

*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.  
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March 26, 2021

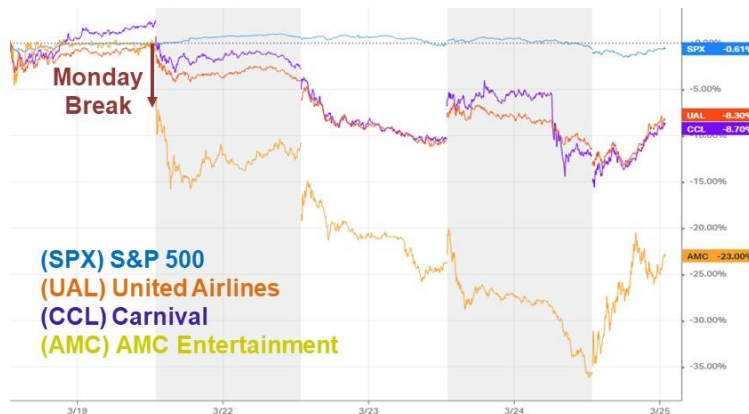
### **An Open Question**

Texas and Mississippi are 100% open and masks are not mandated. Northern California, the most Covid closed region of the U.S., is reopening with restricted access to indoor dining, gyms and movie theaters. Vaccines should be available to all Americans by the end of May. The question of Open appeared to be shut.

Johns Hopkins University reported this week that the seven-day average of new Covid cases rose by 5% or more in 27 states. In the U.S., the Covid death count is declining but globally, the World Health Organization (WHO) reported on Monday that the weekly global death count has risen after six weeks of decline. Germany, France, Italy, Spain, Czech Republic, Belgium, Ireland and Portugal are either extending lockdowns or instituting tighter restrictions.

The re-open trade represented by United Airlines (UAL), Carnival Cruise Lines (CCL) and AMC Entertainment (AMC, movie theaters) struggled in the past five trading days with these three stocks down 8%-23% versus a roughly flat S&P 500. On the chart below, it is clear the re-open stocks separated to the downside from the S&P 500 Index on Monday, March 22 in the wake of the WHO report.

**5 Trading Days, Re-Open Stocks vs. S&P 500**



Small cap stocks are also viewed as highly sensitive to economic reopening. The Russell 2000 small cap index was down 4.4% in the past trading week. Commodity prices including oil have traded off recent highs. This week, the Open question was re-opened.

A small positive regarding open doubts is the 10-year treasury yield has also pulled back from recent highs as the open question is disinflationary. We should expect to encounter turbulence in the reopening process but the movement is underway and unstoppable over time. The don't fight the Fed, fiscal stimulus and economic reopening trade remains in place this week despite the open question.

### **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](http://www.deltaim.com) or email us at [info@deltaim.com](mailto:info@deltaim.com).



*“I’m sorry about this, but I am afraid I just  
can’t wait till May 17<sup>th</sup>.”*

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# Delta Stock Market Dashboard

MARKET SENTIMENT IS

**BULLISH**

THIS WEEK'S NUMBER IS

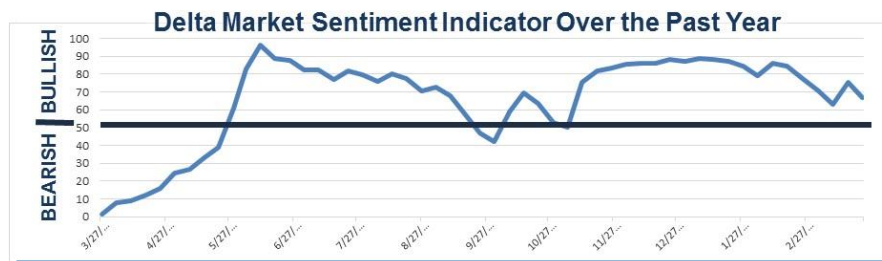
**66.8**

Our technical indicator decreased from 75.4 to 66.8 this week

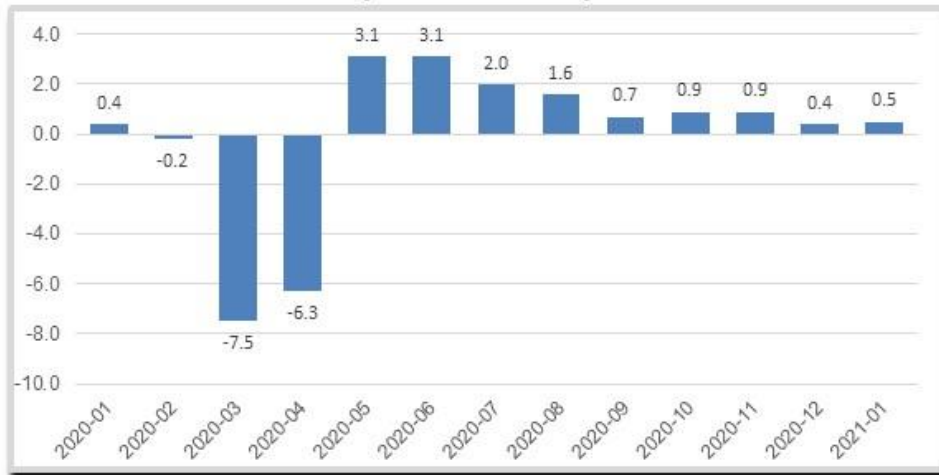
## INDICATOR STATISTICS

Consecutive Bullish Weeks:	25
Cycle Inception Date:	10/8/2020
Range:	58.6 – 88.6
Mean:	77.2
Bullish Weeks YTD:	12
Bearish Weeks YTD:	0
*S&P 500	11.9%
*DJIA	13.0%
*NASDAQ	12.1%

\* Percentage change during current cycle



## Leading Economic Index % Change Monthly January 2020 – January 2021



Source: The Conference Board, updated monthly – last update 02/22/2021

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