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*Delta manages portfolios at TD Ameritrade and Schwab.*

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January 21, 2022

### **Stock Market Looking for a COVID Booster**

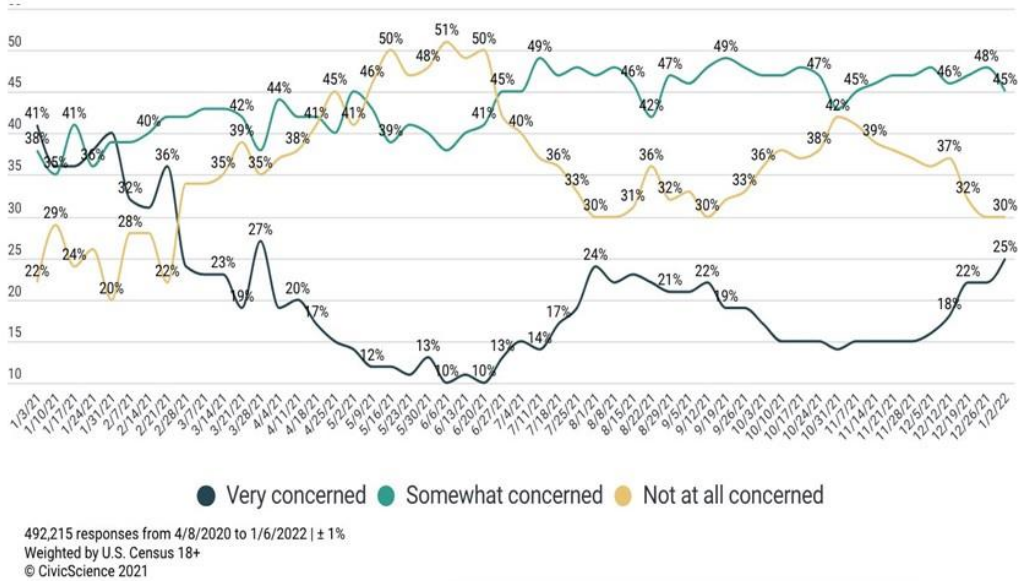
Many of the major banks have reported earnings. Banks are on the front lines of consumer credit card activity and business and consumer loan demand, two very important elements of economic activity.

"We are watching the impact from Omicron on consumer spending. And while there is some softening in restaurant, travel, and entertainment in recent weeks, overall spending remained strong in the first week of January with credit card up 26% and debit card up 29% versus the same week in 2020." - Wells Fargo & Company CEO Charles Scharf

"The economy continues to do quite well despite headwinds related to the Omicron variant, inflation, and supply chain bottlenecks. Credit continues to be healthy ... and we remain optimistic on US economic growth as business sentiment is upbeat and consumers are benefiting from job and wage growth..." - JPMorgan Chase Chairman & CEO Jamie Dimon.

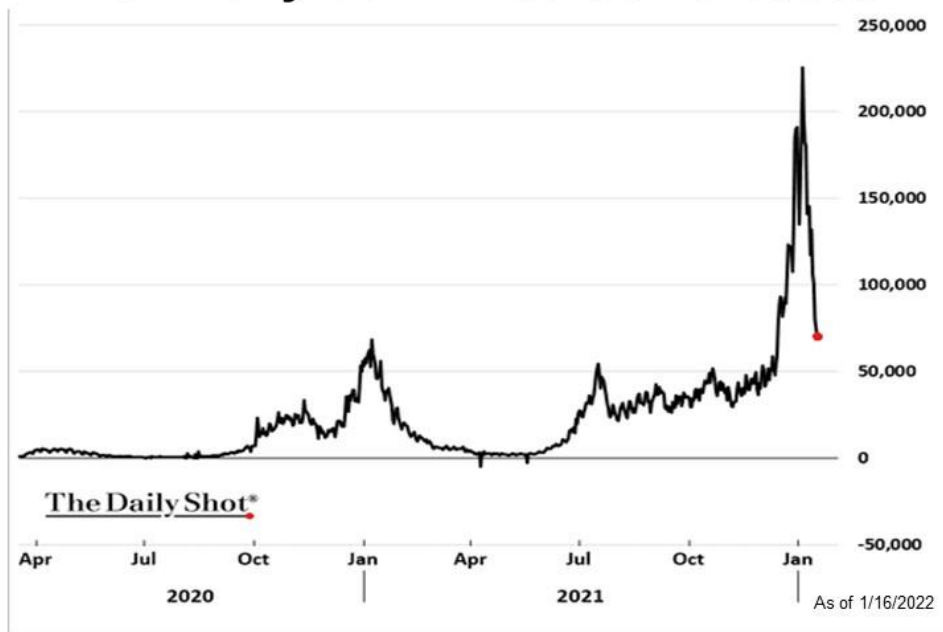
Although the U.S. economy continues to show strength, it is likely to show a boost in strength if consumers became less concerned with Covid. In the past several weeks, the rise of Omicron increased consumer Covid anxiety which caused a pull-back in some potential economic activity. The initial jobless claims this week increased by 55,000 to 286,000 which is the highest initial claims number since October. The most recent retail sales and the University of Michigan Consumer Sentiment readings were below expectations.

## Covid Concern



If the U.S. follows the Omicron path of the U.K. and South Africa, we may receive a Covid market booster in the near future. The UK Omicron surge/fall-off lasted for only 21 days, which is consistent with what happened in South Africa.

## UK Daily Confirmed Covid Cases



With the rapid reduction in cases, the UK dropped its mask mandate this week.

The CEO of Delta Airlines, ED Bastian, made the following comment with regard to how Covid/Omicron is impacting their business: “Based on how quickly the case counts have

risen, our medical team expects cases to peak in the U.S. over the next few days, followed by a steep decline in cases. And we are already starting to see that happen amongst our own staff. Given the high transmissibility and lower severity of Omicron, this variant is likely to mark the shift in COVID-19 from being a pandemic to a manageable and ordinary seasonal virus, which should accelerate the path to a normalized environment.”

There is roughly \$4.6 trillion being held in money market accounts which is just below the all-time high of \$4.8 trillion reached in May of last year. The average consumer FICO score is 716, the highest on record. JPMorgan earnings show consumers are stockpiling cash with average deposits up 17%. If Omicron cases rollover in the next couple of weeks, economic activity and the stock market may receive a boost from less anxious, fat-wallet consumers.

### **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).



*“Think spring.”*

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# Delta Stock Market Dashboard

MARKET SENTIMENT IS

**BULLISH**

THIS WEEK'S NUMBER IS

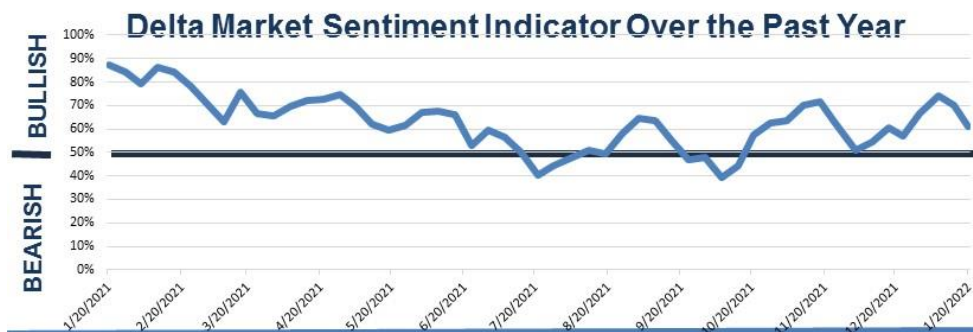
**60.8**

Our technical indicator decreased  
from 70.2 to 60.8 this week

## INDICATOR STATISTICS

Consecutive Bullish Weeks:	13
Cycle Inception Date:	10/21/2021
Range:	51.0 – 74.2
Mean:	63.1
Bullish Weeks YTD:	3
Bearish Weeks YTD:	0
*S&P 500	0.9%
*DJIA	-0.3%
*NASDAQ	-3.8%

\* Percentage change during current cycle



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