

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 30, 2021

Bull-Market Checklist

GDP Growth: Check; The Federal Reserve is predicting US GDP growth this year of 6.5% and 3.3% in 2022.

Corporate Earnings: Check; With more than a quarter of the S&P 500 companies reporting, 84% have exceeded EPS estimates with an average upside of 24%. If this upside amount does not deteriorate as the rest of the S&P 500 reports, it will be the largest earnings surprise percentage reported by the S&P 500 since FactSet began tracking this metric in 2008.

Momentum: Check; The Dow Transport Index has had 12 consecutive weeks of positive return for the first time in its 120-year history. According to the “Dow theory,” the market is in an upward trend as both the transports and industrials are hitting new highs.

Dow Jones Transportation Average

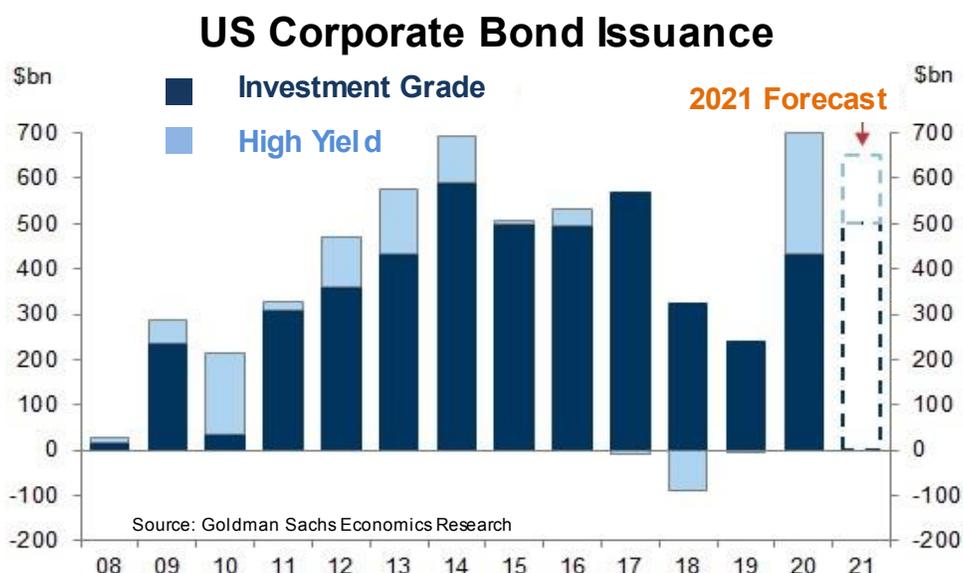


Yield Curve: Check; the 2-year US treasury yield is 0.17% versus the 10-year yield of 1.64%. The yield curve has a positive, upward slope.

Leading Economic Index (LEI): Check; The six-month moving average of the LEI is positive and ten of the past eleven monthly readings have been positive.

Investor Sentiment: Check; The CBOE Volatility Index (VIX) is below 20 (<20 and declining is usually a bullish combination) and the high-yield bond spread is 3.24% and declining (< 5% is generally bullish).

Corporate Debt Issuance: Check; U.S. corporate bond issuance reached a record level in 2020 and is surprising analysts to the upside in 2021.



The reason why corporate debt issuance is important for stock market investors is money raised in the corporate debt market finds its way into equities via dividends, stock-buybacks, mergers and acquisitions and boosted profits from capital investment and retirement of higher cost debt.

As singer-songwriter David Bowie once said “Ground Control to Major Tom, you’ve really made the grade...This is Major Tom to Ground Control, I’m stepping through the door and I’m floating in the most peculiar way.” Our bull-market checklist indicates all systems go.

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.



"Can we talk through a decision that I've already made?"

Delta Stock Market Dashboard

MARKET SENTIMENT IS

BULLISH

THIS WEEK'S NUMBER IS

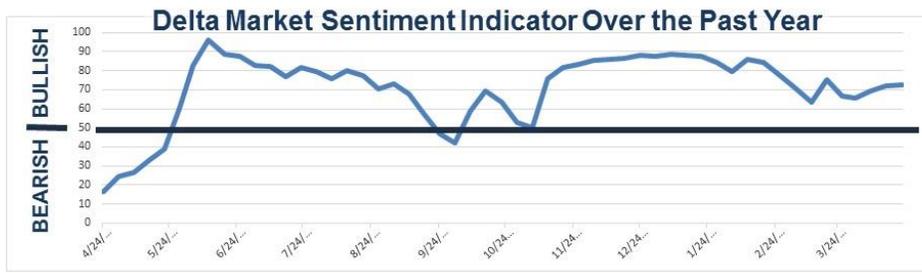
72.2

Our technical indicator decreased from 72.6 to 72.2 this week

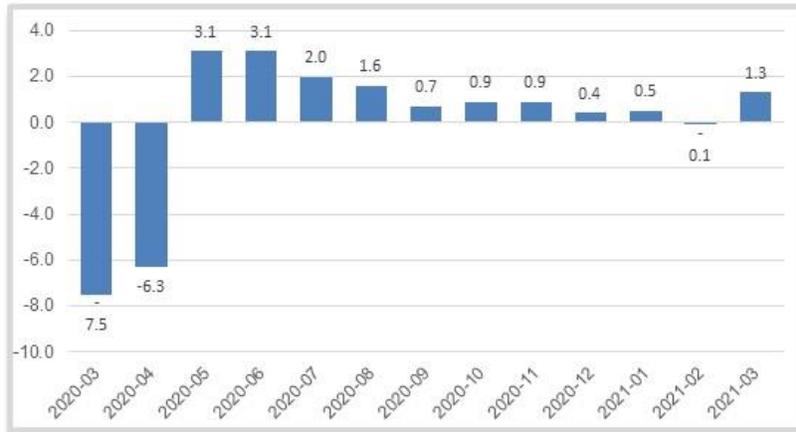
INDICATOR STATISTICS

Consecutive Bullish Weeks:	30
Cycle Inception Date:	10/8/2020
Range:	58.6 – 88.6
Mean:	75.8
Bullish Weeks YTD:	17
Bearish Weeks YTD:	0
*S&P 500	21.4%
*DJIA	19.6%
*NASDAQ	23.4%

* Percentage change during current cycle



Leading Economic Index % Change Monthly March 2020 – March 2021



Source: The Conference Board – last update 04/22/2021

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