

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.

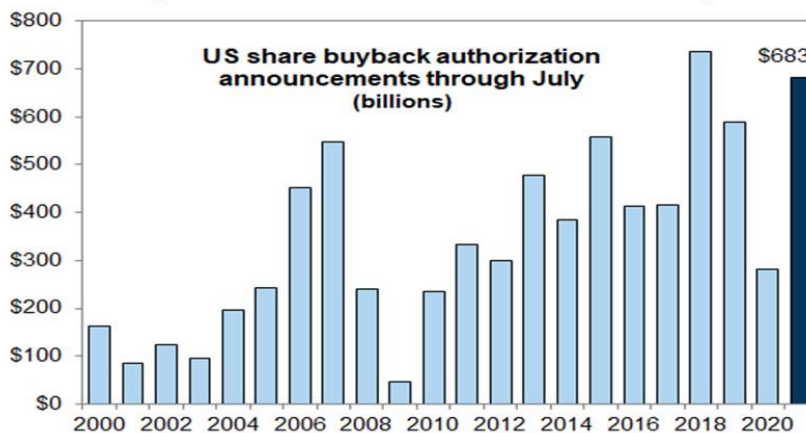
August 13, 2021

By the Numbers

Let the numbers speak.

- Share buyback announcements have totaled \$683 billion year-to-date, the second largest total on record at this point in the calendar year.

Stock Buyback Announcements Through July



Source: Goldman Sachs, Birinyi Associates, Bloomberg

- US money market funds have AUM of \$5.4 trillion, more than \$1 trillion above balances at the start of 2020.
- As of August 6th with 89% of the S&P 500 companies having reported, 87% of S&P 500 companies reported a positive EPS surprise. If 87% is the final number for the quarter, it will mark the highest percentage of S&P 500 companies reporting a positive EPS surprise since FactSet began tracking this metric in 2008.

- Year-to-date, EPS growth has accounted for all of the S&P 500's 17% price return. 2019 (pre-pandemic) S&P 500 EPS \$165, 2020 S&P 500 EPS \$142, 2021 estimated S&P 500 EPS \$205. Growth from 2019 is 24%. Growth from 2020 is 44%. (2019, 2020 S&P 500 adjusted EPS from FactSet, GSGIR)
- Despite the collapse in economic growth in 2020, S&P 500 sales declined by just 3%.
- S&P 500 average net profit margin in the first half of this year was 12%. If this holds up through the entire year, net profit margins in 2021 will be 70 basis points higher than the previous peak of 11.3% in 2018.
- Unemployment is expected to return to near record lows by the end of 2022. On the small business front, entrepreneurs launched 500,000 more new businesses considered likely to hire employees from mid-2020 to mid-2021 than from mid-2018 to mid-2019. New business formation is occurring at the fastest pace ever.
- Warren Buffet's interest rate outlook: Berkshire Hathaway holds a \$20.5 billion portfolio of bonds. 46% of the portfolio matures in less than a year and another 47% matures between one and five years. It appears Warren believes interest rates will be trending higher as the shorter the duration, the less interest rate sensitive the bond. Bonds values are inversely related to interest rates. Growth is one reason why interest rates may rise.
- The Delta Market Sentiment Indicator (MSI) turned Bullish this week at 50.8. Readings above 50 indicate the stock market has bullish momentum.

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.



"Go to accounting and crunch the numbers people."

Delta Stock Market Dashboard

MARKET SENTIMENT IS

BULLISH

THIS WEEK'S NUMBER IS

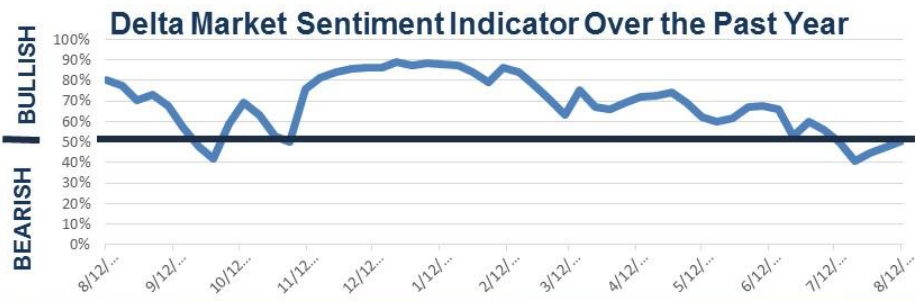
50.8

Our technical indicator increased
from 47.7 to 50.8 this week

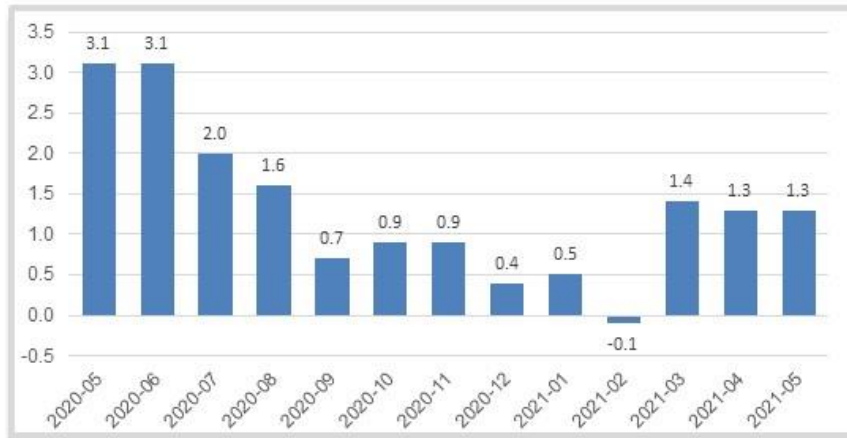
INDICATOR STATISTICS

Consecutive Bullish Weeks:	1
Cycle Inception Date:	8/12/2021
Range:	50.8
Mean:	50.8
Bullish Weeks YTD:	28
Bearish Weeks YTD:	3
*S&P 500	NA%
*DJIA	NA%
*NASDAQ	NA%

* Percentage change during current cycle



Leading Economic Index % Change Monthly May 2020 – May 2021



Source: The Conference Board – last update 06/17/2021

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