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February 8, 2019

**State of Fund Flows and the Markets**

The S&P 500 gained 8% in January. Since 1950, this ranks as the 28<sup>th</sup> best month ever or among the top 3%. The gain made it the best January performance since 1987 and best monthly performance since 2015. Despite the gains, equity fund flows were negative as investors pulled \$22.6 billion out of US equities in January. This is a sharp reversal to the average monthly inflow of \$15.3B over the previous nine months. The precipitous December decline in the S&P 500 of -9.2% (the 11<sup>th</sup> worst month ever) clearly shook investor confidence.

**Fund Flows by Equity Regions**



On the plus side, international emerging market equity (Intl. EM) was the big winner attracting \$7.8 billion – attractive valuations and softening dollar helping this group. The MSCI Emerging Markets Index gained 8.8% in January and is up 10.2% over the past three months. Bond fund flows attracted \$15B.

## Flows by Asset



Source: State Street Global Advisors

The University of Michigan's consumer sentiment index plunged to 91.7 in January, its lowest level since October 2016 or since Trump was elected. That might sound negative, but when we look at the index over the past 10 years, it is still quite elevated. The Surveys of Consumers chief economist said, "The current level of confidence would be consistent with a 2.6% growth in consumer spending in 2019."

## University of Michigan Consumer Sentiment Index

2009-2019



### 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.



## Delta Stock Market Dashboard

MARKET SENTIMENT IS

**BULLISH**

THIS WEEK'S NUMBER IS

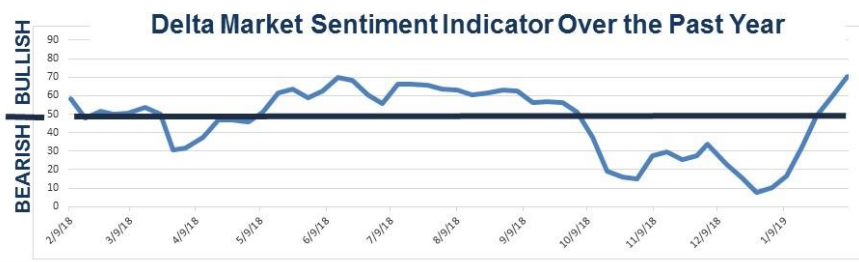
**70.6**

Our technical indicator increased this week from 59.5 to 70.6

### INDICATOR STATISTICS

Consecutive Bullish Weeks:	2
Cycle Inception Date:	1/31/2019
Range:	59.5 – 70.6
Mean:	65.1
Bullish Weeks YTD:	2
Bearish Weeks YTD:	4
*S&P 500	0.15%
*DJIA	0.86%
*NASDAQ	0.22%

\* Percentage change during current cycle



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

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