

Delta Investment Management is a registered investment advisory firm. Delta welcomes discussions with individuals seeking investment advice and advisors seeking a new turnkey asset management solution.

Delta manages portfolios at TD Ameritrade and Schwab.

Please contact Delta at info@deltaim.com or 415-249-6337 to learn more.

August 27, 2021

Bad News Gets Old

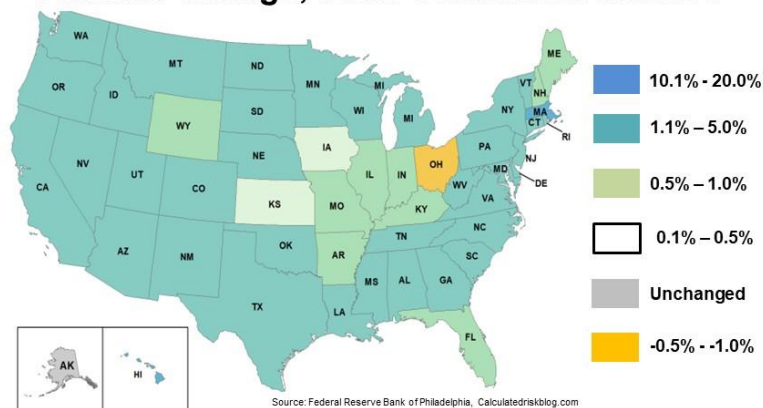
Investors have endured a steady stream of bad news from the Covid pandemic for well over a year. As time passes, the Covid bad news gets old and investors are left with fresher good news. Although Covid has been a persistent negative economic force, it is not stopping the steady progression towards a recovered economy. For example, the second estimate of Q2 GDP growth released this week was 6.6%. A 6.6% GDP growth report is a reminder that a recession is nowhere in sight and the bounce still has spring in it.

Over the past three months, 48 states have seen improvement in:

- Nonfarm payroll employment,
- Average hours worked in manufacturing,
- Unemployment rate, and
- Wage and salary disbursements in real dollars.

Only Ohio has experienced a slight deterioration and Alaska is unchanged. These measures of economic activity are considered coincident measures.

3-Month Change, State Coincident Indexes



In the past week, investors risk appetite for buying stocks most impacted by Covid (services, retail, airlines, energy, etc.) jumped higher. This can be crudely measured by the 4% appreciation of the Russell 2000 versus the 1.7% appreciation of the S&P 500 over the past five trading days. The “risk-on” trade reflects more good news than bad.

The recipe of very supportive monetary and fiscal policy, steady economic advancement and roughly \$5 trillion sitting on the sidelines looking to buy the dips is delivering a robust bull market. Year-to-date, the S&P 500 has attained a new record closing high 50 times. 50 closing highs out of 165 trading days so far this year represents new closing highs 30% of the time.

Let Us Help You Position Your Portfolio – Give Us a Call Today

We have unique and sophisticated investment methods that seek to capture the stock market’s gains while minimizing drawdowns in bear markets. If you would like to learn more about how we manage money, we invite you to give us a call at **(415) 249-6337**, visit www.deltaim.com or email us at info@deltaim.com.



“We’re not year-round people, weekend people, or summer people. We’re last-ten-days-in-August people.”

Delta Stock Market Dashboard

MARKET SENTIMENT IS

BULLISH

THIS WEEK'S NUMBER IS

58.1

Our technical indicator increased from 49.6 to 58.1 this week

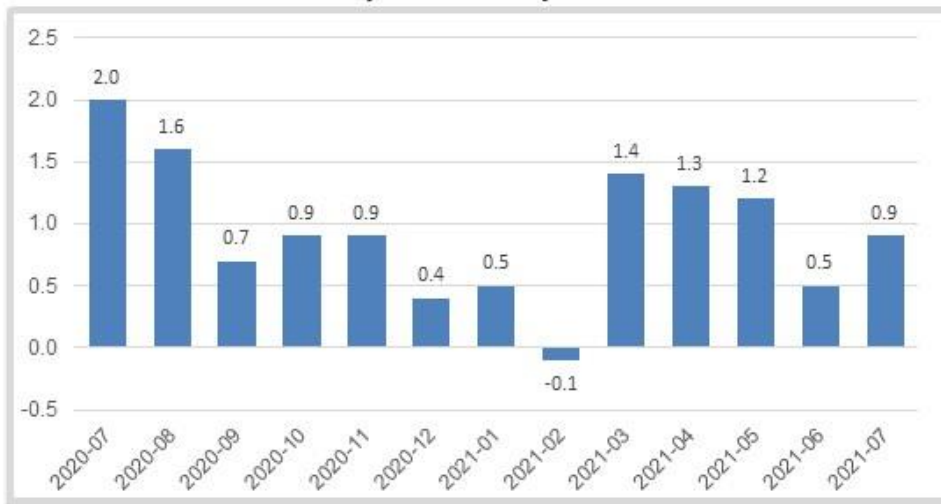
INDICATOR STATISTICS

Consecutive Bullish Weeks:	3
Cycle Inception Date:	8/12/2021
Range:	49.6 – 58.1
Mean:	52.8
Bullish Weeks YTD:	31
Bearish Weeks YTD:	3
*S&P 500	0.7%
*DJIA	-0.5%
*NASDAQ	1.4%

*Percentage change during current cycle



Leading Economic Index % Change Monthly July 2020 – July 2021



Source: The Conference Board – last update 08/19/2021

Pursuant to the provisions of Rule 206(4)-1 of the Investment Advisors Act of 1940, we advise all readers to recognize that they should not assume that recommendations made in the future will be profitable or will equal the performance of past recommendations. This publication is not a solicitation to buy or offer to sell any of the securities listed or reviewed herein. The contents of this letter have been compiled from original and published sources believed to be reliable, but are not guaranteed as to accuracy or completeness. Nicholas Atkeson and Andrew Houghton are also principals of Delta Investment Management, a registered investment advisor. Clients of Delta Investment Management and individuals associated with Delta Wealth Adviser may have positions in and may from time to time make purchases or sales of securities mentioned herein.

THIS NEWSLETTER IS PROTECTED BY COPYRIGHT LAW. UNAUTHORIZED DISTRIBUTION AND/OR REPRODUCTION BY PHOTOCOPY OR ANY OTHER MEANS IS STRICTLY PROHIBITED AND PUNISHABLE BY A FINE OF UP TO \$25,000.