%	20.17%	22.11%
November 24, 1998	-0.99%	0.04%	3.66%	5.09%	4.68%	8.32%	15.13%	19.79%
July 14, 2003	-2.50%	-0.73%	-1.35%	1.25%	3.41%	12.29%	12.51%	10.72%
October 14, 2009	-0.97%	-4.52%	-0.44%	2.02%	5.17%	9.17%	-2.41%	7.49%
June 27, 2025								
Average:	0.50%	1.25%	1.94%	6.99%	6.81%	10.33%	17.47%	21.71%
% Positive:	57%	43%	57%	86%	100%	86%	86%	100%
Average Max Loss	-1.09%	-1.79%	-3.33%	-3.33%	-3.33%	-4.92%	-5.09%	-5.09%
Average Max Gain	2.04%	2.75%	4.39%	8.07%	9.88%	16.32%	22.90%	26.54%

NonFarm Payrolls

June NonFarm Payrolls (left) came in at +147k, solidly above forecasts for a 110k reading. The Labor Force shrunk by -130k and the number of Unemployed fell by -222k. The Household Employment reading was up +93k while the Participation Rate ticked down to 62.3%. The Unemployment Rate also ticked down to 4.1%. Those not in the labor force rose by +329k. Earnings slowed to +3.71% y/y.



US Employment

(All population/employment figures in 000s)

	June 2025	Prior Mo	12mo Ago	Y/Y	M/M
Total Nonfarm Employment	159,724	159,577	157,915	1.1%	0.1%
Total Nonfarm Employment (Δ From Prior Period)	147	144	87		
Civilian Non-Institutional Population	273,585	273,385	268,438	1.9%	0.1%
Civilian Non-Institutional Population (Δ From Prior Period)	200	188	190		
Civilian Labor Force	170,380	170,510	168,005	1.4%	-0.1%
Civilian Labor Force (Δ From Prior Period)	-130	-625	206		
Participation Rate	62.3%	62.4%	62.6%	-0.5%	-0.2%
Employed (Household data)	163,366	163,273	161,155	1.4%	0.1%
Employed (Household data) (Δ From Prior Period)	93	-696	-9		
Employed / Population	59.7%	59.7%	60.0%	-0.5%	0.0%
Unemployed	7,015	7,237	6,849	2.4%	-3.1%
Unemployed (Δ From Prior Period)	-222	71	214		
Unemployment Rate (U3)	4.1%	4.2%	4.1%	0.0%	-2.4%
Unemployment Rate (U6)	7.1%	7.8%	7.4%	4.1%	-1.3%
Part-time for Economic Reasons	4,465	4,624	4,225	5.7%	-3.4%
Want A Job Now (Δ From Prior Period)	-112	1,033	-604		
Not in Labor Force	103,204	102,875	100,434	2.8%	0.3%
Not in Labor Force (Δ From Prior Period)	329	813	-15		
Not In Labor Force / Population	37.7%	37.6%	37.4%	0.8%	0.2%
Δ in NFPs Less Those Leaving the Labor Force	-182	-669	102		

Average Hourly Earnings

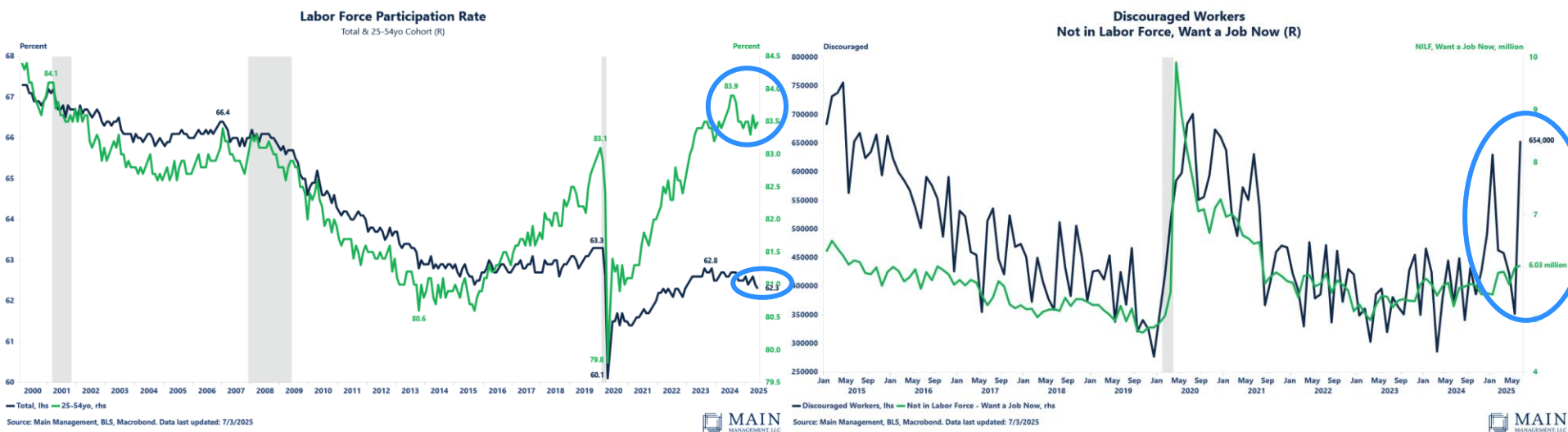
Average Hourly Earnings (Y/Y change)	3.71%	3.81%	3.89%		
Private Weekly Hours Worked	34.2	34.3	34.3	-0.3%	-0.3%
Manufacturing Weekly Hours Worked	40.1	40.1	40.2	-0.2%	0.0%

Total Private Diffusion Index (256 Industries, 1mo Span)	49.6	51.8	53.0	-6.4%	-4.2%
Manufacturing Diffusion Index (74 Industries, 1mo Span)	52.1	40.3	41.7	24.9%	29.3%

Source: Main Management, BLS, Macrobond. Data last updated: 7/3/2025

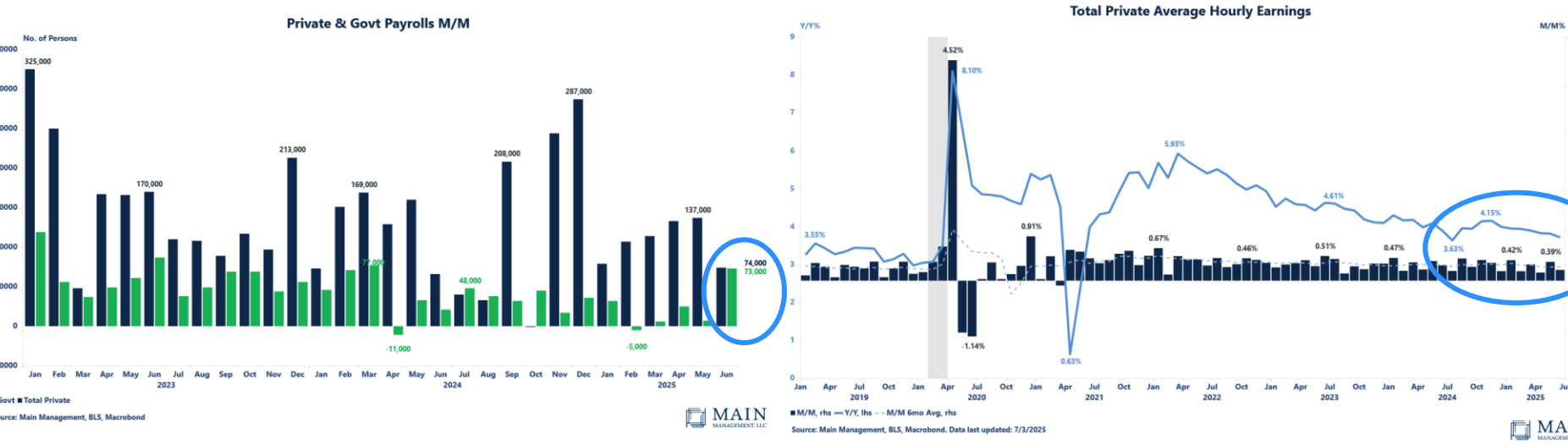
Participation

A couple of items are worth noting in the NFP report. First, the 25-54yo Participation Rate (left) ticked up to 83.5% while the Overall Participation Rate declined to 62.3%, which is the lowest since December 2022. On the right, the number of Discouraged Workers shot up to 654k, the highest since November 2020. The +302k monthly gain was the biggest on record! Those Not in the Labor Force and Want a Job Now hit 6.03mil, also a post-covid high. It appears that people are having issues finding jobs at the moment, which can also contribute to them dropping out of the labor force, which was down -130k in June.



Govt Payrolls & Wages

Government Hiring came back in June, up +73k jobs, the biggest monthly gain since March 2024. The jobs were mostly through State Government (+47K) as the Federal Govt shed -7k jobs. Federal Govt employment is down around -70k from its recent peak in January. The roughly 50% share of monthly NFPs attributable to Government is the highest share since October 2024. Wage growth (right) decelerated to +0.22% M/M, missing forecasts for a +0.3% rise. The Y/Y figure is now at +3.71%, still outpacing inflation but the lowest since July 2024.



JOLTS

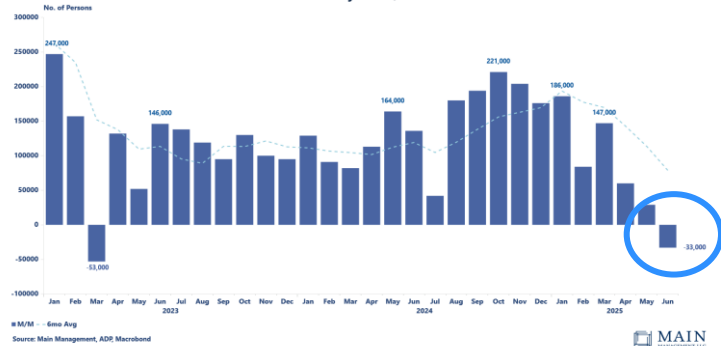
The May JOLTS picture showed ongoing steady labor conditions. Openings (left, dark blue) rose to 7.77mil, above forecasts for a 7.3mil reading and the best in a few months. Hires (left, green) ticked down to 5.50mil. Quits (right, blue) rose to 3.29mil while Layoffs (right, orange) fell to 1.60mil. No signs of any marked deterioration from the JOLTS figures, even if they are a bit delayed.



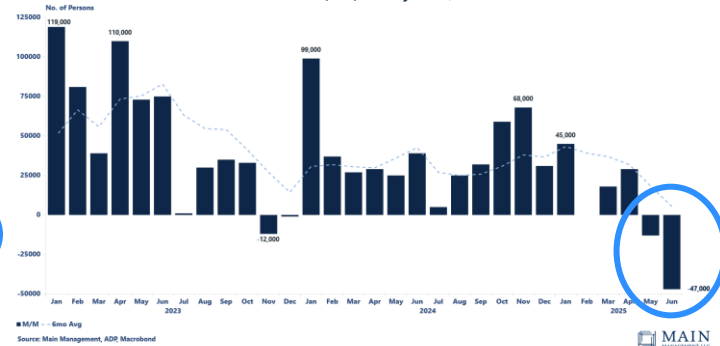
ADP Payrolls

June ADP Payrolls (top left) posted a big miss on Wednesday, falling -33k in June, the first decline since March 2023 and well below forecasts for +95k. May was revised down to 29k from 37k as well. Small (top right) and Medium (bottom left) firms shed -47k and -15k, respectively, while Large firms (bottom right) added +30k. For Small firms, the -47k drop was the biggest since March 2022. The weak ADP report caused some unfounded worry about Thursday's NonFarm Payrolls report, which came in well above expectations.

ADP Payrolls M/M



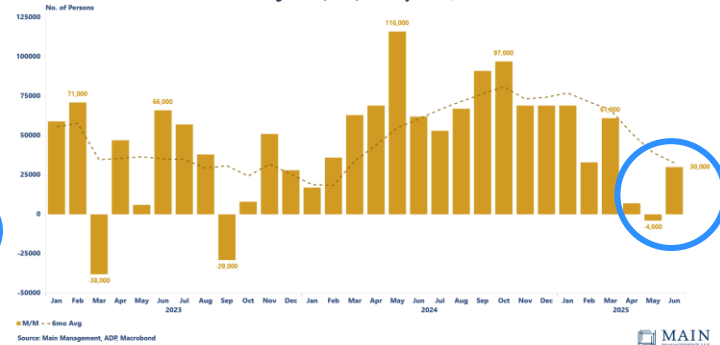
Small Firm (1-49) ADP Payrolls M/M



Medium Firm (50-499) ADP Payrolls M/M



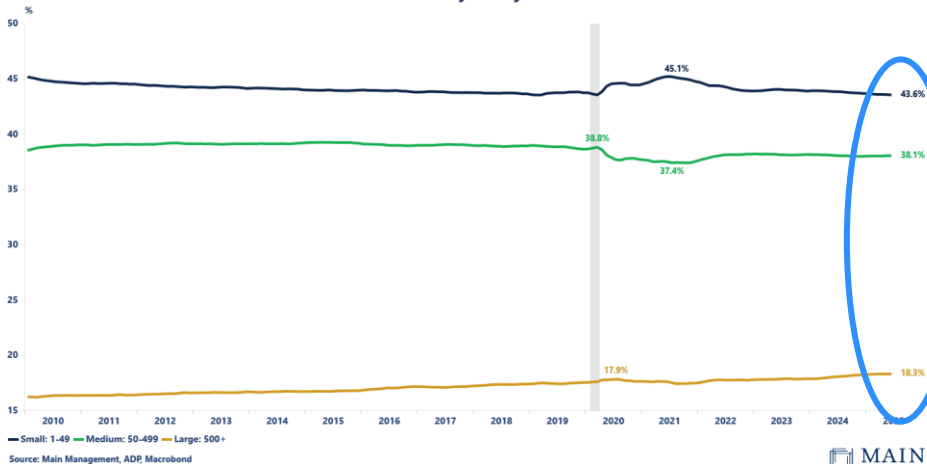
Large Firm (500+) ADP Payrolls M/M



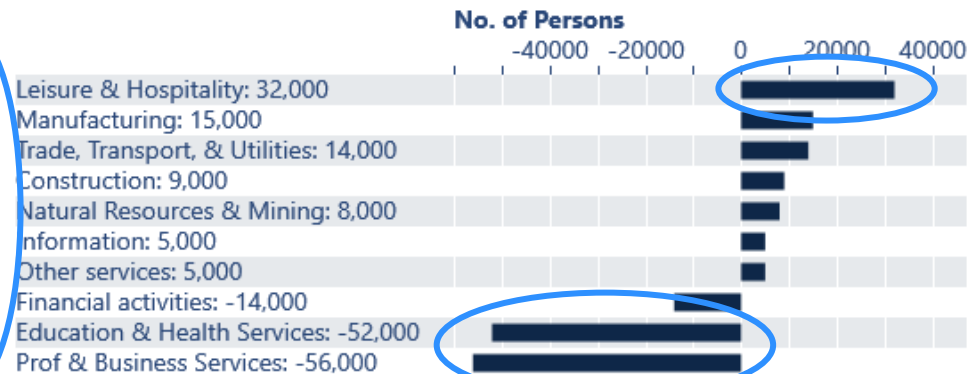
Small & Medium Firms

The weakness in Small and Medium firms is concerning because combined, those two cohorts account for 81.7% of employment (left). As a result, Large firms have been gaining in share, rising to 18.3% which is an all-time high. On the right, we show the June industry breakdown, which saw Leisure & Hospitality adding +32k, on the back of seasonal hiring no doubt. Prof & Business Services and Education & Health Services were the marked laggards, falling -52k and -56, respectively.

Share of ADP Payrolls by Firm Size



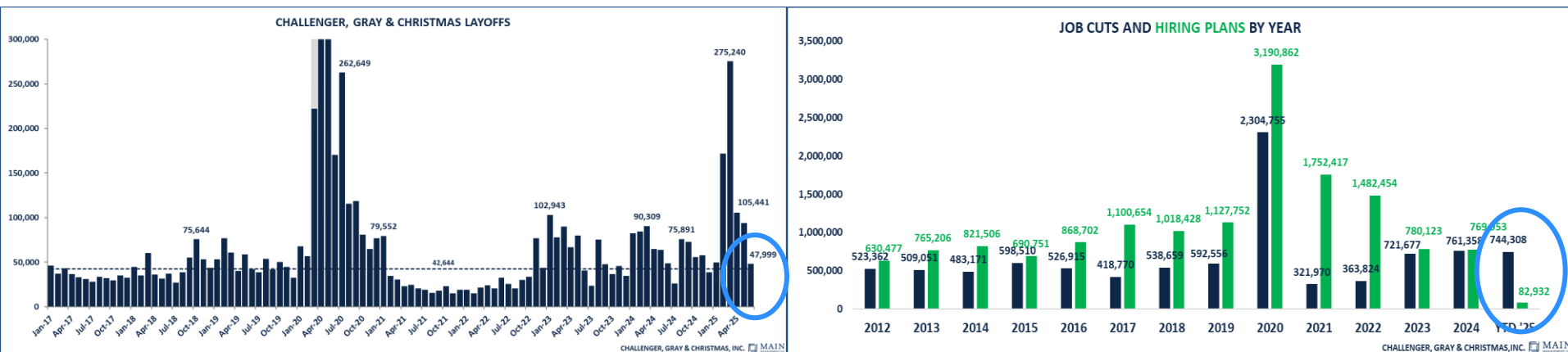
ADP Payrolls by Industry M/M



Source: Main Management, ADP, Macrobond

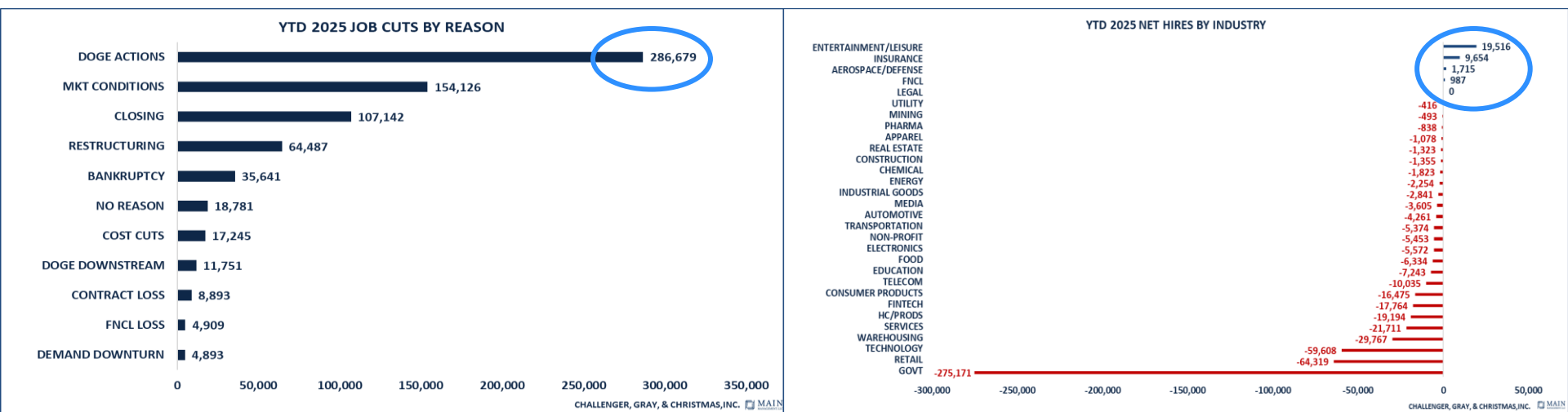
Challenger Job Cuts

Challenger, Gray & Christmas Job Cut Announcements slowed to 47,999 in June (left), down from May's 93,816. However, YTD through June, Cuts now total 744,308, the most since 2020 and more than every other full year since at least 2012. June Hires came in at an anemic 3,191, the 2nd lowest reading for which we have data (behind only Dec. 2023). YTD Hires (right) now stand at 82,932, a massive -89% below YTD Cuts and the biggest trailing delta since the hiring data started back in 2012. We have yet to see a full year in which cuts outpaced hires, so we'll have to wait and see what this year brings. 2023 and 2024 were the closest we've come to seeing cuts outpace hires.



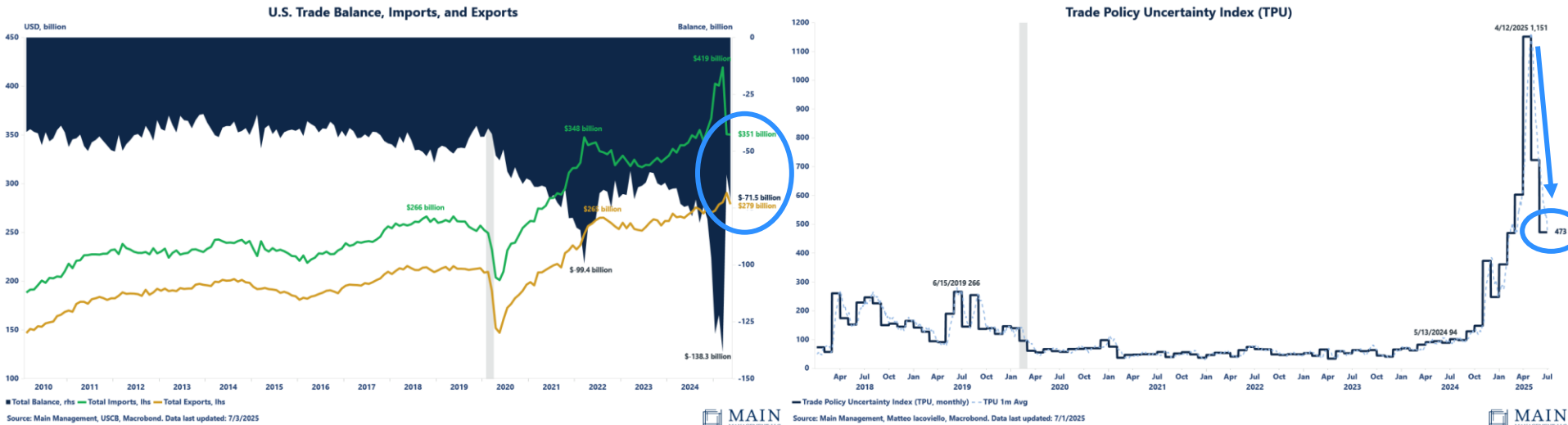
Cuts by Reason & Industry

So why are job cuts being announced? The biggest reason (left) so far this year has been DOGE Actions, which is responsible for 286,679 cuts, or roughly 39% of the total cuts so far in 2025. Market Conditions are the 2nd most prevalent reason cited for cuts, with 154,126. On the right we show net hires by industry (hires less cuts). So far this year, only 4 industries have announced more hires than cuts. Entertainment & Leisure has +19.5k more hires than cuts while Government is by far the biggest laggard (mostly due to DOGE), with a net -275k more cuts than hires.



Trade Balance

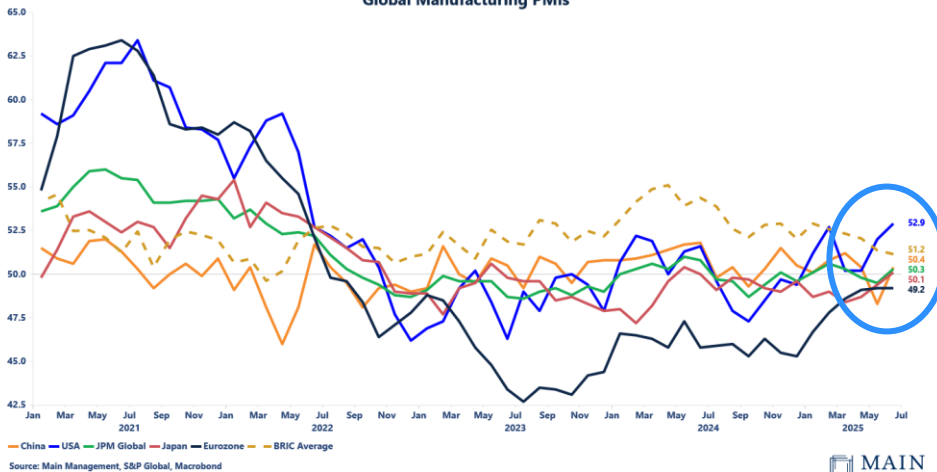
The May Trade Balance (left) widened a bit following April's massive contraction and now stands at **-\$71.5bil**. Imports were basically unchanged while Exports declined by **-4.0%**, the biggest monthly decline since April 2020! Imports of nonmonetary gold, natural gas, and finished metal shapes saw the biggest declines. Trade Policy Uncertainty (right) is down nearly **-60%** from the recent peak back in April but still remains quite elevated relative to history.



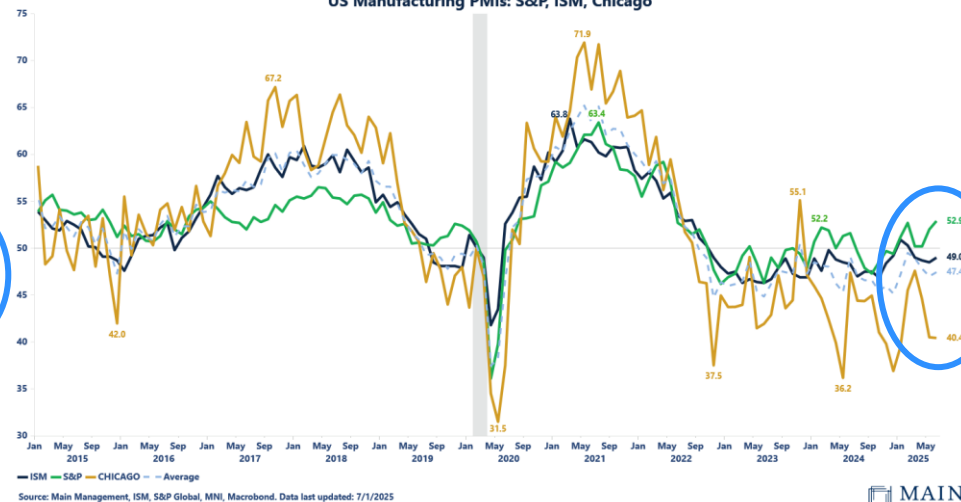
Manufacturing PMIs

Global Manufacturing PMIs (left) are mostly showing signs of life. The U.S. S&P PMI hit 52.9, an upward revision from the 52.0 flash reading and the best since June 2022! China, JPM Global, and Japan all moved back into expansion while the Eurozone was unchanged at 49.2. The BRIC simple average is trending lower as Brazil and Russia have been declining. Within the U.S. (right), the ISM PMI figure ticked up in June to 49.0, above forecasts for a 48.8 reading. The Chicago PMI remains mired in contraction, though, ticking down to 40.4 from 40.5.

Global Manufacturing PMIs



US Manufacturing PMIs: S&P, ISM, Chicago



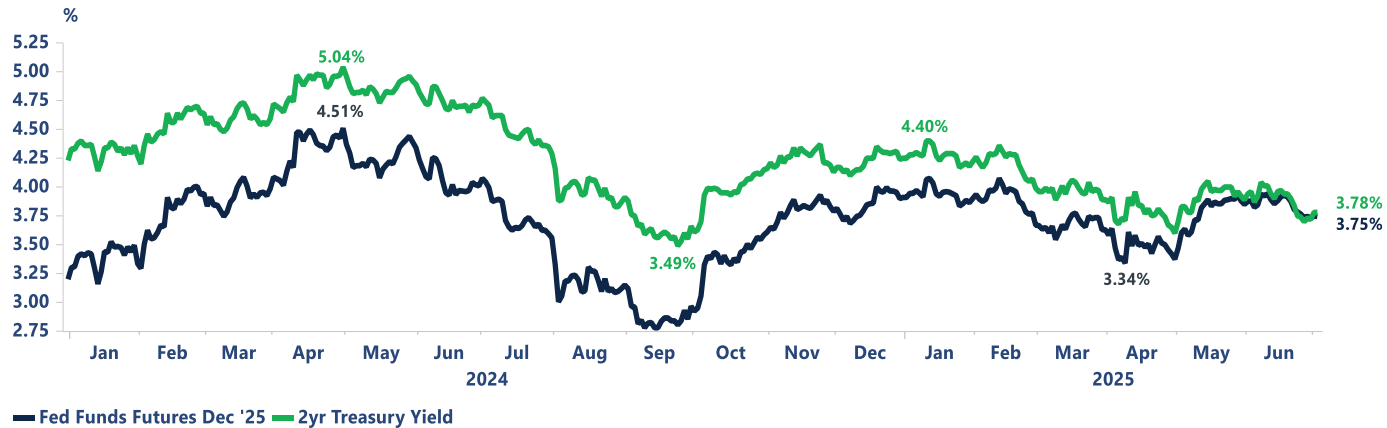
Summary

- The S&P 500 has staged a remarkable comeback from the April 8 lows. In similar instances in the past, forward returns from this point have been strong.
- NonFarm Payrolls surprised to the upside, adding +147k jobs while the Unemployment Rate ticked down. There were some weaker spots in the report, though, like the Participation Rate which fell to its lowest since Dec. 2022.
- The May JOLTS showed ongoing labor stability, which isn't much of a surprise. June ADP Payrolls and Challenger Job Cuts showed weakness, however.
- The May Trade Balance widened a bit as Imports were basically flat and Exports declined by -4.0% M/M, their biggest drop since April 2020!
- Manufacturing PMIs are starting to show signs of life.
- Upcoming key data to watch:
 - NFIB Small Business Optimism (Tues)
 - Wholesale Inventories (Weds)
 - Unemployment Claims (Thurs)

Appendix

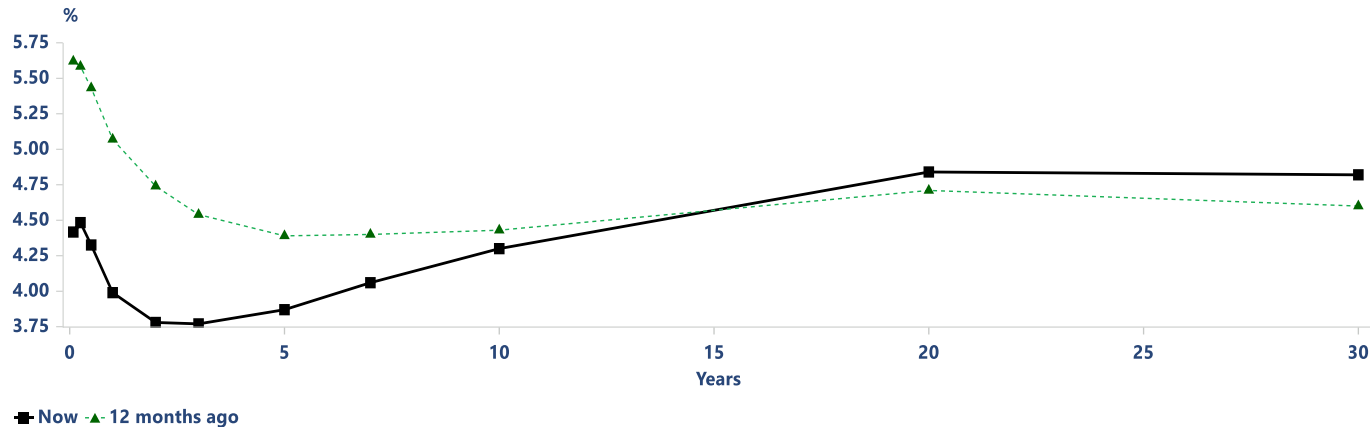
Yields & Futures

FED FUNDS FUTURES & 2-YEAR TREASURY YIELD



Source: Main Management, CME Group, U.S. Treasury, Macrobond. Data last updated: 7/2/2025

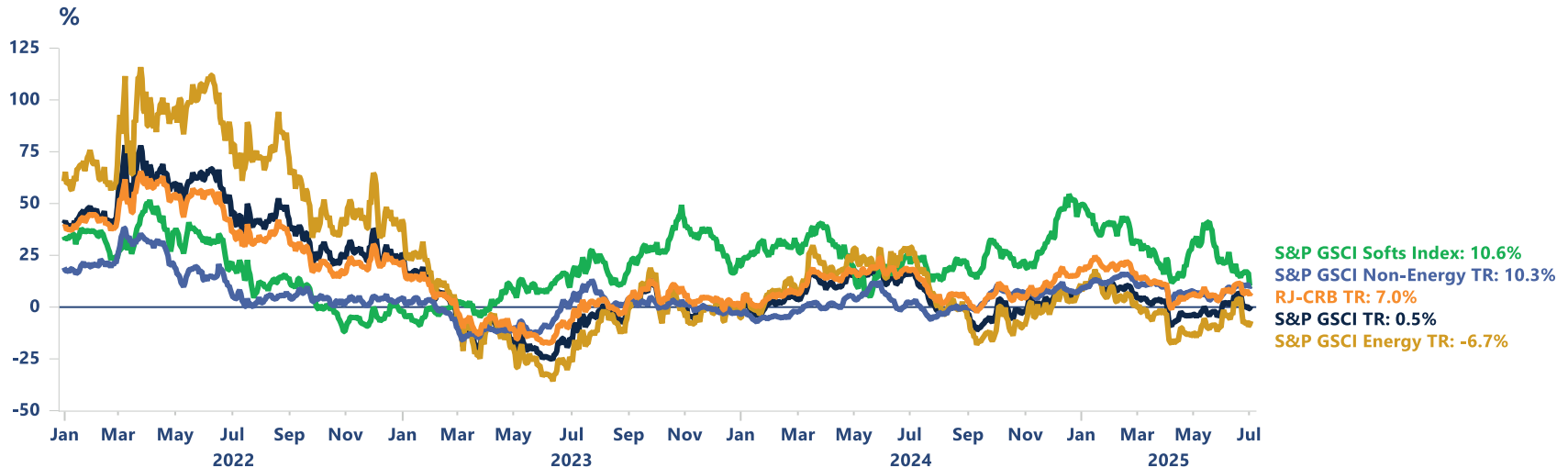
US TREASURY YIELD CURVE



Source: Main Management, U.S. Treasury, Macrobond. Data last updated: 7/2/2025

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, TREX, TMX, Macrobond. Data last updated: 7/3/2025

Commodity	1 Month	3 Months	YTD ↓	1 Year
Gold	2.0	7.8	28.8	44.0
Silver	10.7	6.6	25.9	24.3
Bitcoin	4.7%	27.8%	16.5%	73.2%
Copper	5.4	4.2	16.1	5.9
Lumber	4.0	-8.0	11.8	38.9
Gasoline	4.1	-7.8	6.1	-17.7
Soybeans	0.8	1.6	5.2	-9.4
BBG Commodity Index	3.7	-2.6	5.0	2.3
S&P GSCI	6.7	-0.8	4.1	1.2
Cotton	2.6	-2.2	-2.4	-4.7
Natural Gas	1.2	-11.7	-4.0	40.8
Corn	-3.3	-7.0	-6.4	7.8
Coffee	-13.0	-23.4	-6.8	31.4
Crude Oil	8.0	-6.5	-7.2	-20.6
US Dollar (DXY)	-2.6	-7.2	-10.8	-8.6

Source: Main Management, S&P Global, CME Group, ICE, LME, Macrobond. Data last updated: 7/2/2025

Disclosures

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