

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 30, 2023

Keep On Keeping On

The S&P 500 is up roughly 5% in June. For the first half of the year, the index is up roughly 14%. In past *Delta Insights*, we have highlighted the market's narrow leadership and the strength of the S&P 500 being driven by a small segment. Below are the eight companies which happen to be the largest weightings of the 500:

<u>Symbol</u>	<u>Company</u>	<u>Price YTD%</u>
AAPL	APPLE	45.65
MSFT	MICROSOFT	40.04
AMZN	AMAZON	53.62
NVDA	NVIDIA	181.35
GOOGL	ALPHABET A	36.21
TSLA	TESLA	108.02
META	META PLATFORMS	137.07
GOOG	ALPHABET C	36.46

The Dow Jones Industrials (an index of 30 companies) is +2.9%, the equal-weighted S&P 500 is +5% and the Russell 2000 is +7%. After predicting market depreciation and recession in the first half of the year, strategists believe the best course of action is to keep on keeping on.

The mid-year outlook by many of the major investment banks may be summarized as follows: the U.S. economy is in the late stages of its growth-cycle, earnings growth is weak and valuations are high. In other words, the negative first half prediction is not wrong, it is just delayed.

Despite the generally negative investment strategists' outlook, the S&P 500 is just 1.4% below its 52-week high. The strength in the stock market reflects surprising strength in the economy. Just this week we learned:

- durable orders were stronger than expected and business spending is accelerating,
- consumer confidence was stronger than expected driven by an improvement in views about current conditions and the outlook for consumers' family finances,
- new home sales increased by 12.2% month-over-month in May,
- initial jobless claims continue to be lower than expected showing the labor market is resilient, and
- the third estimate for Q1 GD was revised up to 2% from 1.3% because consumer spending was stronger than previously thought.

From a technical perspective, the current market strength and the strength in the fundamental economy provide momentum for the stock market to trade higher in the second half through year-end. This week, the Delta Market Sentiment Indicator is Bullish indicating positive intermediate term momentum in the U.S. stock market.

Mid-Year Account Maintenance

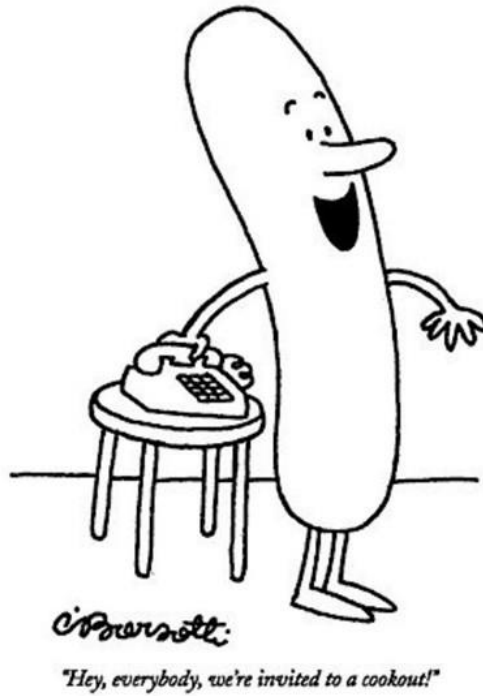
This is a great time to make sure everything is in order and a great time to talk with your advisor about investment ideas and allocations:

1. Making sure your accounts are up-to-date. Beneficiary, standing letters of authorization to move money, address, phone numbers, etc. should be checked. This is especially true if your accounts are held at TD Ameritrade Institutional. **Charles Schwab's conversion of TD Ameritrade Institutional accounts is scheduled to occur over Labor Day weekend.** We expect it will be easier to update your information today than it will be after the transition takes place when Schwab is flooded with client service requests. All client information at TD Ameritrade will port over to Schwab if updated prior to August 18.
2. Take a look at non-S&P 500 investment opportunities. This may include international stocks, municipal bonds, longer-duration fixed income, and small-cap U.S. stocks.

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.

Happy 4th.



Delta Stock Market Dashboard

MARKET SENTIMENT IS

Bullish

THIS WEEK'S NUMBER IS

61.2

Our technical indicator decreased from 65.8 to 61.2 this week

INDICATOR STATISTICS

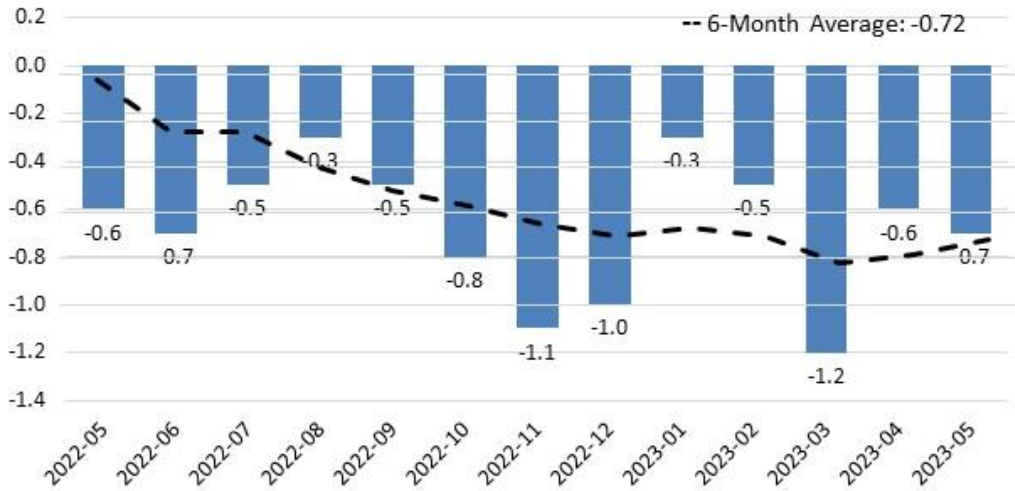
Consecutive Bullish Weeks:	4
Cycle Inception Date:	6/9/2023
Range:	51.2 – 65.8
Mean:	59.8
Bullish Weeks YTD:	14
Bearish Weeks YTD:	12
*S&P 500	1.5%
*DJIA	0.4%
*NASDAQ	2.3%

* Percentage change during current cycle



Leading Economic Index % Change Monthly

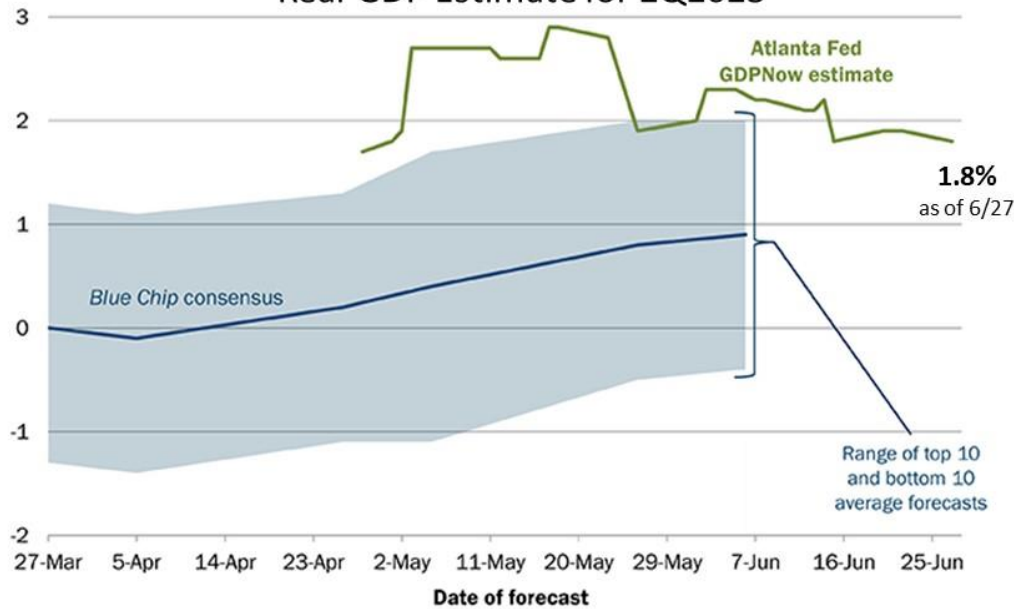
May 2022 – May 2023



Source: The Conference Board – last update 6/22/2023

Atlanta Fed GDPNow Forecast

Real GDP Estimate for 2Q2023



Sources: Blue Chip Economic Indicators and Blue Chip Financial Forecasts

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