

*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](mailto:info@deltaim.com) or 415-249-6337 to learn more.*

September 22, 2023

## **Market Worries Abound**

From the high of last week into this week, the S&P 500 has pulled back by over 3%. The NASDAQ 100 is down by more than 4%. Current investor concerns include:

- A more hawkish Federal Reserve with rates higher for longer,
- High interest rates currently -- the 10-year treasury jumped higher to 4.48% (the last time it was this high was September 2007),
- The potential for an extended UAW strike and spill-over effects on supply chain employment,
- Potential for a Federal government shutdown,
- High gasoline prices,
- Student loan repayment moratorium ends this month,
- Sluggish and negative growth in Europe and Asia,
- Stock buyback programs on hold as we enter the third quarter earnings season,
- Technical weakness in small-cap (IWM) and the Philadelphia Semiconductor Index (SOXX) considered by some to be leading market price indicators,
- The yield curve remains inverted, and
- The Leading Economic Index is persistently negative.

# Weakness in Semiconductors and Small Cap

Semiconductors (SOXX) breaks support



Small Cap (IWM) breaks 200-day moving average

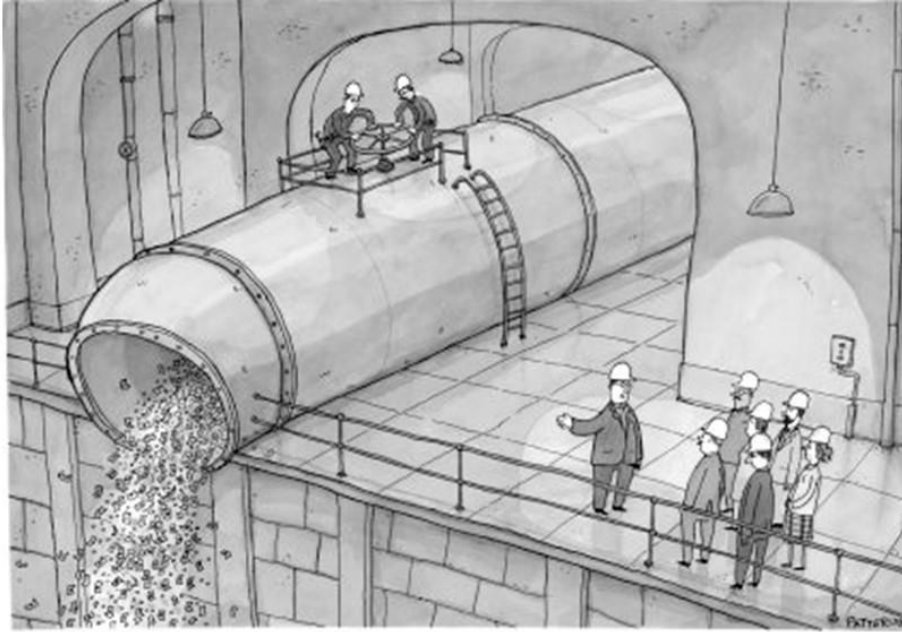


A worried market can be a healthy market. Stock prices usually climb a wall of worry while complacent markets often sell down. The current pullback creates more attractive valuations. Underinvested investors may want to consider buying on weakness.

Over the next several weeks, the bull case founded on upside surprises in GDP growth, steady earnings improvement, continuation of disinflation and the end of Federal Reserve rate hikes will be put to the test by the standard array of earnings and economic data releases that occur at the end of every quarter.

## 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).



*“And this is where we adjust the interest rate.”*

## Delta Stock Market Dashboard

MARKET SENTIMENT IS

**Bearish**

THIS WEEK'S NUMBER IS

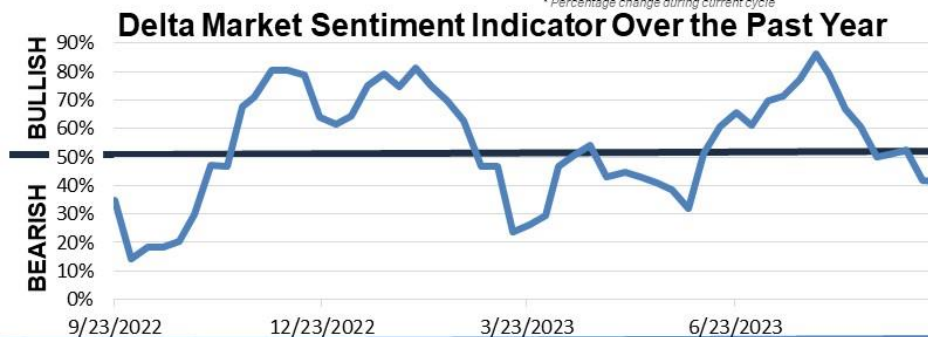
**41.4**

Our technical indicator decreased  
from 41.8 to 41.4 this week

### INDICATOR STATISTICS

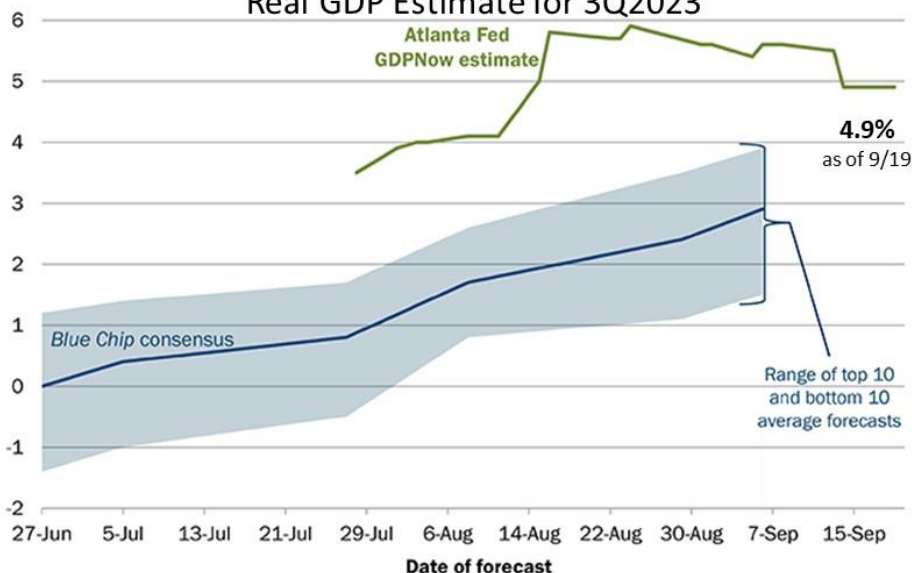
Consecutive Bearish Weeks:	2
Cycle Inception Date:	9/14/2023
Range:	41.4 - 41.8
Mean:	41.6
Bullish Weeks YTD:	24
Bearish Weeks YTD:	14
*S&P 500	-3.4%
*DJIA	-1.8%
*NASDAQ	-4.2%

\* Percentage change during current cycle



# Atlanta Fed GDPNow Forecast

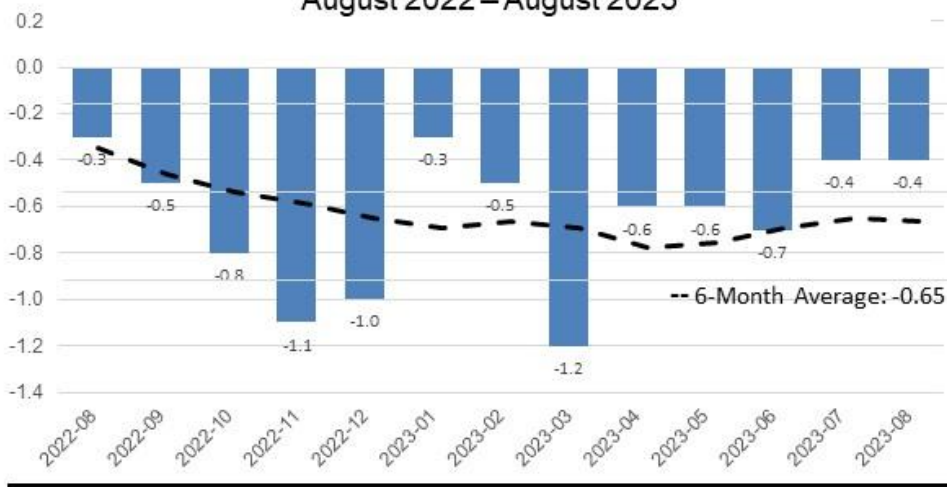
## Real GDP Estimate for 3Q2023



Sources: Blue Chip Economic Indicators and Blue Chip Financial Forecasts

## Leading Economic Index % Change Monthly

### August 2022 – August 2023



Source: The Conference Board – last update 9/21/2023

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