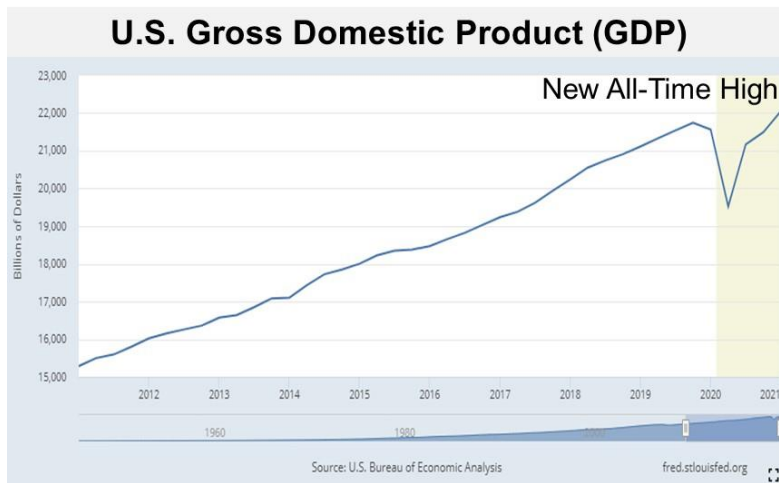


*Delta Investment Management is a registered investment advisory firm. Delta welcomes discussions with individuals seeking investment advice and advisors seeking a new turnkey asset management solution.  
Delta manages portfolios at TD Ameritrade and Schwab.  
Please contact Delta at [info@deltaim.com](mailto:info@deltaim.com) or 415-249-6337 to learn more.*

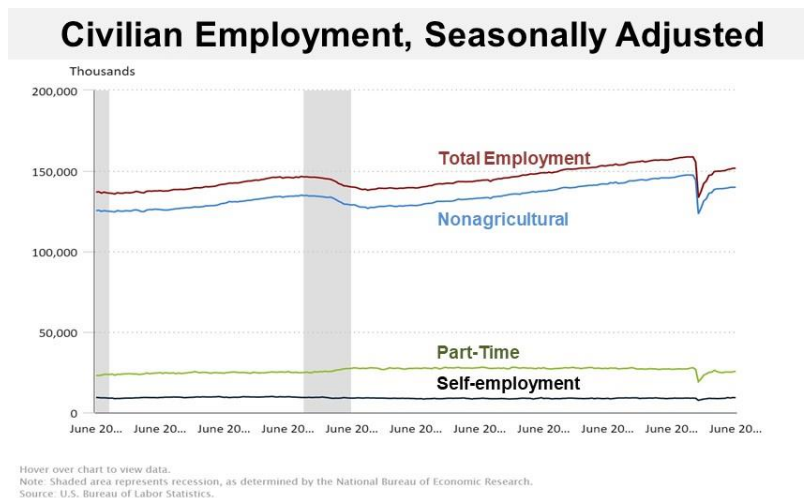
July 9, 2021

**Productivity Growth**

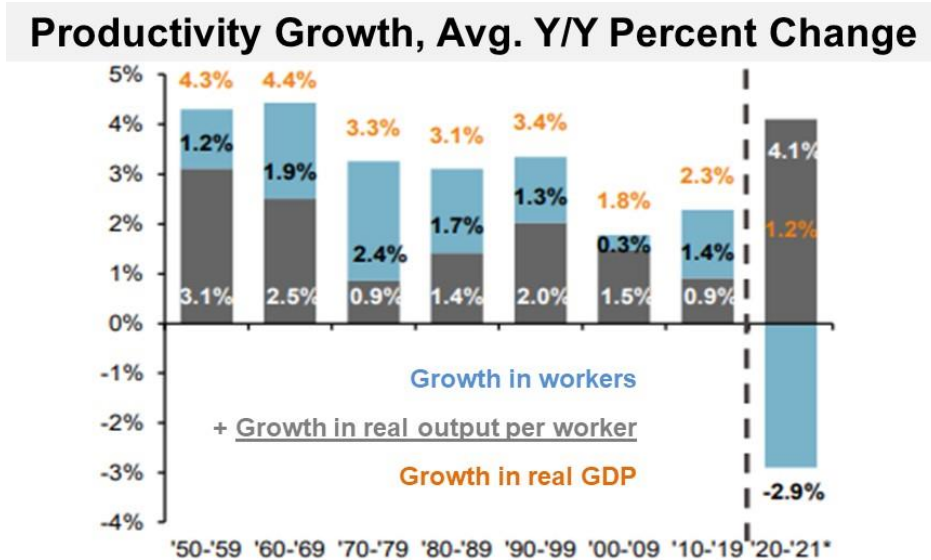
Economic output in the United States is at new all-time high.



The record level of output was achieved with 6.76 million fewer people working since pre-pandemic.



More output from fewer people created the biggest rise in productivity growth in the past 70 years.



Productivity growth allows for a greater share of corporate profits to go to wages without diminishing earnings growth rates. Wages increased at an annualized year-over-2-year measure of 4.6% in June. (Note: The year over 2-year measure is used to reduce the distorting impact of the 2020 Covid year.) This is the fastest pace of wage growth since 1983.

More output driven by higher productivity bodes well for corporate earnings. Further stock market gains will likely have to be driven by higher-than-expected earnings rather than from further multiple expansion. The current S&P 500 multiple of 21.5x is elevated relative to the 25-year average P/E of 16.7x. Earnings season begins next week on Tuesday. As the reports start to flow in, we will learn if the productivity surge has caused earnings to also surge above expectations.

**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).



"How's your book coming?"

## Delta Stock Market Dashboard

MARKET SENTIMENT IS

**BULLISH**

THIS WEEK'S NUMBER IS

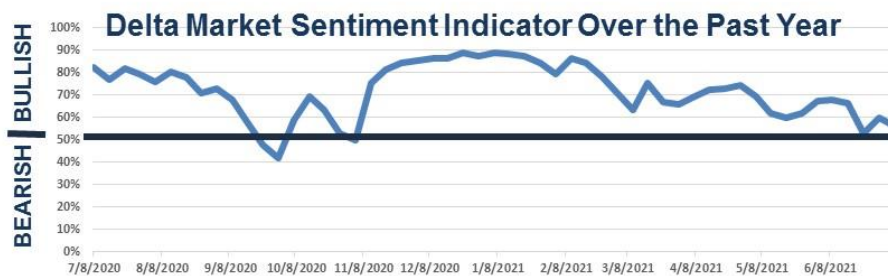
**56.3**

Our technical indicator decreased  
from 59.7 to 56.3 this week

### INDICATOR STATISTICS

Consecutive Bullish Weeks:	40
Cycle Inception Date:	10/8/2020
Range:	52.9 – 88.6
Mean:	72.5
Bullish Weeks YTD:	26
Bearish Weeks YTD:	0
*S&P 500	24.5%
*DJIA	20.7%
*NASDAQ	26.2%

\* Percentage change during current cycle



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