



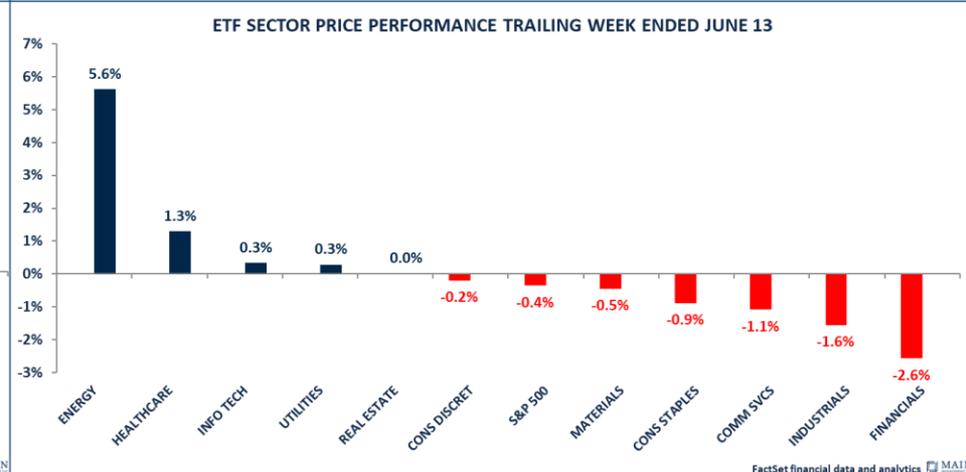
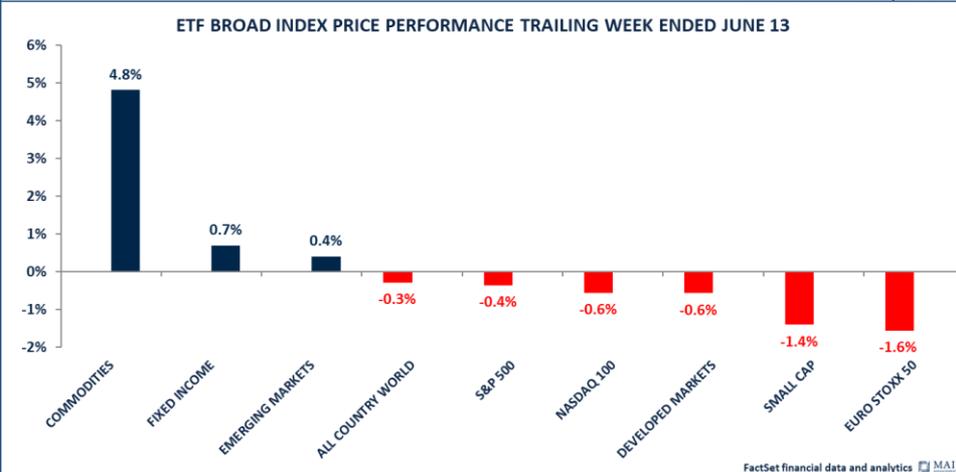
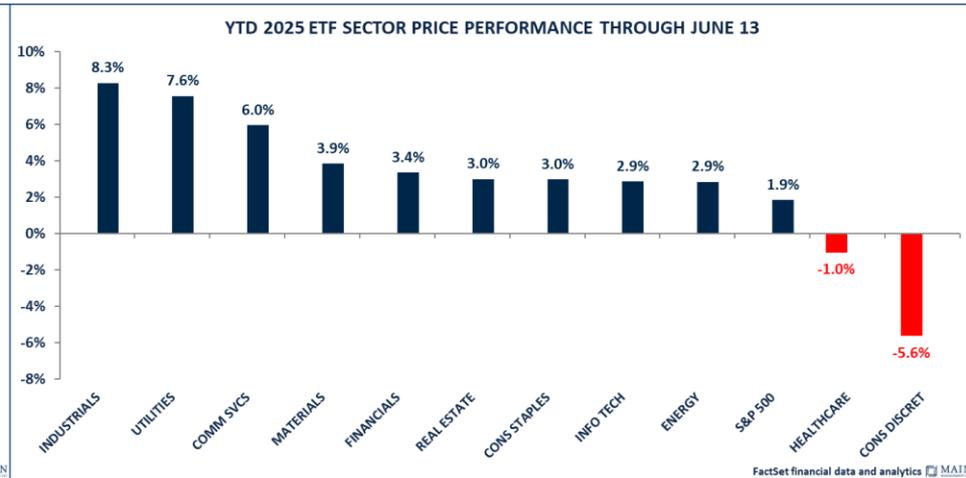
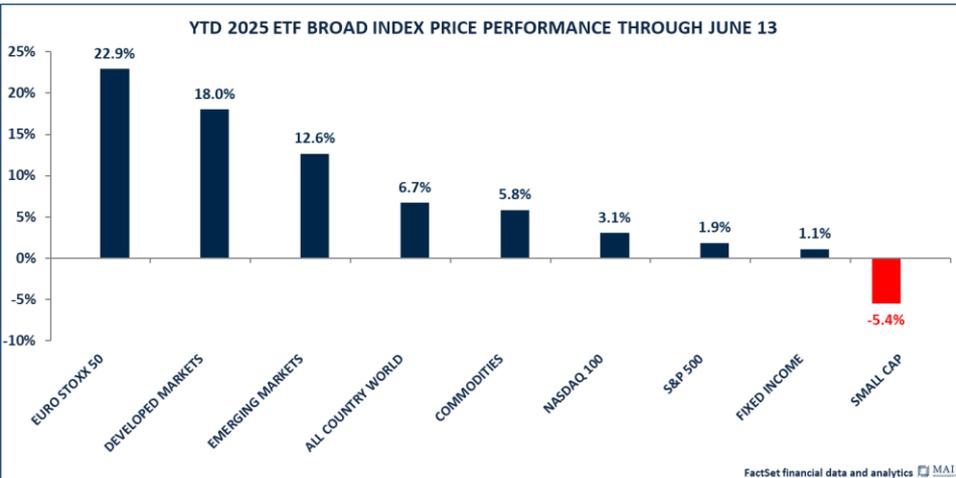
**MAIN**  
MANAGEMENT, LLC

# **MAIN MANAGEMENT MARKET NOTE: June 13, 2025**

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# Performance



# Recession Dashboard

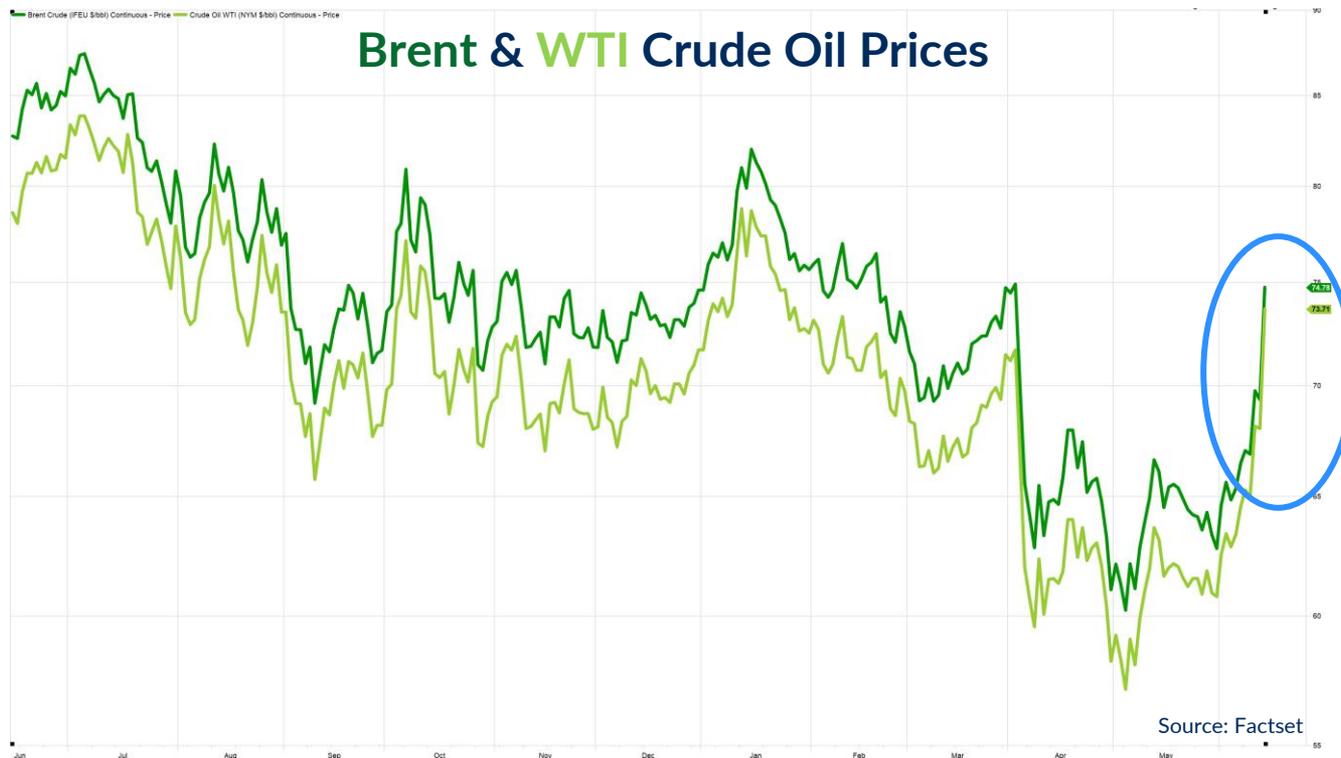
RECESSION START	INFLATION	CONSUMER	YIELD CURVE	HOUSING	SENTIMENT	AUTOS	EMPLOYMENT	PMI	RETAIL SALES
NOV 1973	↓	—	—	↓	—	—	↓	↓	—
JAN 1980	↓	↓	↓	↓	↔	↓	↓	↓	—
JUL 1981	↓	↓	↓	↓	↔	↓	↓	↓	—
JUL 1990	↓	↓	↓	↓	↔	↓	↓	↔	—
MAR 2001	↔	↓	↓	↔	↔	↔	↓	↓	↔
DEC 2007	↓	↓	↓	↓	↔	↓	↓	↓	↓
DEC 2019	↑	↑	↔	↔	↑	↔	↑	↔	↔
JUNE 2025	↔	↔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

# Israel - Iran

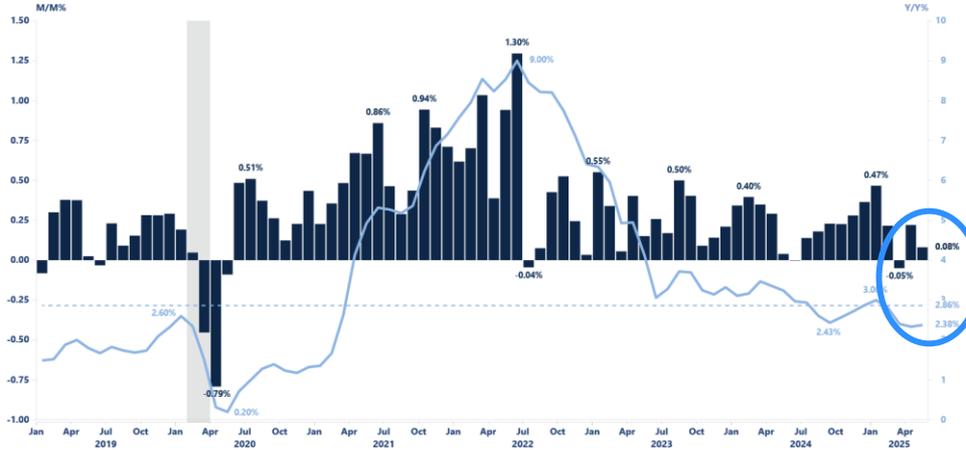
Israel attacked Iran at the end of the week, killing some of Iran’s top military leaders and causing a spike in oil prices. Israel is also targeting Iran’s nuclear weapons facilities. So far, energy infrastructure has not yet been attacked but that could change. It does not appear as though markets are pricing in a closing of the Strait of Hormuz for the time being.



# May CPI

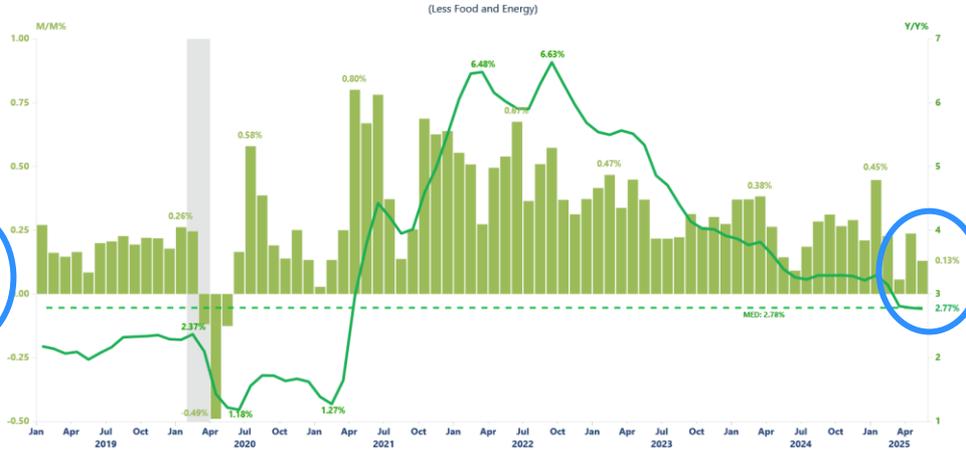
May's Headline CPI reading (left) came in below forecasts again, rising +0.08% M/M, solidly below forecasts for a +0.2% increase. Core CPI (right) also came in cooler than expected at +0.13% M/M versus +0.3% forecasted. On a Y/Y basis, Headline CPI ticked up slightly to +2.38% as a tough 0.04% comp rolled off. Core CPI slowed incrementally to +2.77%, the lowest since March 2021! June's CPI reading will be another tough comparison, so we will likely see the Y/Y figure accelerate again. Thus far, the tariff signs have been muted.

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



■ CPI M/M, lhs — CPI Y/Y, rhs — Y/Y Median, rhs  
Source: Main Management, BLS, Macrobond. Data last updated: 6/11/2025

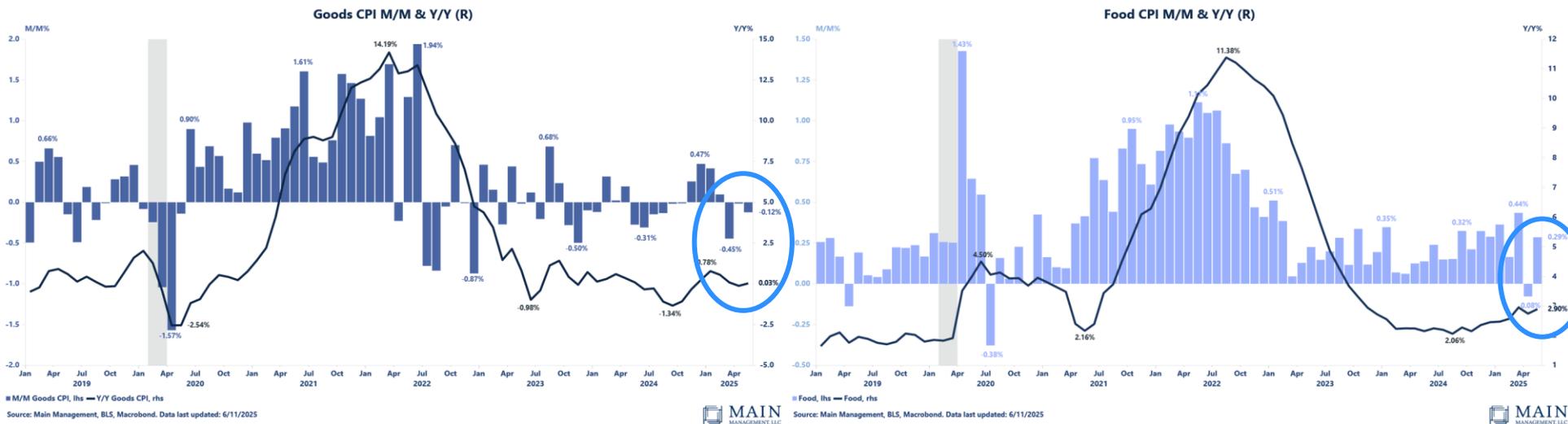
Core CPI M/M & Y/Y (R)  
(Less Food and Energy)



■ M/M, lhs — Y/Y, rhs — Y/Y Median, rhs  
Source: Main Management, BLS, Macrobond. Data last updated: 6/11/2025

# Goods & Food CPI

Goods CPI (left) has been deflationary for the last 3 straight months, with May's reading down  $-0.12\%$  M/M. On a Y/Y basis, Goods are basically flat, up just  $+0.03\%$ . Food (right), on the other hand, rebounded from April's down reading, rising  $+0.29\%$  M/M and accelerating to  $+2.90\%$  Y/Y, the 2<sup>nd</sup> highest reading since Nov. 2023. Food price increases continue to be in that accelerating trend we saw start back in August 2024 when they bottomed out at  $+2.06\%$ .



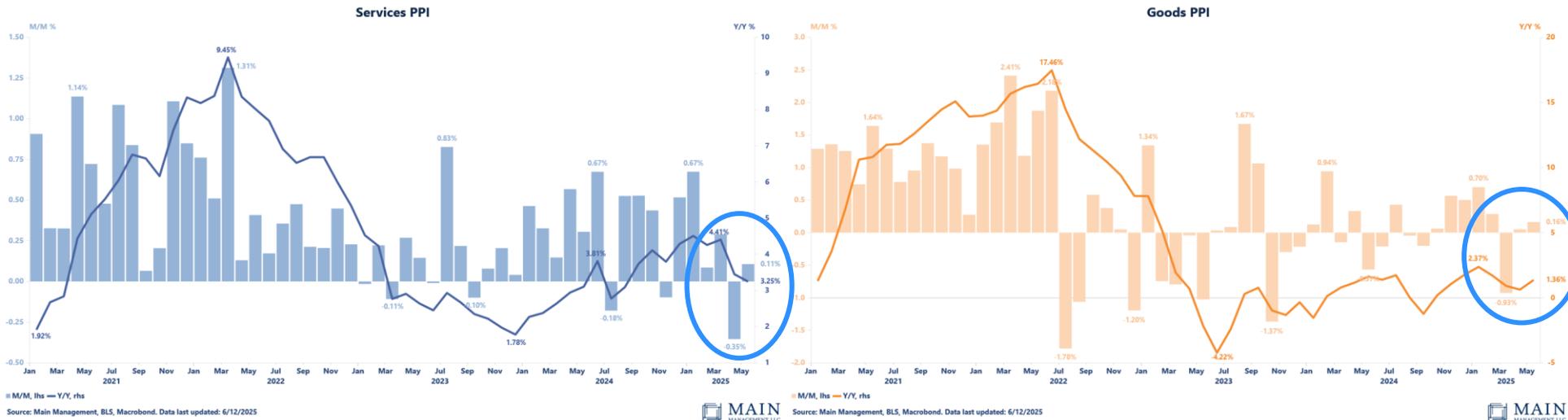
# May PPI

Similar to CPI, both Overall and Core PPI came in slightly below forecasts in May. Overall PPI (left) rose +0.13% M/M versus forecasts for a 0.20% and Core (right) was up +0.14% M/M versus 0.30% expectations. On a Y/Y basis, Overall PPI ticked up to +2.65% as a tough comp rolled off, while Core PPI slowed to +3.03%, the smallest rise since June 2024. Still not really seeing any signs of tariffs here...



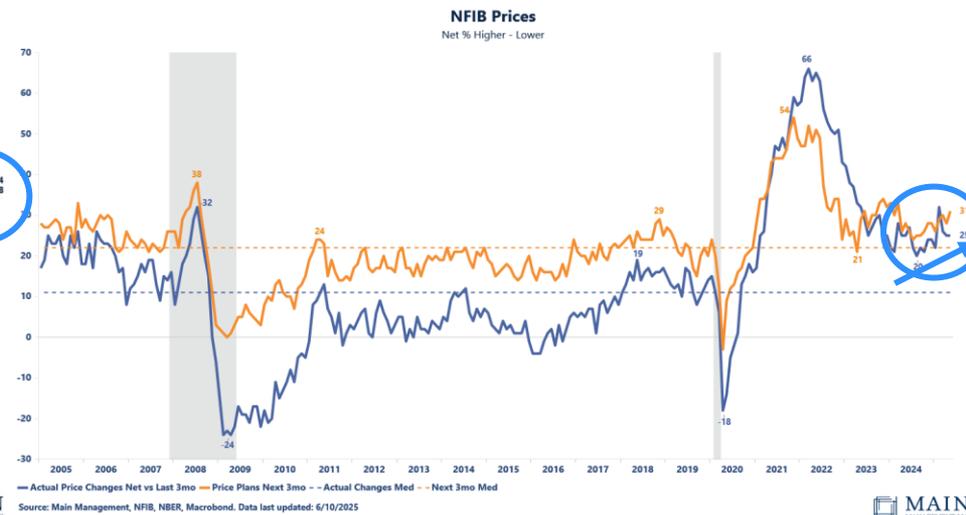
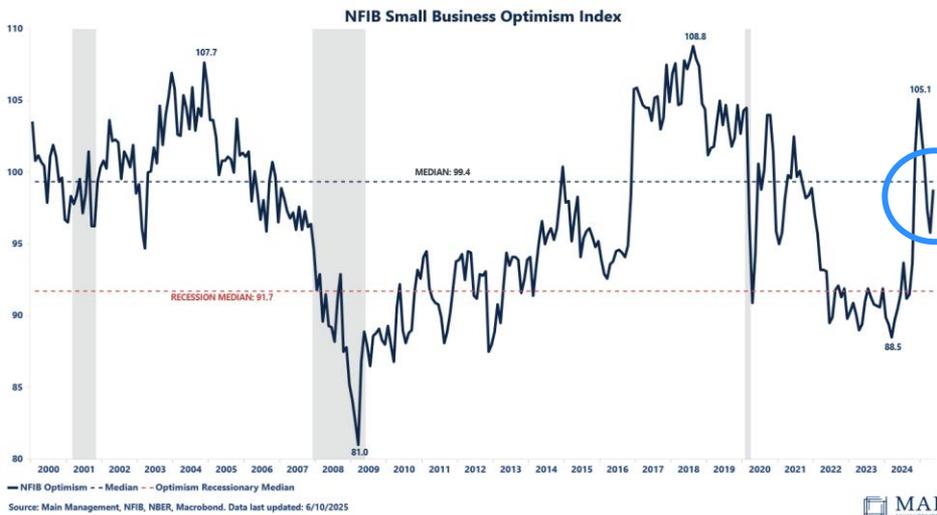
# Goods & Services PPI

Looking through the PPI report, we see that Services (left) were up +0.11% M/M, rebounding from a big -0.35% drop in April. They slowed to +3.25% Y/Y, the smallest gain since August 2024. Goods PPI rose +0.16% M/M, the biggest in a few months and accelerated to +1.36% Y/Y.



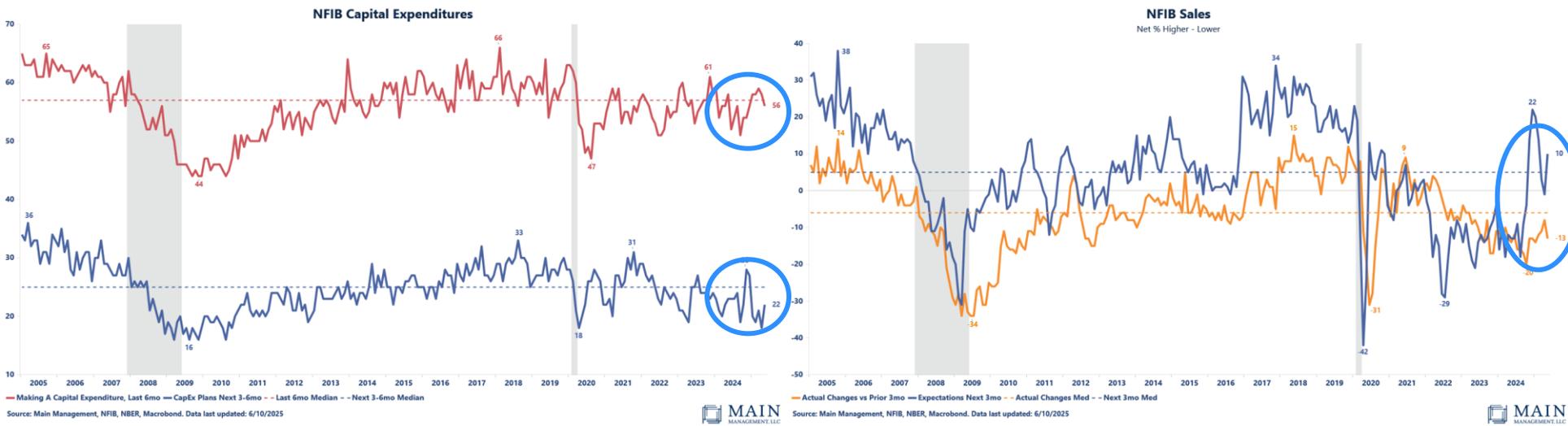
# Small Business Optimism

The NFIB Small Business Optimism Index (left) unexpectedly rebounded to 98.8 in May, solidly above forecasts for a 95.9 reading and reversing 4 straight down months. The Pricing picture (right) has been closely watched for signs of upward pressures due to tariffs. May saw a net 31% of firms plan to raise vs lower prices (orange line), the highest since March 2024, which isn't a great development for consumers. A net +25% more firms reported raising vs lowering prices over the last 3 months, unchanged from April, but still well above pre-covid levels.



# Declining Uncertainty?

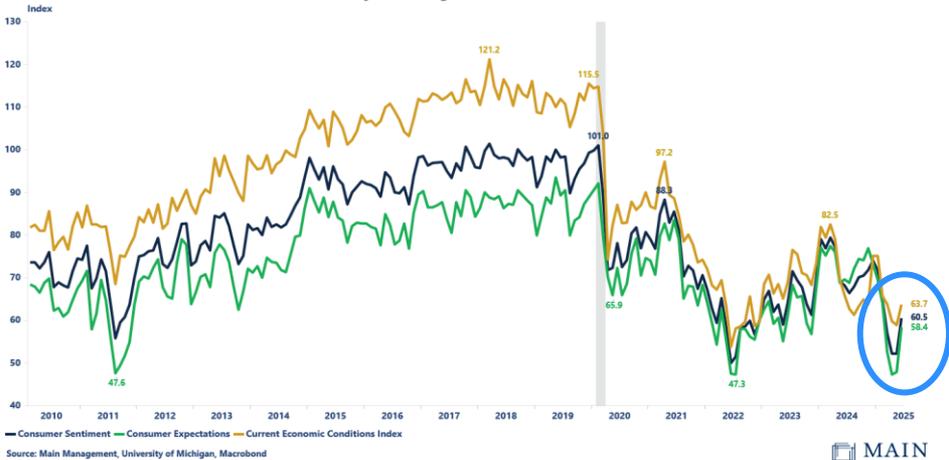
Firms making a capital expenditure (left, red) in the last 6 months declined to +56% while those with capex plans in the next 3-6 months improved to +22%, the highest in a few months. We are maybe coming out of some of the uncertainty that has kept firms from doing capex the last few months. It is also good to see sales expectations (right, blue) for the next 3mos rise to a net +10% higher vs lower while actual sales changes vs the prior 3mos declined to -13% lower vs higher. Again, the optimistic shift in sales forecasts is perhaps another a sign we're seeing firms getting more confident in the outlook for the next few months.



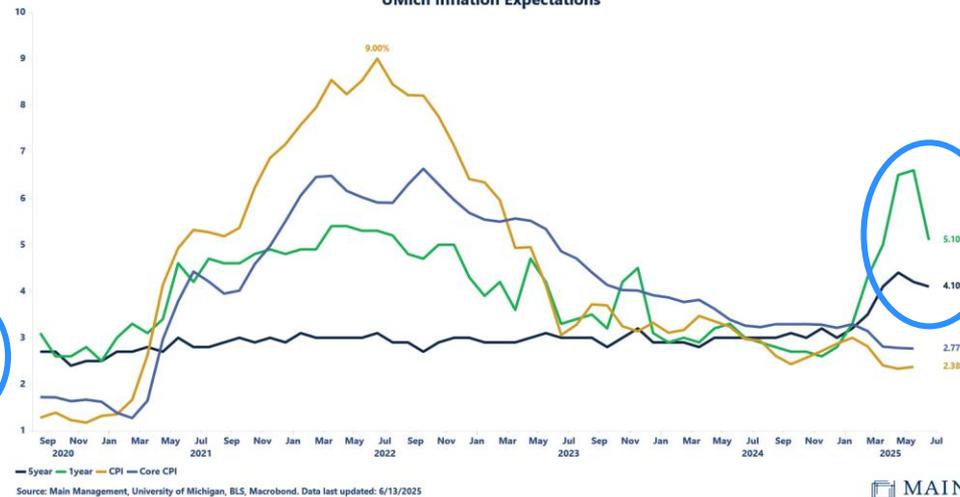
# Consumer Sentiment

The preliminary June reading for the University of Michigan Consumer Sentiment Index (left) rose to 60.5, well above expectations for a 53.5 reading. The +8.3-point jump is the biggest monthly gain since Jan. 2024. Current Economic Conditions moved up to 63.7 and Expectations improved to 58.4, the highest levels in a few months. Meanwhile, inflation expectations (right) declined, with 1yr moving down to 5.1% and 5yr down to 4.1%, indicating that consumers' fears about the potential impact of tariffs on future inflation have softened somewhat.

University of Michigan Consumer Sentiment



UMich Inflation Expectations



# Summary

- Israel's attack on Iran resulted in the deaths of several Iranian military leaders and caused a spike in oil prices.
- Both CPI and PPI readings for May came in below forecasts as tariff price increases have yet to really show up meaningfully.
- NFIB Small Business Optimism unexpectedly improved in May as some of the tariff-related economic uncertainty may be abating.
- The preliminary reading for UMich Consumer Sentiment jumped over 8 points to 60.5 while 1yr out inflation expectations cooled to 5.1%.
- Upcoming key data to watch:
  - Retail Sales (Tues)
  - Industrial Production (Tues)
  - Housing Starts (Weds)

# Appendix

# Yields & Futures

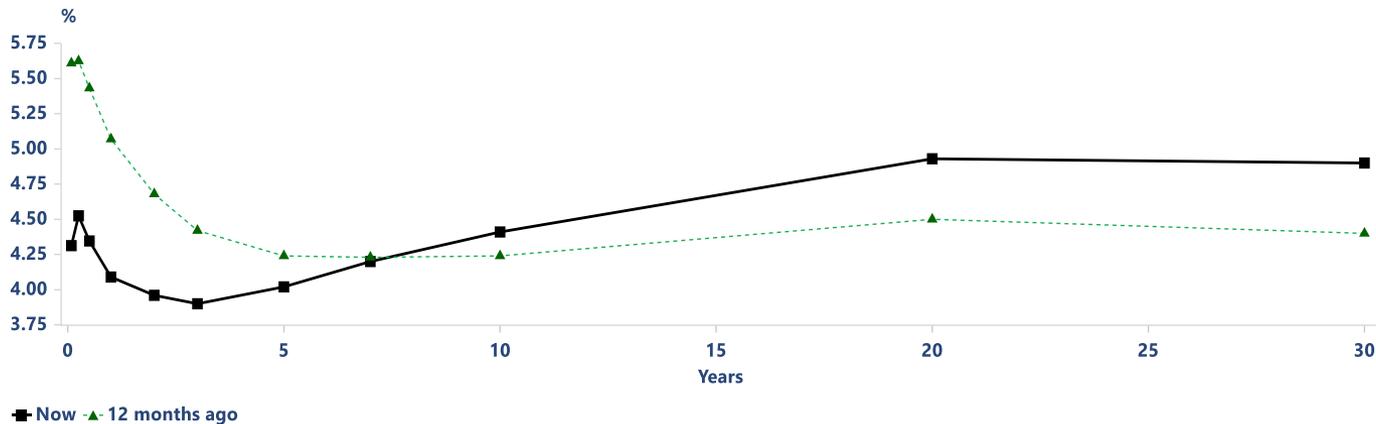
## FED FUNDS FUTURES & 2-YEAR TREASURY YIELD



Source: Main Management, CME Group, U.S. Treasury, Macrobond. Data last updated: 6/13/2025



## US TREASURY YIELD CURVE



Source: Main Management, U.S. Treasury, Macrobond. Data last updated: 6/13/2025



# 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: 6/13/2025

Commodity	1 Month	3 Months	YTD ↓	1 Year
Gold	1.8	16.1	30.0	46.2
Silver	10.8	10.1	25.1	24.3
Bitcoin	2.9%	27.8%	13.4%	57.3%
Copper	3.1	1.4	12.8	1.5
Lumber	13.8	-4.5	12.4	24.9
Coffee	-12.4	-12.9	8.8	57.7
Gasoline	1.6	1.8	7.1	-11.0
BBG Commodity Index	0.5	-1.5	4.6	0.5
Soybeans	-0.2	4.5	4.4	-11.5
S&P GSCI	4.6	1.8	3.2	2.7
Natural Gas	-8.0	-21.6	-3.9	11.6
Corn	-0.7	-3.9	-4.4	-2.4
Cotton	-7.6	0.6	-4.8	-10.4
Crude Oil	11.6	2.5	-4.9	-13.0
US Dollar (DXY)	-2.4	-5.2	-9.7	-6.9

Source: Main Management, S&P Global, CME Group, ICE, LME, Macrobond. Data last updated: 6/12/2025

# 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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