

*Delta Investment Management is a registered investment advisory firm headquartered in San Francisco.  
Delta welcomes discussions with individuals seeking investment advice and advisors seeking a new partner.  
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.*

December 28, 2018

## **Delta MSI Declines Below 10%**

The Delta Market Sentiment Indicator (MSI) declined to 7.5% this week. The range on the Delta MSI is from 0% to 100%. A 7.5% reading is very low and a sub-10% reading has only occurred five times (including this week) in the past 15 years. Historically, the stock market has shown strong performance over the next twelve months post a sub-10% reading.

When the MSI is below 10%, it represents a significant oversold condition in stock values. It also signals significant investor uncertainty which drives heightened volatility. When buying into an oversold market, investors should expect to experience high volatility in the intermediate term. Over the longer term historically, volatility has declined from crisis levels and stocks have appreciated.

Have a great New Year!

## **Give Us a Call Today**

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) if you have questions about how we can assist you in managing your investment accounts.



*"I shouldn't, but I'm going to have the garbage."*

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# Delta Stock Market Dashboard

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MARKET SENTIMENT IS

**BEARISH**

THIS WEEK'S NUMBER IS

**7.5**

Our technical indicator decreased  
this week from 15.5 to 7.5

## INDICATOR STATISTICS

Consecutive Bearish Weeks:	12
Cycle Inception Date:	10/11/2018
Range:	7.5- 37.4
Mean:	23.1
Bullish Weeks YTD:	34
Bearish Weeks YTD:	18
*S&P 500	-10.6%
*DJIA	-9.7%
*NASDAQ	-11.4%

*\*Percentage change during current cycle*



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

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