

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.

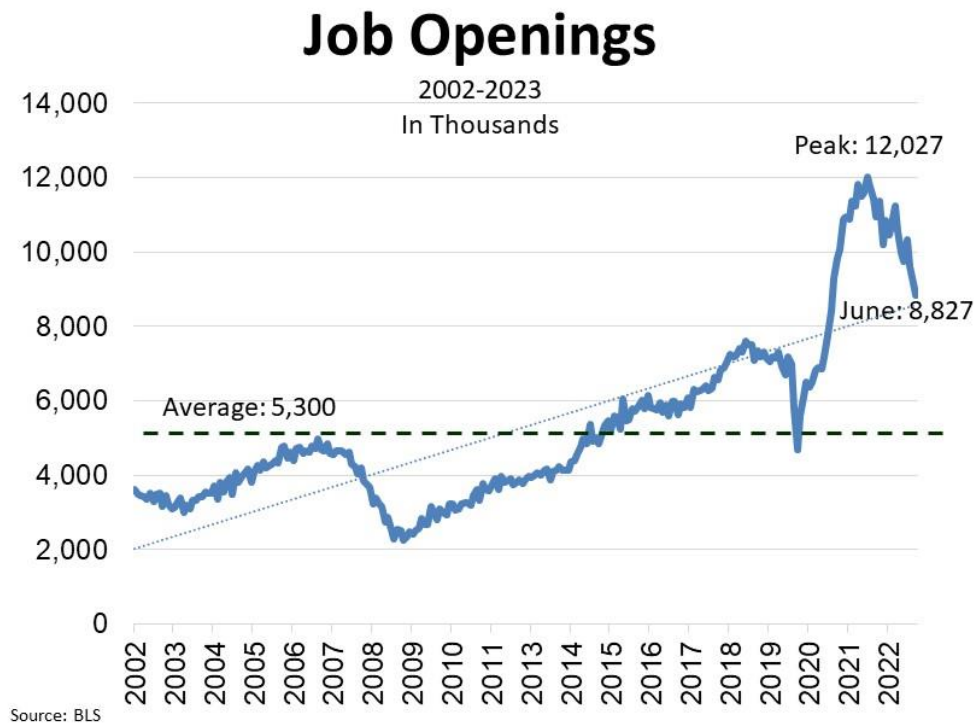
Delta manages portfolios at TD Ameritrade and Schwab.

Please contact Delta at info@deltaim.com or 415-249-6337 to learn more.

September 1, 2023

Slowing Job Market A Victory for the Fed

Job openings decreased by 338k to 8,827k in July, below consensus expectations. The labor differential embedded in the Conference Board index of consumer confidence also fell in July. The labor differential measures the difference between the percent of respondents saying jobs are plentiful versus those saying jobs are hard to get.



The ADP Employment Change Report for August showed an estimated 177,000 jobs were added to private-sector payrolls, which is a sharp deceleration from the upwardly revised 371,000 jobs (from 324,000) reported for July. Pay growth was 5.9% year-over-year which was the slowest y/y growth rate since October 2021. The report noted that

pay growth slowed for the first time in all 50 states and Washington, D.C. The Bureau of Labor Statistics (BLS) also has wage growth rolling over to 4.6% percent for the 12-month period ending in June 2023, the lowest increase since 2021.



Source: BLS

In tandem with the weaker job reports, consumer confidence was reported below expectations this week. Consumers' view of current conditions and expectations declined across all age groups.

The Federal Reserve monitors the strength of the job market as an important input for inflation. A strong job market translates into a confident consumer who contributes to high inflation through strong demand. A less certain consumer in a tighter job market is likely to pull back on spending. Less buying pressure allows for inflation to subside.

The 10-year treasury rate has declined by about 6% from the high of last week. The lower rate suggests slowing growth, slowing inflation and maybe the end of Fed Rate hikes. Prior to the weaker jobs and consumer confidence reports on Tuesday, the market was pricing in a 62.3% likelihood of a 0.25% Fed rate hike in November. After these reports, the probability fell to 41.2%.

In addition to being a positive for equities, peak and falling rates are a positive for bond values. Bonds with longer duration are more sensitive to interest rate changes than bonds with short duration. Many intermediate duration bond funds are near their 52-week lows currently. In addition to paying attractive rates of interest, bond funds may begin to benefit from a stable to declining rate environment.

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.



"We swam. We made sand castles. I'm sorry, Michael—I thought you understood that this was just a summer thing."

Delta Stock Market Dashboard

MARKET SENTIMENT IS

Bullish

THIS WEEK'S NUMBER IS

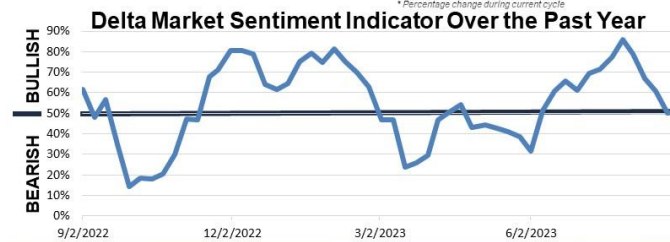
51.2

Our technical indicator increased from 50.1 to 51.2 this week

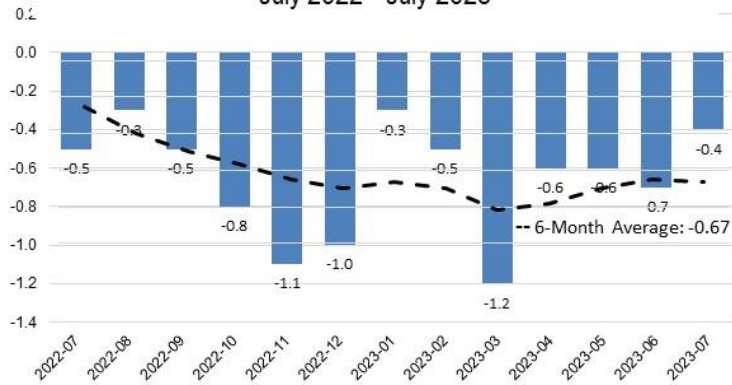
INDICATOR STATISTICS

Consecutive Bullish Weeks:	13
Cycle Inception Date:	6/9/2023
Range:	50.1 – 86.1
Mean:	65.5
Bullish Weeks YTD:	23
Bearish Weeks YTD:	12
*S&P 500	5.0%
*DJIA	3.1%
*NASDAQ	6.0%

* Percentages change during current cycle

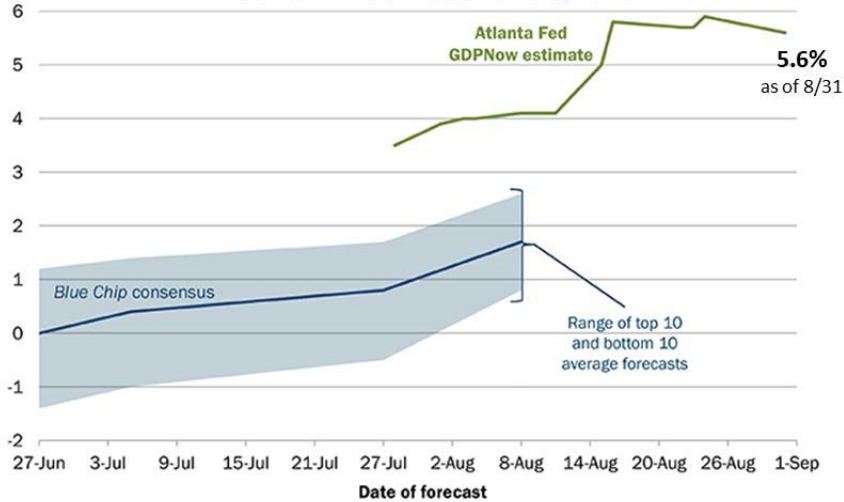


Leading Economic Index % Change Monthly July 2022 – July 2023



Source: The Conference Board – last update 8/17/2023

Atlanta Fed GDPNow Forecast Real GDP Estimate for 3Q2023



Sources: Blue Chip Economic Indicators and Blue Chip Financial Forecasts

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