

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.

June 16, 2023

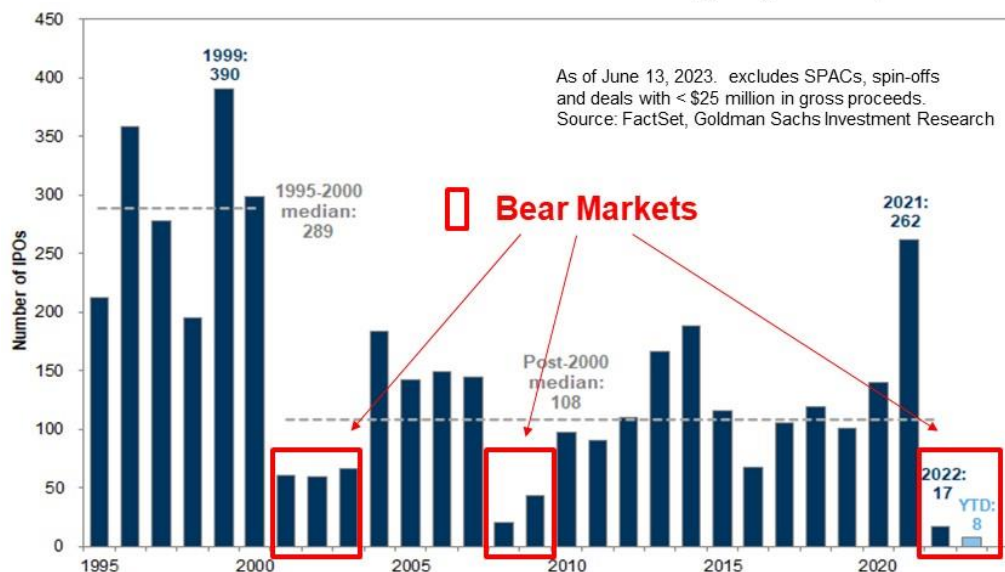
Initial Public Offering (IPO) Bull Signal

Major investment banks see a normalization of Initial Public Offering (IPO) activity in the second half of 2023. Private companies go public by selling stock in the public markets via an IPO sponsored by investment banks. Generally, overall market conditions (valuation levels) and the confidence in the stabilization of equity prices by Chief Executive Officers (CEOs) are catalysts to private companies going public.

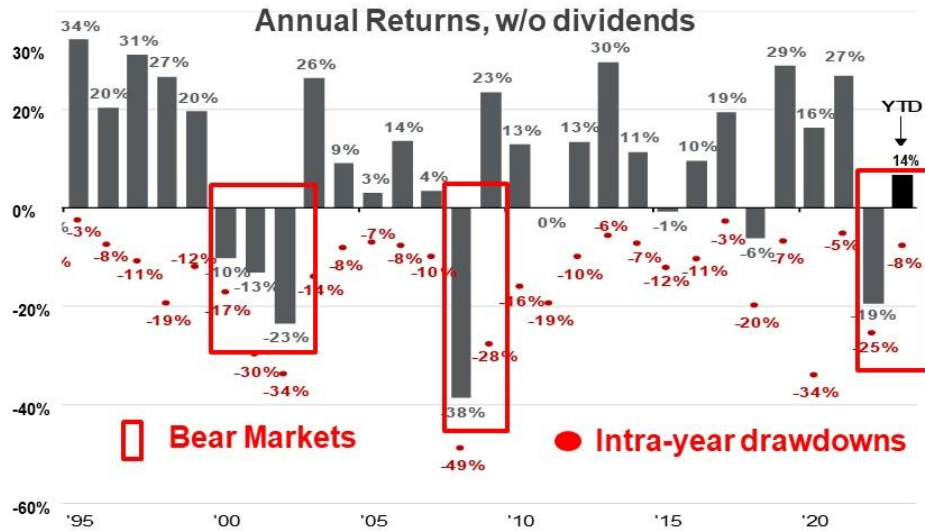
The number of IPOs in a year can provide a high-level, coincident indication of the health of the stock market. During bear markets, IPO activity is limited. When IPO activity resumes to normal levels, it is an indication of the re-emergence of a bull market.

The median number of IPOs per year since 2000 is 108. This year, there have only been 8 IPOs. In 2022, there were 17 IPOs.

U.S. Initial Public Offerings (IPOs)



S&P 500 Annual and Intra-Year Returns



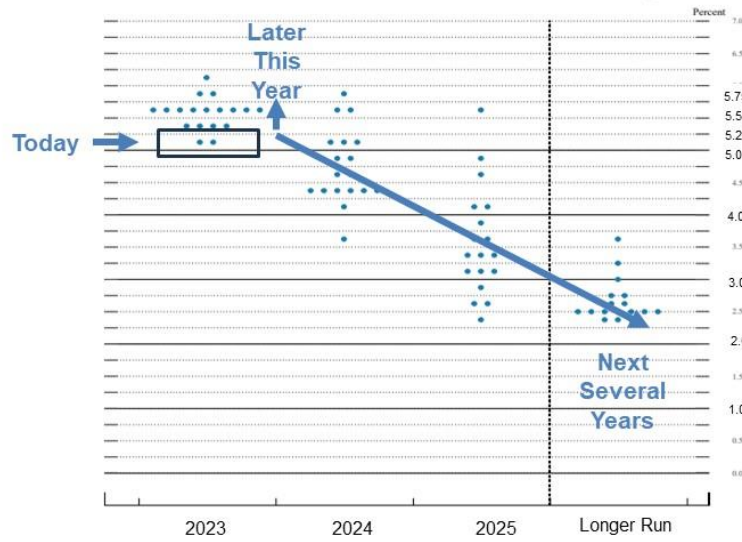
Given that investment banks are the sponsors of public stock offerings and deeply involved in the IPO process from the early days of company venture funding, they have an inside look at upcoming IPO activity. It is reasonable for an investor to interpret a better IPO outlook from investment banks as an informed indication of a more bullish stock market outlook.

Fed Meeting Summary

The Federal Reserve voted unanimously to keep the Fed Funds rate unchanged at 5.00-5.25% on Wednesday (6/14). The median view from the members of the Fed that vote on rates is that there will be two more rate hikes this year to reach a median fed funds rate projection of 5.6%. The possibility of two more rate hikes in 2023 is worse than the pre-Fed meeting market expectation of one more hike.

The overriding positive for equities is the decline in interest rates projected by the Fed over the next several years.

FOMC DOT PLOT – Fed Rate Expectations



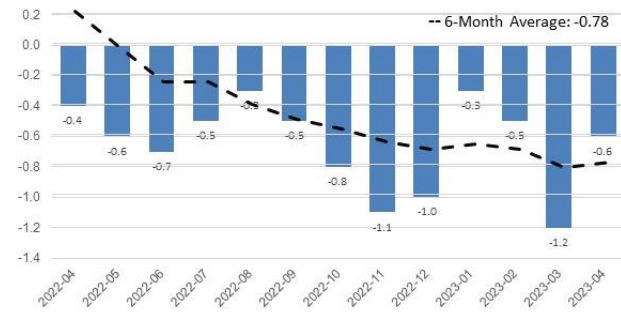
Inflation and rates moving back towards 2% gradually is bullish for equities. This week the Delta Market Sentiment Indicator (MSI) is Bullish and equities are experiencing positive momentum.

Let Us Help You Position Your Portfolio – Give Us a Call Today

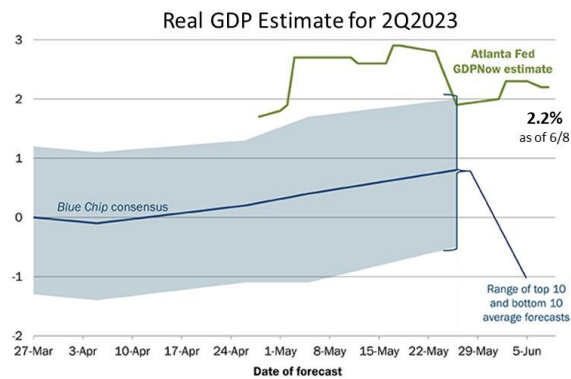
We have unique and sophisticated investment methods that seek to capture the stock market's gains while minimizing drawdowns in bear markets. If you would like to learn more about how we manage money, we invite you to give us a call at **(415) 249-6337**, visit www.deltaim.com or email us at info@deltaim.com.

Delta Stock Market Dashboard

Leading Economic Index % Change Monthly April 2022 – April 2023



Atlanta Fed GDPNow Forecast



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