

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.

November 17, 2023

Strong Finish

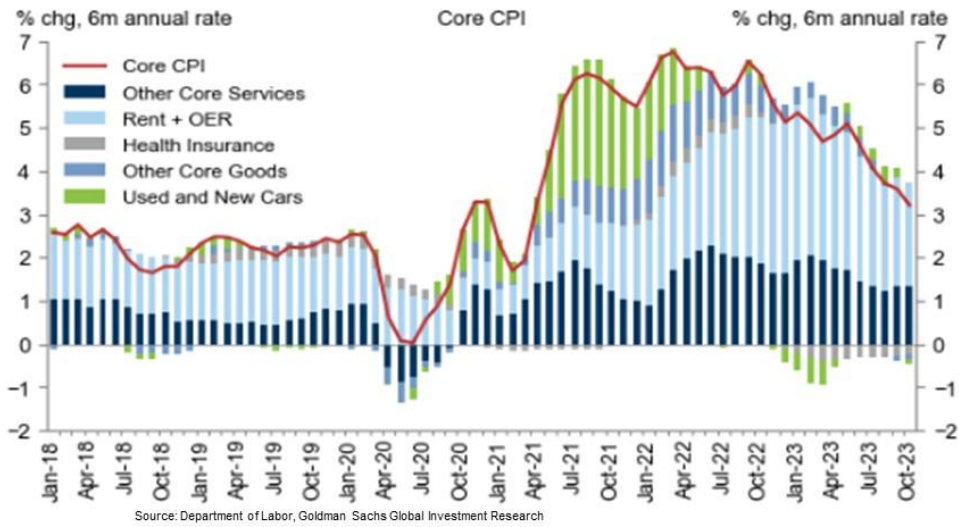
2023 is almost over. One of the larger milestones of 2023 for TD Ameritrade brokerage clients was the integration into Charles Schwab. Generally, the integration went well. Schwab absorbed roughly 7,000 Registered Investment Advisory firm relationships from TD Ameritrade without major problems.

Schwab's money movement procedures are different than those of TD Ameritrade. Schwab money movements require more time and paperwork than TD used to require. Because of this, please be early if you are considering moving money in/out of your Schwab accounts before year-end. This is especially true of Required Minimum Distributions (RMD) from IRA accounts.

The deadline for submitting new paperwork to establish check, journal, ACH and wire transfer links in/out of Schwab accounts is December 1, 2023. Schwab requires that trades settle before allowing money to leave a client account. To finish 2023 on a high note, we highly recommend implementing your account maintenance activities well before the end of the year.

The S&P 500 appreciated by over 7.5% since the start of the month. It is about 2% below its 52-week high. The strong appreciation this week may be attributed to a lower-than-expected CPI inflation report released on Wednesday. On a year-over-year basis, total CPI was up 3.2% in October, versus 3.7% in September, and core CPI was up 4.0%, versus 4.1% in September. That was the smallest 12-month change in core CPI since September 2021. On a rolling 6-month basis, core CPI is running just above 3%.

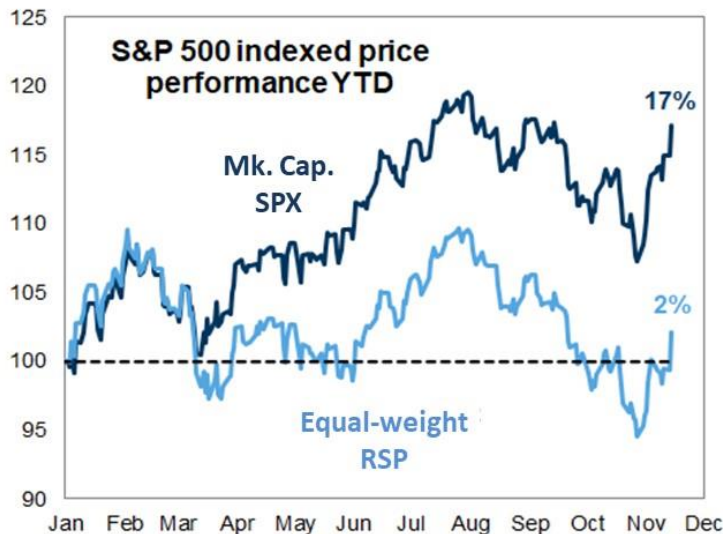
% Change, 6-Month CPI Annual Rate



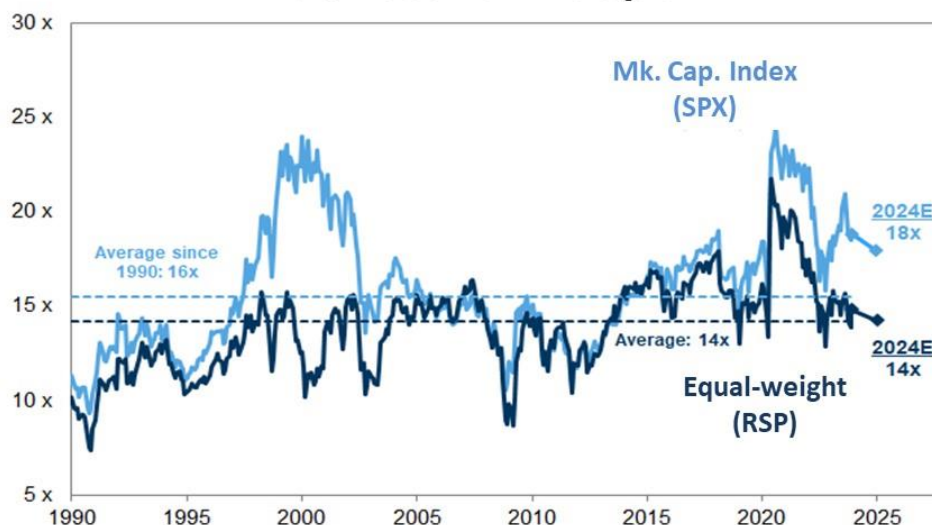
Lower inflation means lower interest rates. Since the CPI report, the Fed Funds futures market is pricing in four rate cuts in 2024 beginning in May. The current Fed Funds rate is in the range of 5.25-5.50%. By December of next year, the Fed Funds futures market is projecting a 4.25-4.5% Fed Funds rate.

If the year were to end with the S&P 500 at its current level, 2023 was a much stronger year for the index than was generally expected. The Index was almost entirely lifted by the seven largest technology stocks including Alphabet, Amazon, Apple, Meta, Microsoft, Nvidia and Tesla. If you remove these seven stocks from the index, the remaining 493 stocks are up only by a low single digit amount. The equally weighted S&P 500 ETF (RSP) is up only 2.4% (without dividends) year-to-date.

S&P 500 Market Cap. vs. Equal Weighted Index



S&P 500 P/E Multiple



We are ending 2023 with some potentially attractive investment opportunities going into 2024. There are many bond funds offering yields of 5-10% that should benefit from flat and/or falling rates. The P/E on the 493 stocks (not the “Magnificent 7”) is roughly 14x. If we avoid recession, the potential catch-up trade from the 493 “other” stocks may deliver attractive portfolio returns. Since 2020 (Covid), financial markets have been volatile and difficult to accurately forecast. Delta remains nimble and committed to delivering attractive, risk-adjusted returns in all market environments.

Delta Investment Management

Who we are:

- An SEC Registered Investment Advisor
- We manage accounts for individuals with the assets held at Charles Schwab in the client’s name.
- We are a fiduciary -- Delta does not receive commissions from any source.
- We are wealth managers.
- We have decades of experience in mitigating portfolio downside risk.
- We are an independent, high-service organization.
- We offer top-notch tax loss harvesting investment programs.
- We can help recommend a CPA tax planning and preparation service.

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.



"It's worth a try."

Delta Stock Market Dashboard

MARKET SENTIMENT IS

Bearish

THIS WEEK'S NUMBER IS

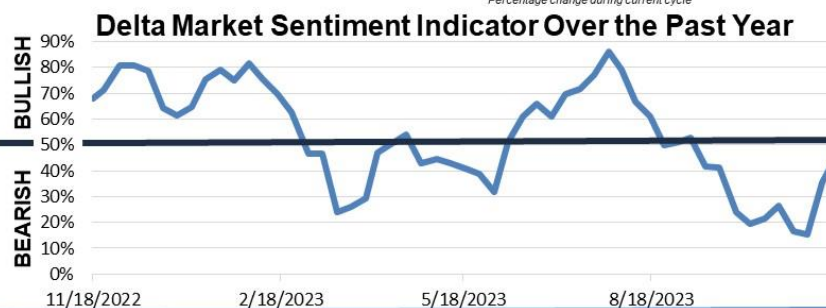
45.5

Our technical indicator increased from 35.6 to 45.5 this week

INDICATOR STATISTICS

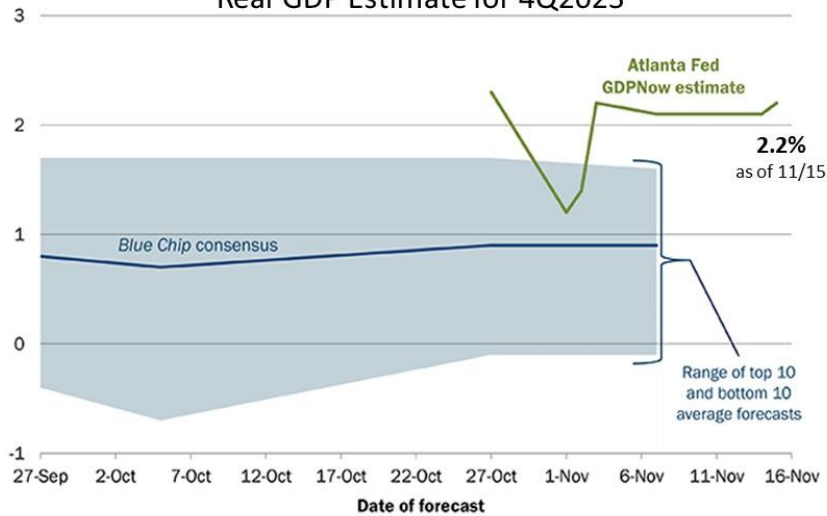
Consecutive Bearish Weeks:	10
Cycle Inception Date:	9/14/2023
Range:	15.5 – 45.5
Mean:	28.8
Bullish Weeks YTD:	24
Bearish Weeks YTD:	22
*S&P 500	-0.1%
*DJIA	0.0%
*NASDAQ	-1%

* Percentage change during current cycle



Atlanta Fed GDPNow Forecast

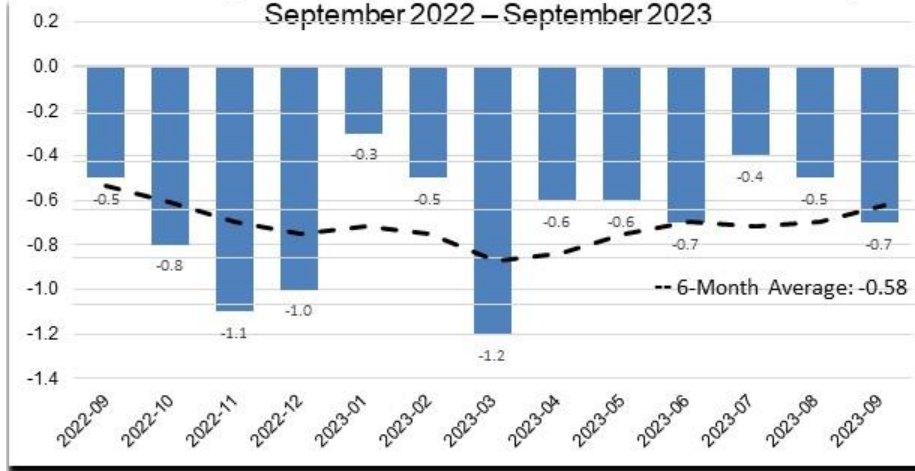
Real GDP Estimate for 4Q2023



Sources: Blue Chip Economic Indicators and Blue Chip Financial Forecasts

Leading Economic Index % Change Monthly

September 2022 – September 2023



Source: The Conference Board – last update 10/19/2023

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