

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.

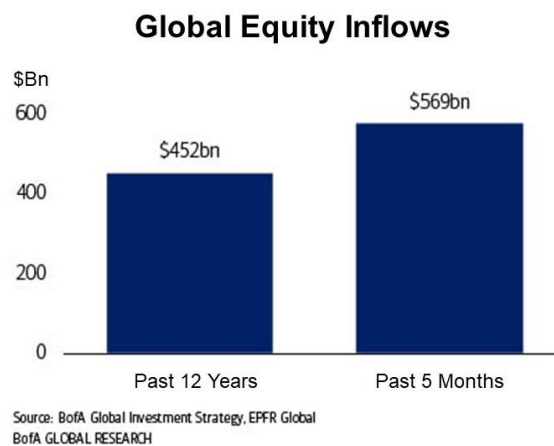
Please contact Delta at info@deltaim.com or 415-249-6337 to learn more.

April 16, 2021

Flood Tide

A rising tide lifts almost all boats. In this case, we are experiencing a financial flood. During the financial crisis of 2008, roughly \$800 billion was spent on various bailouts. Today, the U.S. government has spent roughly \$10 trillion on Covid related stimulus/support. Globally, there has been \$31 trillion of government stimulus.

According to Bank of America, global equity inflows were \$569 billion in the past five months. This figure greatly exceeds the global equity inflows of the past 12 years of \$452 billion.



When the flood of money is combined with:

- A 1.5% 10-year treasury rate, down from 1.75% two weeks ago,
- A CBOE volatility index (VIX) of 16.8%, down from 30 six weeks ago,
- Accelerating retail sales – March retail sales up 9.8% m/m versus expectation of 5.3%,
- A record level of new job openings with rapidly declining initial jobless claims,
- Robust earnings reports (albeit versus very easy year/year comparisons),
- Steady economic reopening, and

- Federal Reserve Chair Jerome Powell saying “We feel like we’re at a place where the economy’s about to start growing much more quickly and job creation coming in much more quickly...I’d say that we and a lot of private-sector forecasters see strong growth and strong job creation starting right now. So really, the outlook has brightened substantially.” on 60-Minutes last Sunday.

It is not surprising the result is bullish price action in the stock market.

The rising flood of money gives the bull market momentum. Market price pullbacks are met with buying pressure. More buyers than sellers is a recipe for higher prices. The emerging risk is higher prices become disconnected from reasonable valuation metrics.

This week, the trend remains our friend. We are invested in equities. During times when money is plentiful and confidence high, it is more important than ever to stick to your investment plan and discipline. We use macro-economic and stock price metrics to monitor risk and reduce equity exposure if the need arises. Give us a call if you would like to learn more.

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.



Delta Stock Market Dashboard

MARKET SENTIMENT IS

BULLISH

THIS WEEK'S NUMBER IS

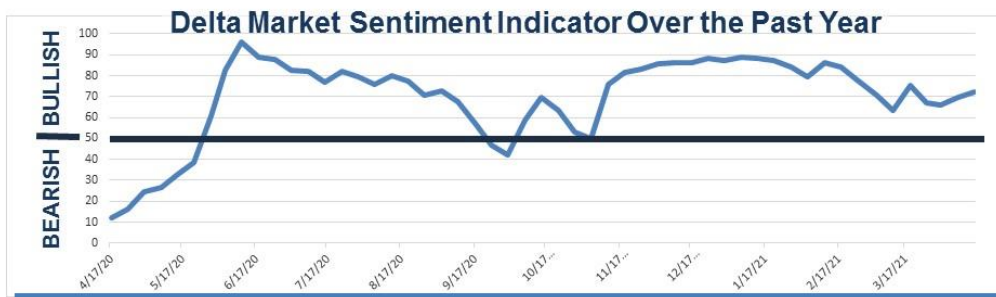
72.2

Our technical indicator increased from 69.4 to 72.2 this week

INDICATOR STATISTICS

Consecutive Bullish Weeks:	28
Cycle Inception Date:	10/8/2020
Range:	58.6 – 88.6
Mean:	76.0
Bullish Weeks YTD:	15
Bearish Weeks YTD:	0
*S&P 500	20.7%
*DJIA	19.6%
*NASDAQ	22.6%

* Percentage change during current cycle



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