

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.

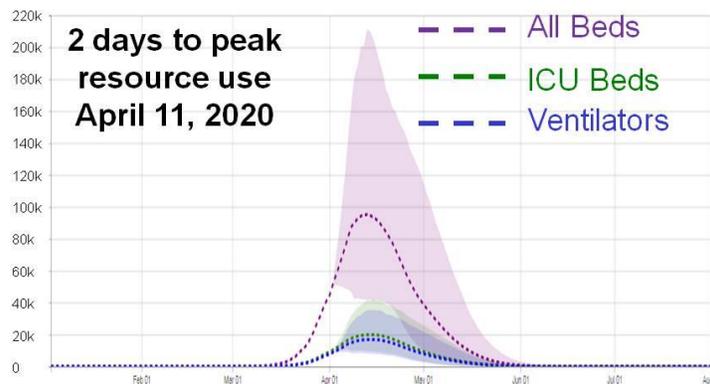
Please contact Delta at info@deltaim.com or 415-249-6337 to learn more.

April 9, 2020

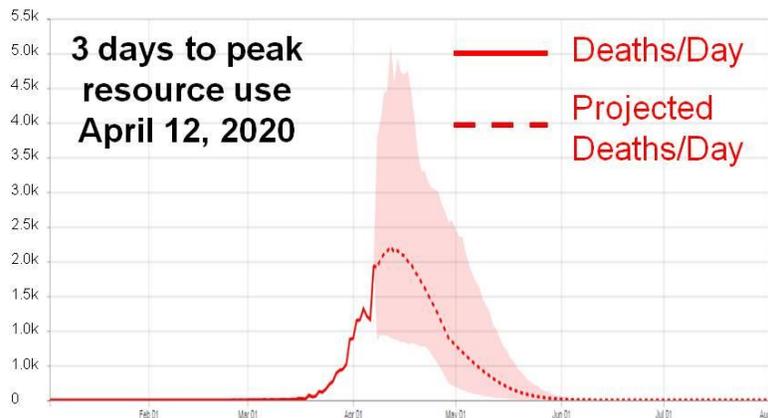
Peak in Sight

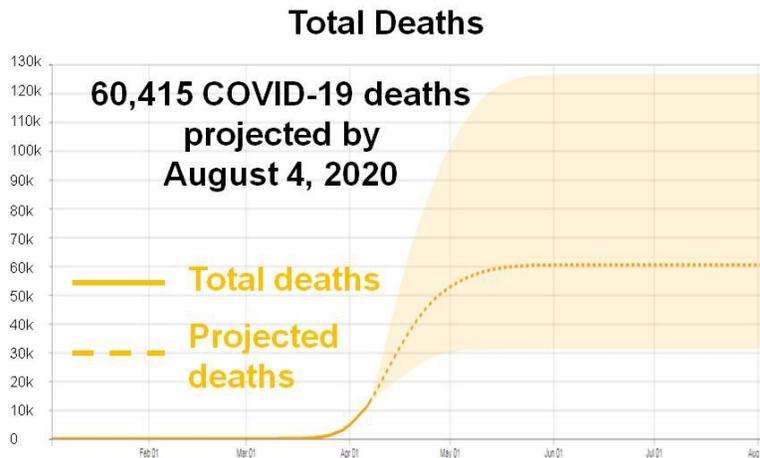
According to the Institute of Health Metrics and Evaluation (IHME), the peak usage in the United States for total hospital beds, intensive care beds and ventilators is April 11, 2020. The peak in deaths per day is projected to be April 12. Total U.S. deaths are projected to reach 60,415 by August 4. 60,415 deaths are a greatly reduced estimate from the roughly 100,000-240,000 projected a couple of weeks ago.

Hospital Resources



Deaths Per Day





These updated COVID-19 projections help explain the strength in the market this week despite worsening economic news.

Although the U.S. appears to be having some success in “flattening the curve,” it remains unclear how and when the U.S. economy will be brought back on line, particularly in advance of a vaccine. Bloomberg reports that it is possible we will see a gradual reopening of the economy in May based on a program of vastly increased testing both for the active virus and for anti-bodies to indicate who may have developed immunity.

A two to three month shut-down of the economy is difficult but not catastrophic. A much longer shut-down could lead to economic depression. The stock market appears to be anticipating a reopening sooner rather than later.

China removed the lockdown on Wuhan (city where COVID-19 first discovered) this week after 76 days. Wuhan provides an example of how the U.S. may reopen. The 11 million residents are going back to work and may now travel freely throughout China. Shops and malls have reopened but there are limits on the number of customers in a store at one time. China is using a smart phone app to track the owner’s health status and travel. Schools have not been reopened.

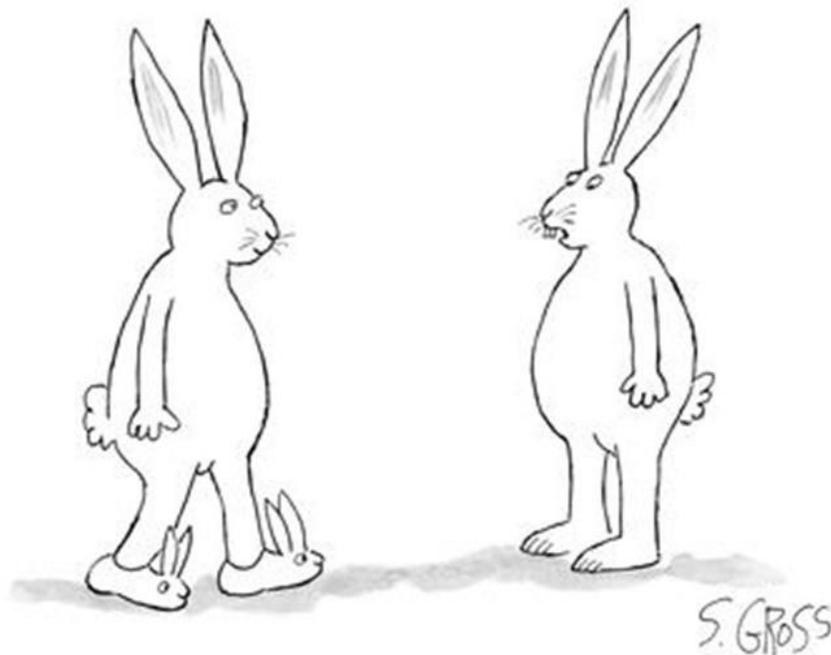
California governor Gavin Newsom issued the Stay at Home order on March 19. Using Wuhan as the model, California and much of the rest of the U.S. may begin its partial economic reopening during the first week of June. This helps explain the recent strength in the market.

As a follow-up to our commentary on the CBOE Volatility Index (VIX) in the past couple of weeks, it is now trading at about 42. This is materially below the 50 level and

suggests the “crisis” nature of COVID-19 is diminishing. In the 2008-2009 bear market, the S&P 500 found its lows when the VIX was trading in the 40s. The stock price recovery began on a sustained basis when the VIX fell into the 30s.

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.



“You are one sick rabbit.”

INDICATOR STATISTICS

MARKET SENTIMENT IS

BEARISH

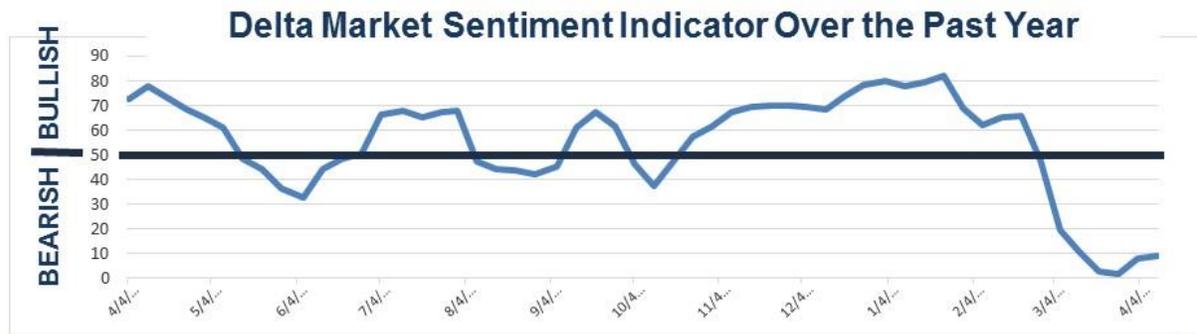
THIS WEEK'S NUMBER IS

8.8

Our technical indicator increased
from 8.1 to 8.8 this week

Consecutive Bearish Weeks:	7
Cycle Inception Date:	2/27/2020
Range:	1.6 – 47.5
Mean:	14.1
Bullish Weeks YTD:	8
Bearish Weeks YTD:	7
*S&P 500	-6.2%
*DJIA	-7.4%
*NASDAQ	-5.1%

* Percentage change during current cycle



(Delta MSI is published every week in *Barron's*)

Pursuant to the provisions of Rule 206(4)-1 of the Investment Advisors Act of 1940, we advise all readers to recognize that they should not assume that recommendations made in the future will be profitable or will equal the performance of past recommendations. This publication is not a solicitation to buy or offer to sell any of the securities listed or reviewed herein. The contents of this letter have been compiled from original and published sources believed to be reliable, but are not guaranteed as to accuracy or completeness. Nicholas Atkeson and Andrew Houghton are also principals of Delta Investment Management, a registered investment advisor. Clients of Delta Investment Management and individuals associated with Delta Wealth Adviser may have positions in and may from time to time make purchases or sales of securities mentioned herein.

THIS NEWSLETTER IS PROTECTED BY COPYRIGHT LAW. UNAUTHORIZED DISTRIBUTION AND/OR REPRODUCTION BY PHOTOCOPY OR ANY OTHER MEANS IS STRICTLY PROHIBITED AND PUNISHABLE BY A FINE OF UP TO \$25,000.