



MAIN
MANAGEMENT, LLC

MAIN MANAGEMENT MARKET NOTE: January 16, 2026

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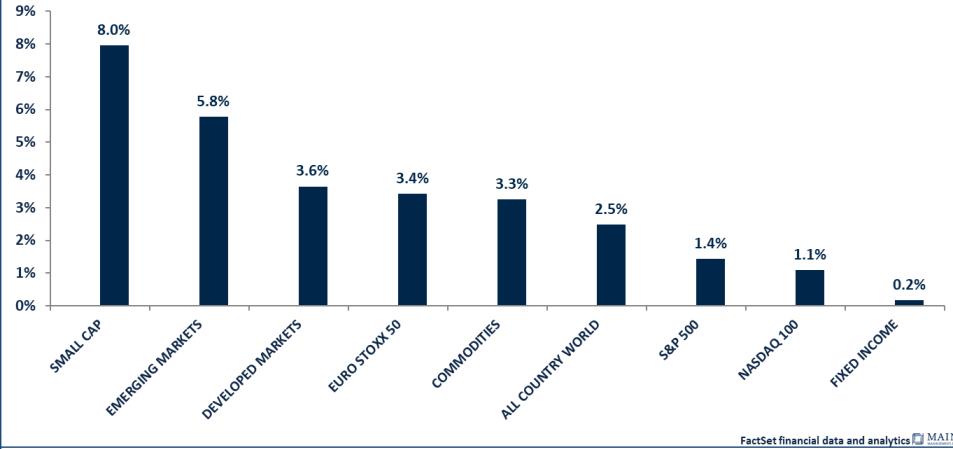
Alex Dippery
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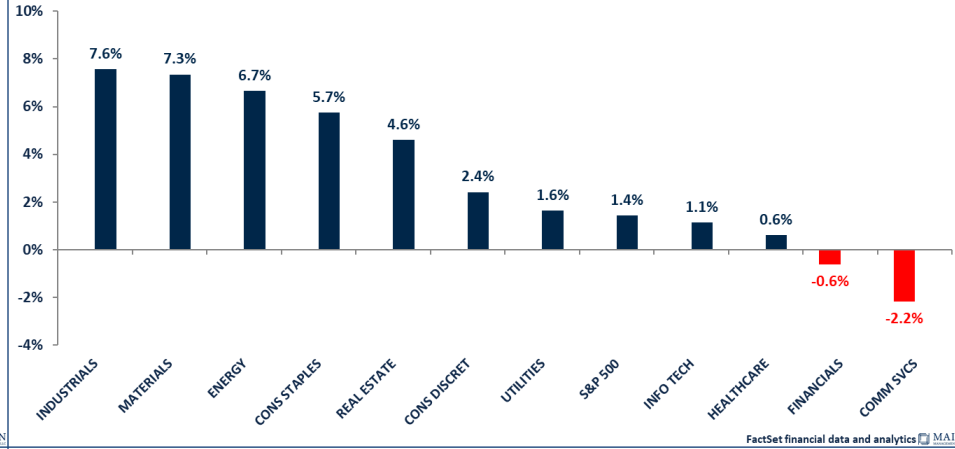
Performance

YTD 2026 ETF BROAD INDEX PRICE PERFORMANCE THROUGH JANUARY 16



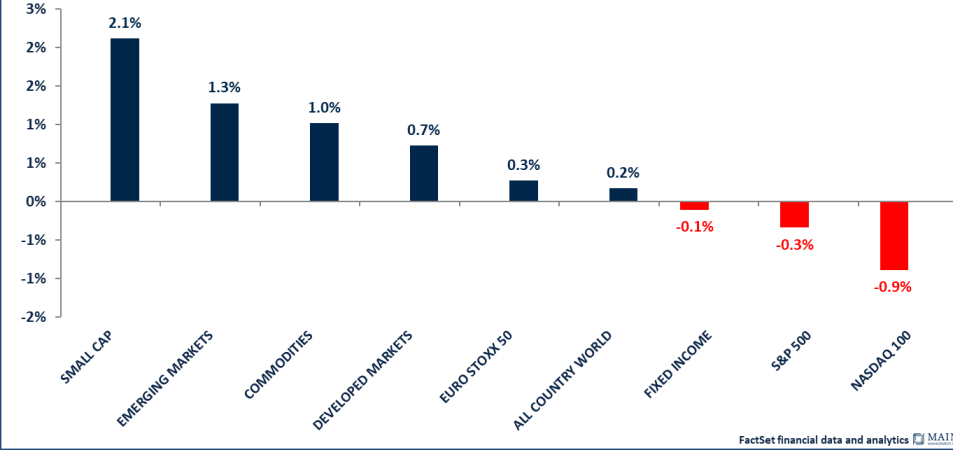
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YTD 2026 ETF SECTOR PRICE PERFORMANCE THROUGH JANUARY 16



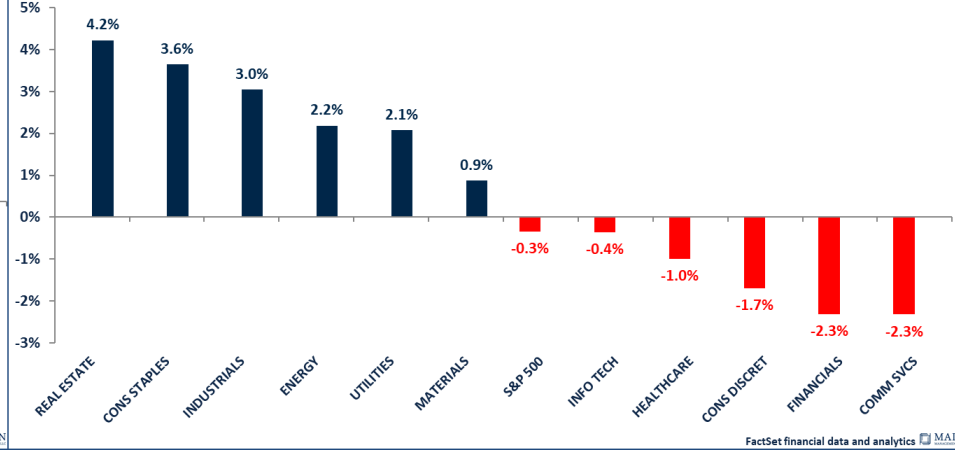
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ETF BROAD INDEX PRICE PERFORMANCE TRAILING WEEK ENDED JANUARY 16



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ETF SECTOR PRICE PERFORMANCE TRAILING WEEK ENDED JANUARY 16



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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	↑	↑	↔	↔	↑	↔	↑	↔	↔
JAN 2026	↑	↔	↑*	↔	↔	↔	↔	↑	↑
LAST CHANGE	BLUE JAN '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:

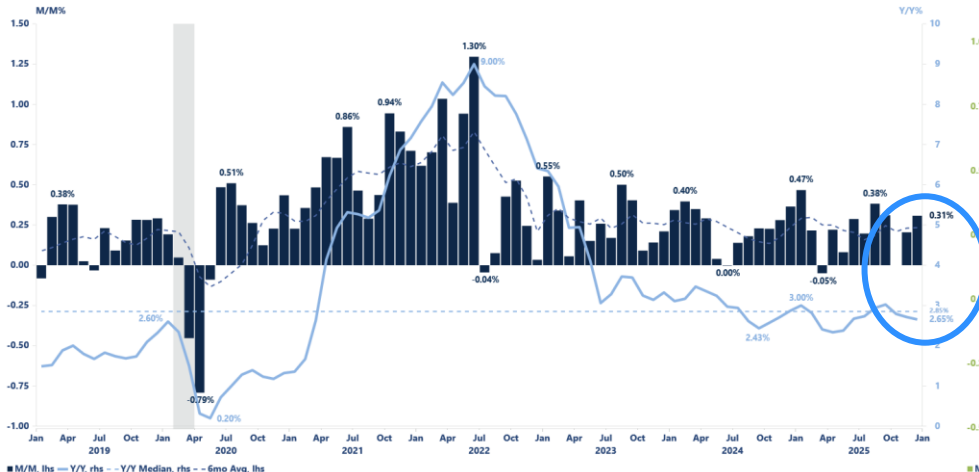


Inflation: Headline CPI. Source: St. Louis Fed. **Consumer:** Conference Board Consumer Confidence. Source: The Conference Board. **Yield Curve:** 10 year – 3 month Treasury spread. Source: FactSet financial data and analytics. **Housing:** Housing Starts & Existing Home Sales. Source: St. Louis Fed. **Sentiment:** Conference Board Consumer Confidence, UMich Consumer Sentiment, State Street Investor Confidence, CEO Confidence, VIX, AAll 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.

December CPI

Headline CPI (left) came in a bit below forecasts at +0.31% M/M, slowing to +2.65% Y/Y. Core CPI (right) was also below expectations, up +0.24% M/M. The Y/Y figure ticked up to +2.65% from November's multi-year low of +2.62%. Food and shelter prices both accelerated markedly on a M/M basis while energy decelerated. These benign readings are welcome after the basically non-existent October and November readings, reassuring consumers that inflation is, indeed, continuing to moderate.

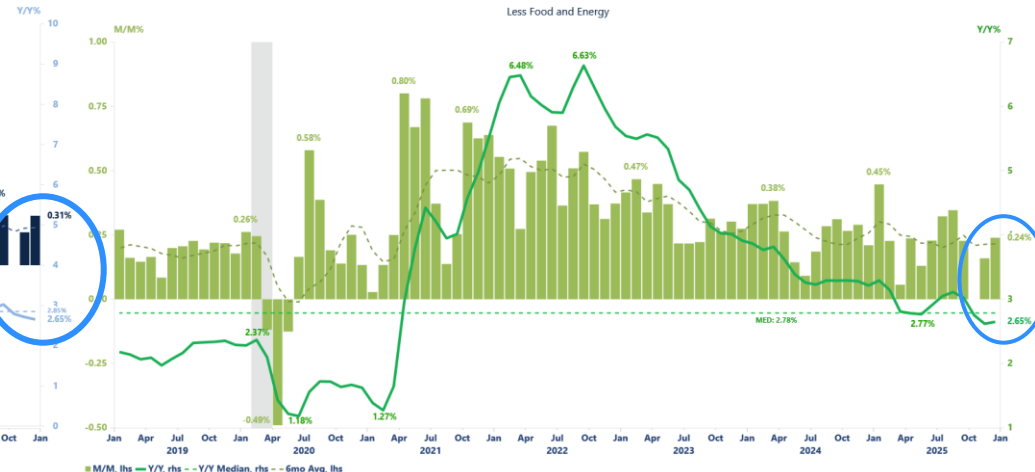
Headline CPI



Source: Main Management, BLS, Macrobond. Data last updated: 1/13/2026

Core CPI

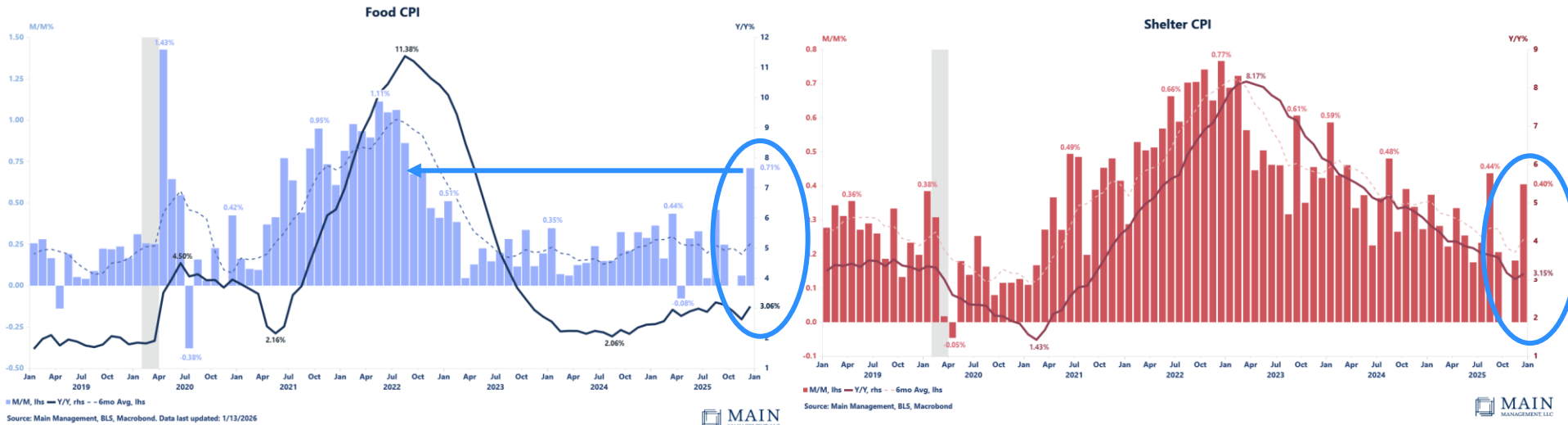
Less Food and Energy



Source: Main Management, BLS, Macrobond. Data last updated: 1/13/2026

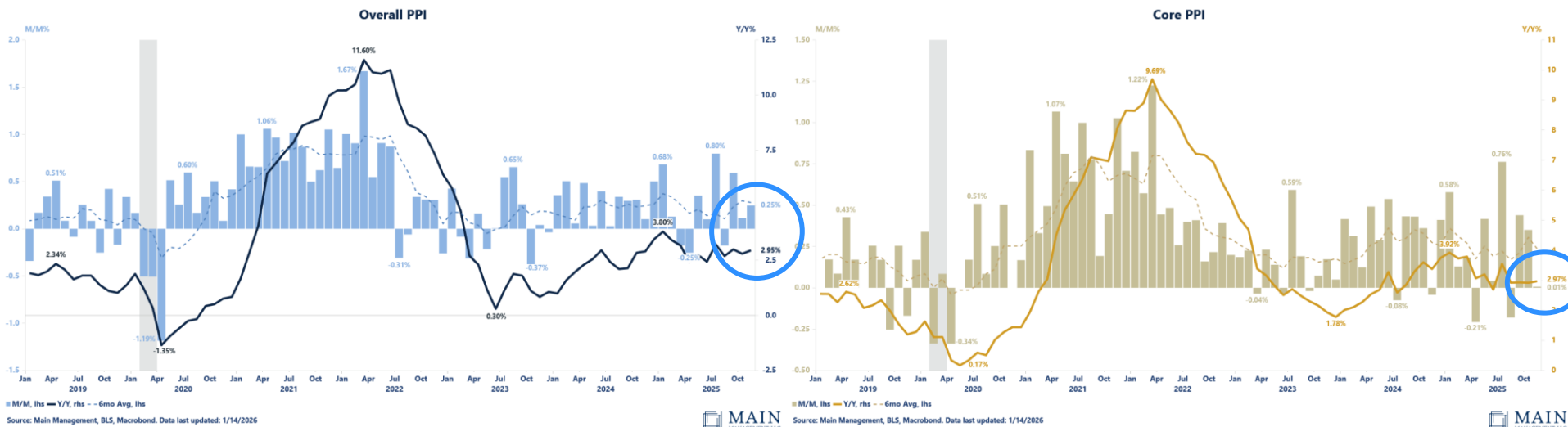
Food & Shelter CPI

Food CPI (left) jumped +0.71% M/M, the biggest monthly increase since August 2022! Those prices accelerated to +3.06% Y/Y, seemingly still in that uptrend that began in mid-2024. Shelter also posted a big +0.40% M/M reading, one of the bigger figures in the last couple years. Shelter ticked up to +3.15% Y/Y from November's +3.01% figure, which was the lowest since August 2021.



November PPI

Overall PPI (left) posted a +0.25% M/M reading in November (still dealing with data delays from the govt shutdown), in line with forecasts. The Y/Y figure inched up to +2.95%, remaining in its range that's been established over the last year or so. The Core PPI reading for November was basically flat, up just +0.01% M/M. The year-over-year figure eked up to +2.97%, remaining at the lower end of its recent readings.



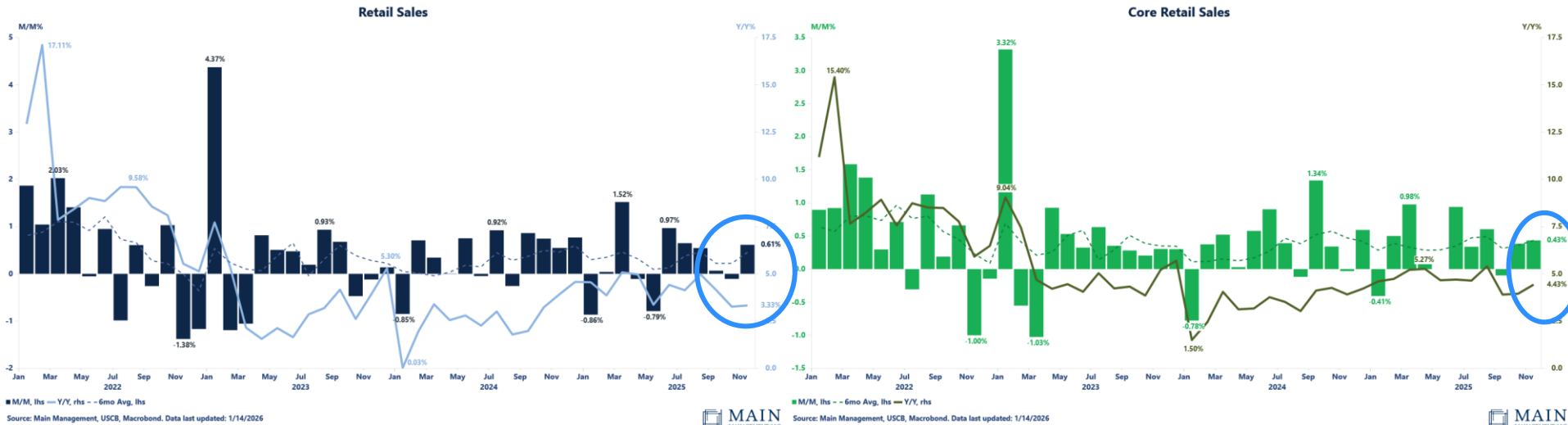
Energy & Goods PPI

Energy PPI (left) jumped +4.56% M/M in November, the biggest monthly increase since August 2023, bringing the Y/Y figure up to +3.83%, its highest since February 2023! Goods PPI (right) also posted an outsized gain in November, rising +0.94% M/M, the most since February 2024. Goods PPI is up to +3.12% Y/Y and has been steadily increasing over the last several readings.



Retail Sales

November Retail Sales (left) posted a solid +0.61% M/M reading, the best since July 2025. They ticked up to +3.33% Y/Y. Core Retail Sales (right, ex-gas & autos) were up +0.43% M/M, accelerating to +4.43% Y/Y. Both of these readings should help boost confidence in ongoing consumer spending / strength.



Retail Sales by Category

Sporting Goods & Hobbies led the way to the upside on a M/M basis (left) in November, jumping +1.9%, followed by Misc. Stores up +1.7%. Department Stores were down the most at -2.9% M/M, with Furniture the only other category negative, down just -0.1% M/M. On a Y/Y basis (right), Misc. Stores are up far and away the most at +16.3%, followed by Sporting Goods & Hobbies up +7.8%. The laggards are Building Materials down -2.8%, Furniture at -1.4% Y/Y, and Autos at -1.1%. It's good to see only a couple categories in the red on a M/M and Y/Y basis.

Retail Sales by Category M/M



Y/Y Change in Retail Sales by Category

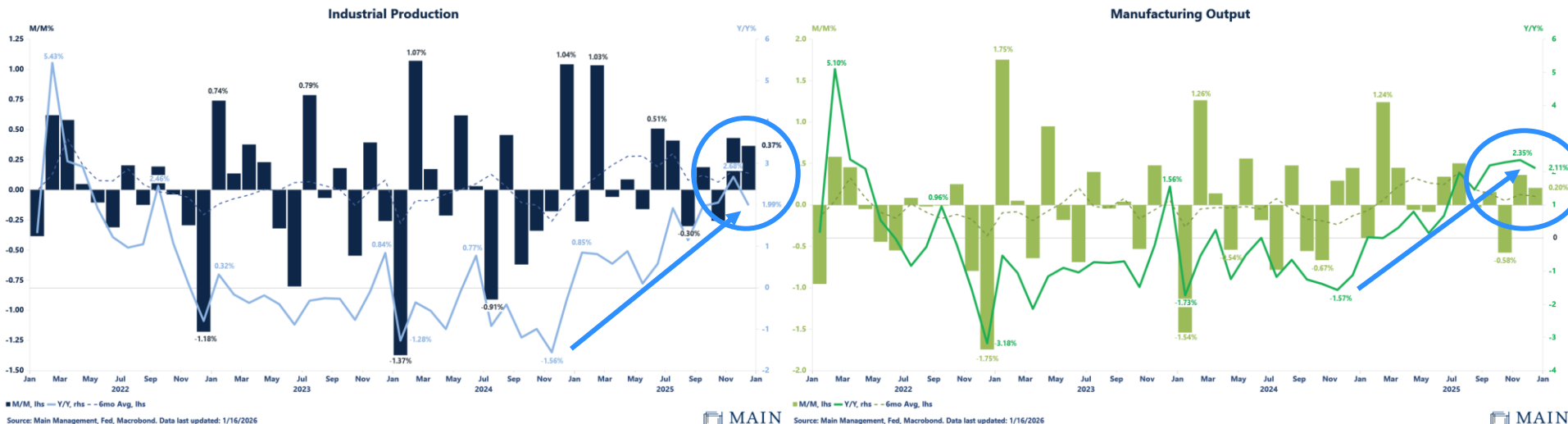


Source: Main Management, USCB, Macrobond. Data last updated: 1/14/2026

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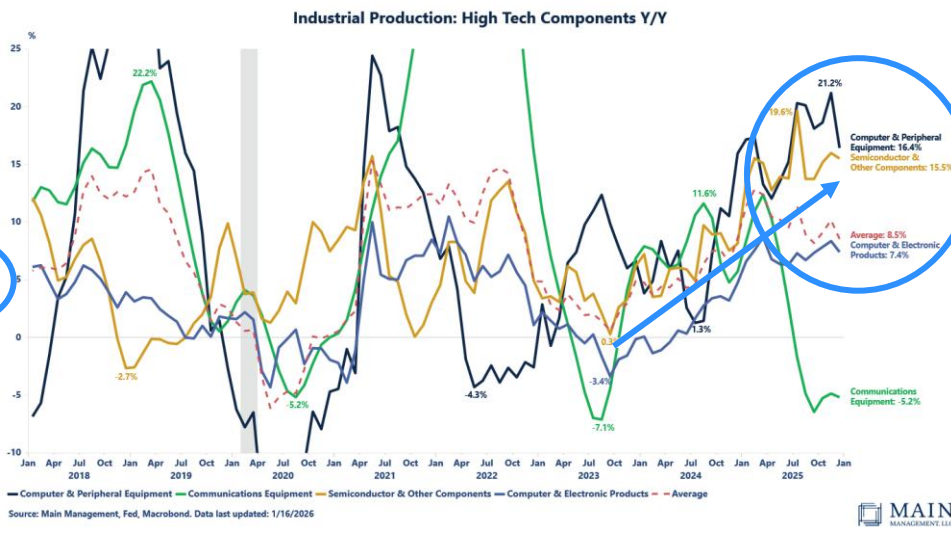
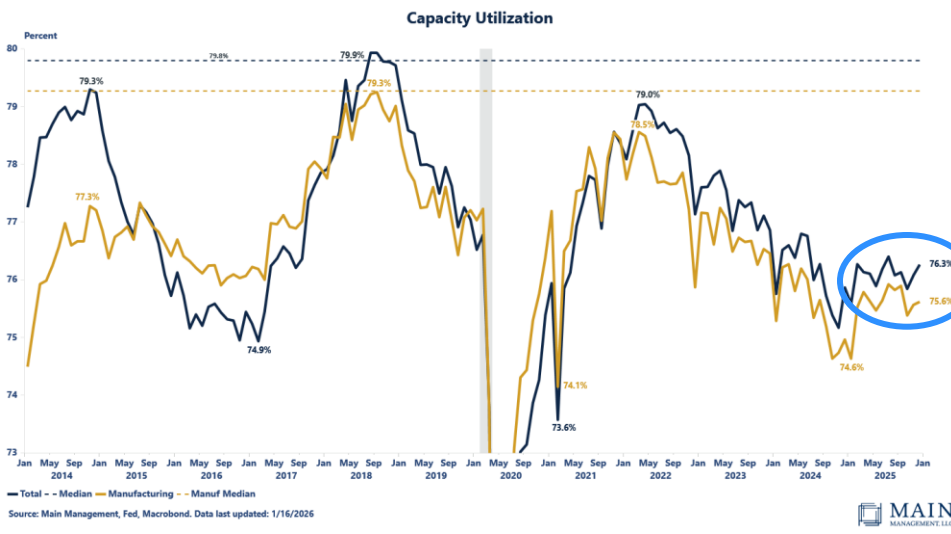
Production & Output

Industrial Production (left) posted a 2nd solid gain in a row in December, up +0.37% M/M, solidly above forecasts for a +0.1% increase. It decelerated on a Y/Y basis to +1.99%, though, as a strong comp rolled off, but still appears to be in the accelerating uptrend. November's +2.68% Y/Y increase was the biggest since April 2022. Manufacturing Output (right) was up +0.20% M/M, well above expectations for a -0.2% dip. Similar to Industrial Production, Output's Y/Y figure decelerated, slowing to +2.11%, but still in the steady uptrend that began late in 2024. November's +2.35% Y/Y increase was the strongest since March 2022!



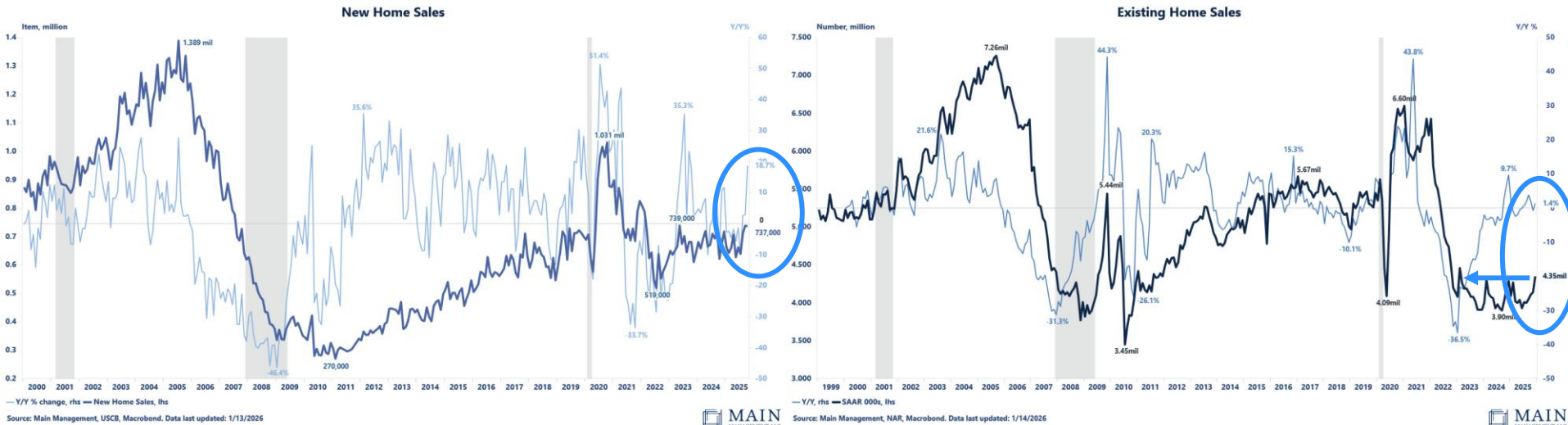
Capacity & High Tech

Total Capacity Utilization (left, black) increased to +76.3%, the highest since July 2025 and above forecasts for a 76.0% reading. Manufacturing Capacity Utilization increased for the 2nd month in a row to 75.6%. On the right we show the High Tech components on a Y/Y basis, which decelerated in December but have been steadily accelerating over the last couple years and remain solidly positive. Comms Equipment (green) is the only component that is negative for the time being, down -5.2% Y/Y, but it's experienced big swings so we're not reading too much into it.



New & Existing Home Sales

New Home Sales (left) inched down in October to 737k units, above forecasts for a 715k reading. On a Y/Y basis, they jumped to +18.7%, the highest since September 2023! Existing Home Sales (right) surged +5.1% M/M in December, rising to 4.35mil units, the fastest pace since February 2023! They're up +1.4% Y/Y. Both of these readings were well above expectations and are hopefully indicative of the start of a recovery in the housing market.



Summary

- Headline and Core CPI came in below forecasts, showing ongoing moderation in the inflation figures and allowing the Fed to continue to focus on the labor market.
- Headline and Core PPI figures were also benign.
- Overall and Core Retail Sales posted solid gains, confirming ongoing consumer strength.
- Industrial Production, Manufacturing Output, and Capacity Utilization all came in above forecasts in December.
- New and Existing Home Sales came in handily above forecasts, hopefully signaling the start of a recovery in the housing market.
- Upcoming key data:
 - Pending Home Sales, Construction Spending (Weds)
 - Final Q4 GDP, Core PCE, Income & Spending (Thurs)
 - Flash PMIs, UMich Consumer Sentiment (Fri)

Appendix

Yields & Futures

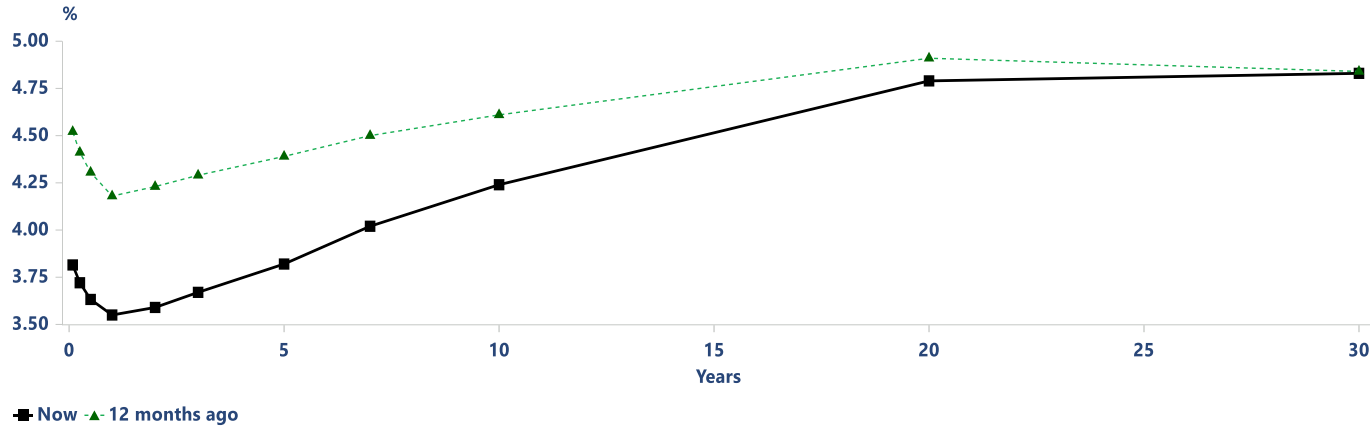
FED FUNDS FUTURES & 2-YEAR TREASURY YIELD



Source: Main Management, CME Group, U.S. Treasury, Macrobond. Data last updated: 1/16/2026



US TREASURY YIELD CURVE

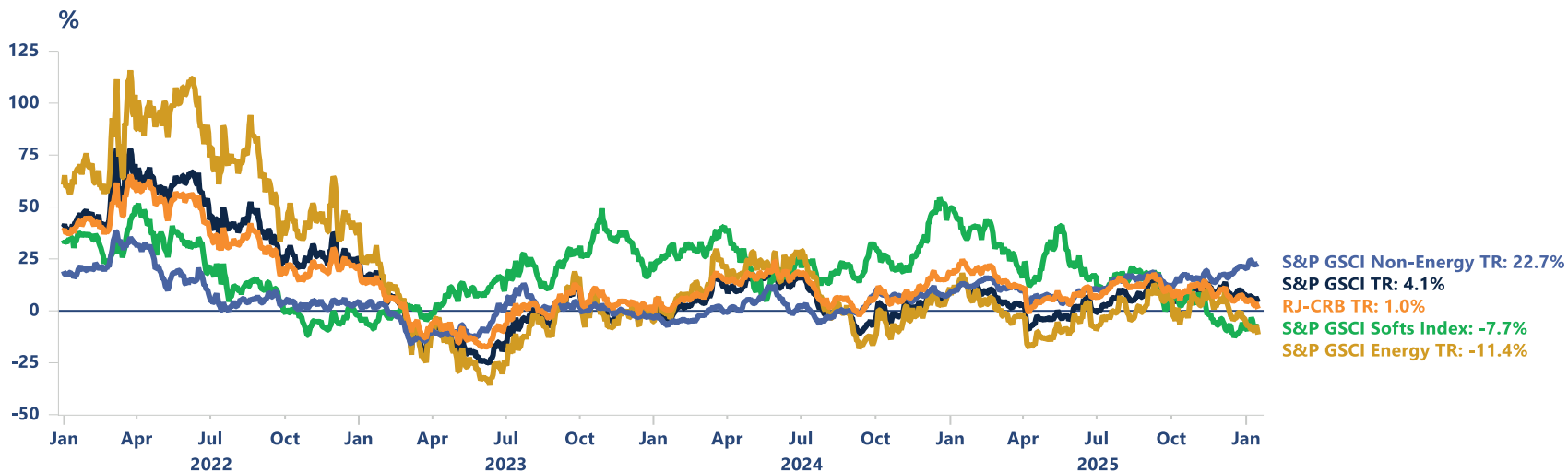


Source: Main Management, U.S. Treasury, Macrobond. Data last updated: 1/16/2026



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: 1/16/2026

Commodity	1 Month	3 Months	YTD ↓	1 Year
Silver	49.7	82.6	31.0	204.9
Bitcoin	5.8%	-15.5%	9.2%	-1.0%
Gold	7.3	11.4	6.7	72.4
Copper	13.9	24.1	5.4	44.6
Gasoline	1.8	-2.4	4.6	-15.2
BBG Commodity Index	4.6	8.1	3.9	10.9
S&P GSCI	4.1	5.9	3.4	5.5
Crude Oil	2.9	1.4	3.0	-23.1
Coffee	-9.8	-10.4	2.7	11.2
Lumber	-1.1	-10.8	2.5	0.3
Soybeans	-2.2	4.6	2.2	1.0
US Dollar (DXY)	0.9	0.3	1.0	-9.1
Cotton	1.4	1.9	0.7	-4.1
Corn	-2.6	1.7	-4.5	-11.4
Natural Gas	-23.9	3.3	-15.1	-21.2

Source: Main Management, S&P Global, CME Group, ICE, LME, Macrobond. Data last updated: 1/16/2026

Disclosures

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