

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.

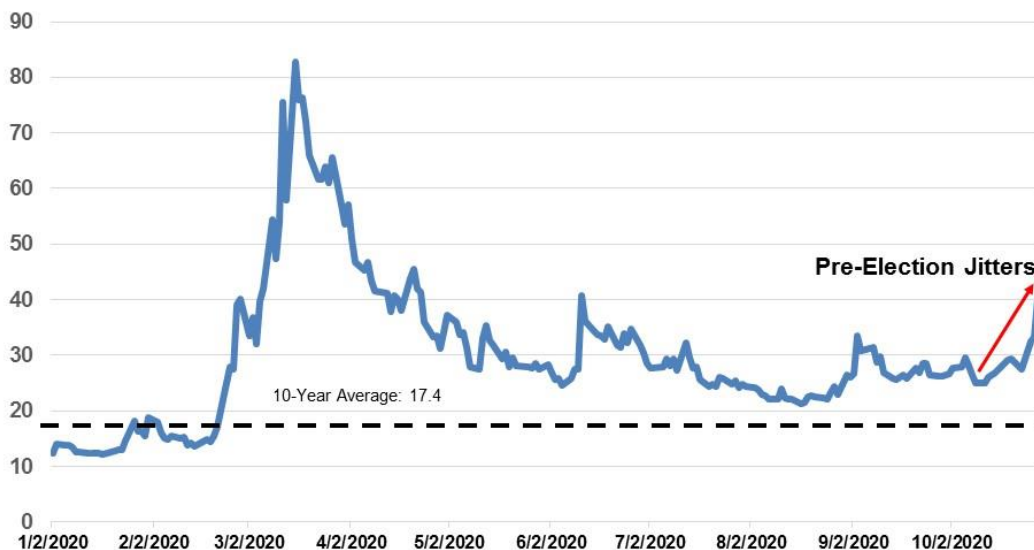
October 30, 2020

Certain Uncertainty

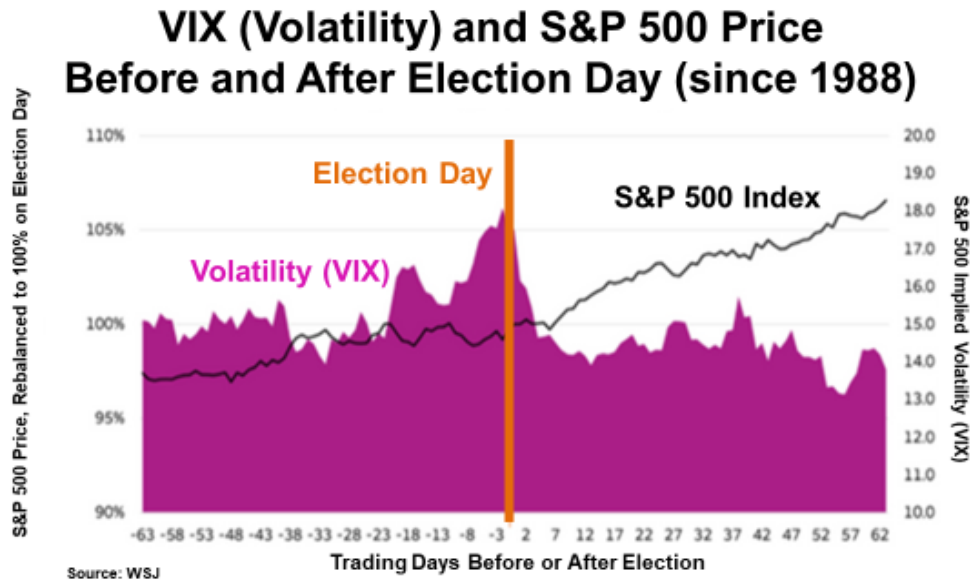
Since 1788 and thanks to George Washington, the most popular president of all-time, we have held presidential elections once every four years. The four-year presidential cycle in the U.S. is certain. What is uncertain is who will win the election. On, or shortly after, election day (Tuesday, November 3, 2020), we gain certainty on who won.

Investors do not like uncertainty. As the uncertainty of election day approaches, volatility rises. Yesterday, the CBOE Volatility Index (VIX) reached 40. The VIX measures put option buying on short dated S&P 500 index options and is a proxy of investor anxiety and uncertainty. VIX's 10-year average is 17.4; YTD the average is 30.3.

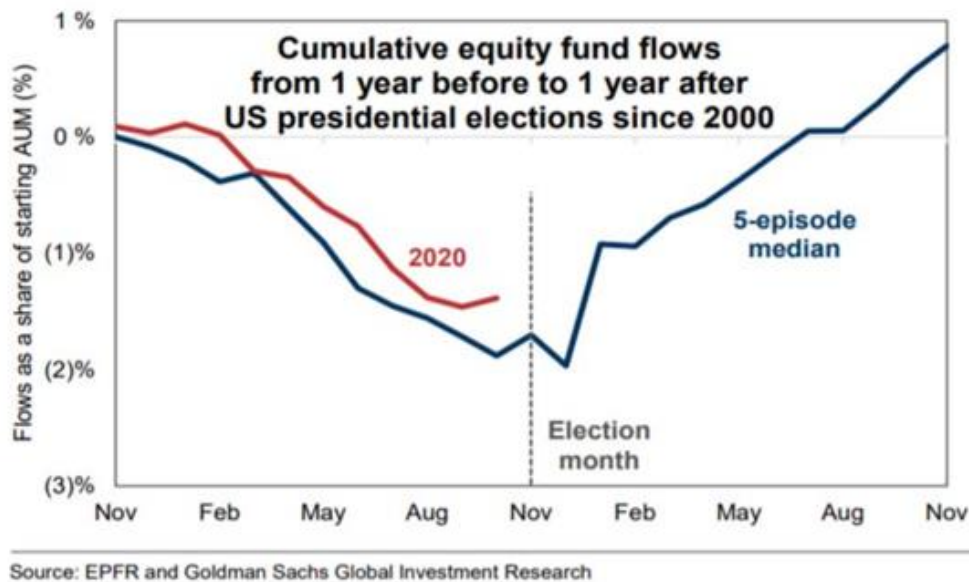
CBOE Volatility Index (VIX)



The Wall Street Journal published the chart below showing that for the past 32 years volatility rises pre-election and then falls dramatically post-election. It also shows stocks struggle with rising volatility and appreciate as volatility subsides.



Uncertainty can also be measured by how much money investors place in risk assets (stocks). The chart below shows that cumulative equity fund flows leading up to a presidential election are typically negative and then turn positive post-election.



Elections are contentious. When we add Covid-19, economic shutdowns, and stimulus/no-stimulus, the investment landscape becomes even more uncertain and volatile.

We can be certain the presidential election will officially take place next Tuesday. Following the election, we will know who is president. With either candidate, the probability the federal government moves forward with a stimulus bill is high. Bold new economic plans may be announced. With two months left in 2020, there remains the upside possibility of a Covid-19 vaccine or anti-body announcement. Like the presidential years that have come before, there will be compelling reasons to invest in stocks post-election 2020.

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.



Delta Stock Market Dashboard

MARKET SENTIMENT IS

BULLISH

THIS WEEK'S NUMBER IS

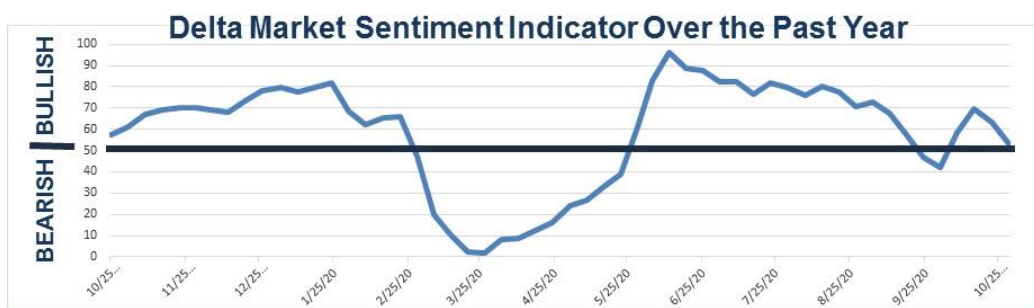
53.0

Our technical indicator decreased from 63.5 to 53.0 this week

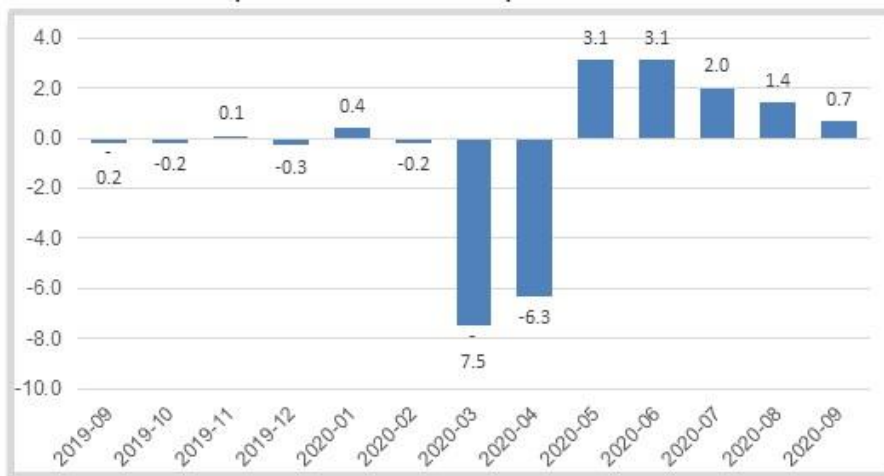
INDICATOR STATISTICS

Consecutive Bullish Weeks:	4
Cycle Inception Date:	10/8/2020
Range:	53.0 – 69.5
Mean:	61.2
Bullish Weeks YTD:	29
Bearish Weeks YTD:	15
*S&P 500	-4.2%
*DJIA	-6.3%
*NASDAQ	-2.2%

* Percentage change during current cycle



Leading Economic Index % Change Monthly September 2019 – September 2020



Source: The Conference Board, updated monthly – last update 10/22/2020

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