

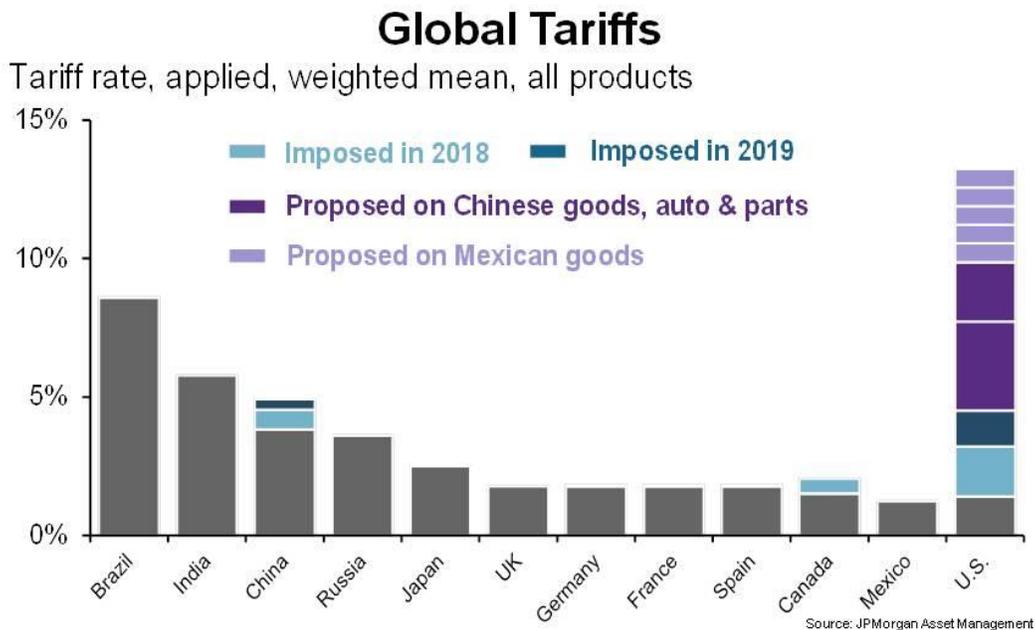
*Delta Investment Management is a registered investment advisory firm. Delta welcomes discussions with individuals seeking investment advice and advisors seeking a new turnkey asset management solution.
Delta manages portfolios at TD Ameritrade and Schwab.
Please contact Delta at info@deltaim.com or 415-249-6337 to learn more.*

July 5, 2019

The Trade War in Pictures

Before 2018, the U.S. was one of the lowest tariff countries in the world. As a policy, we encouraged free global trade through the World Trade Organization and trade agreements with almost all major economies.

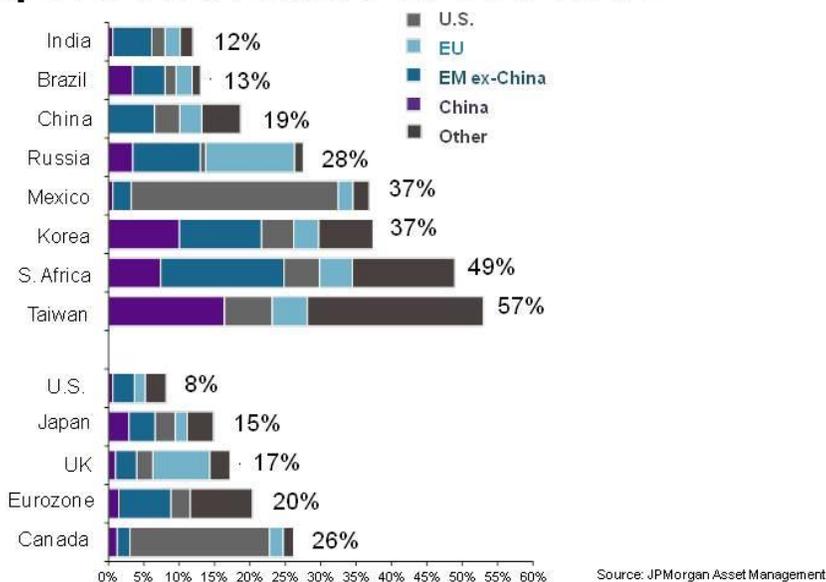
The chart below shows how tariffs imposed in 2018 and 2019 have more than doubled U.S. tariffs. Proposed tariffs on China and Mexico, if implemented, would cause the U.S. to be one of the highest tariff countries in the world.



According to the International Monetary Fund (IMF), the U.S. still has the world’s largest economy. With less than 5% of the world’s population, we generate roughly one fifth of all income and U.S. GDP represents nearly 24% of global GDP.

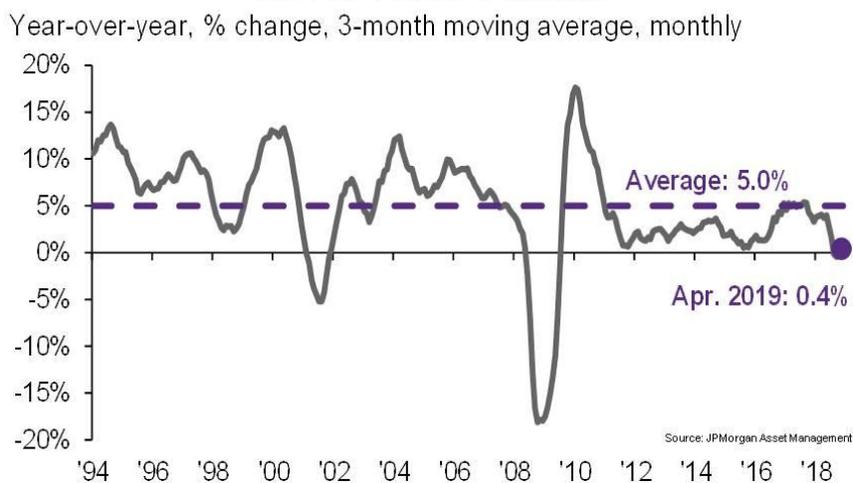
The relative size of the U.S. economy means many foreign country economies are dependent on exports (often to the U.S.). By contrast, U.S. exports as a share of GDP is only 8%, the lowest of all major economies.

Exports As A Share of GDP 2018



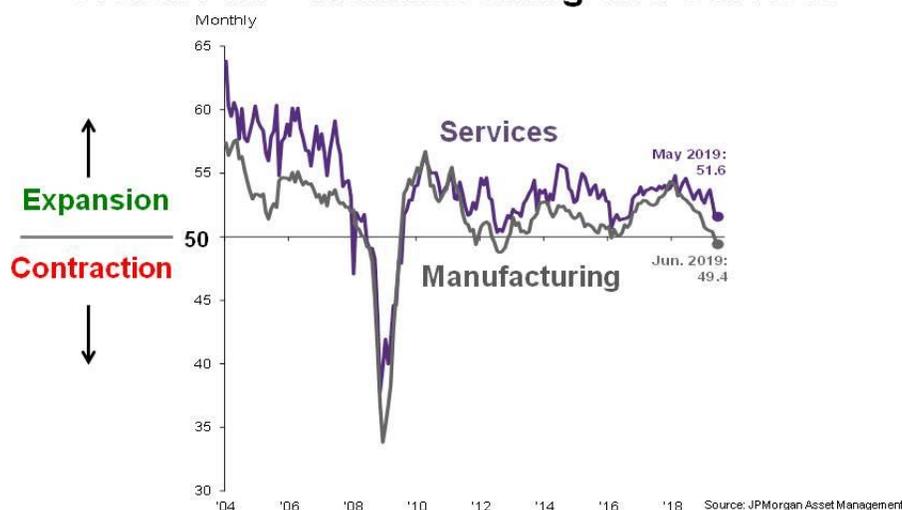
When the U.S. imposes and proposes tariffs, it has a noticeable effect on world trade volume. World trade volume has declined materially since 2018.

World Trade Volume



Global manufacturing activity (Purchasing Managers' Index PMI) slipped into contraction with readings below 50% for the past two months.

Global PMI – Manufacturing and Services



In a trade war, the U.S. is better positioned than any other major economy in the world. We have a large, growing economy that is not dependent on exports. On the other hand, actual tariffs and potential future tariffs are contributing to a global slowdown. In the long-run, the U.S. does better when the rest of the world is also economically healthy and growing. We are all in this boat together.

Delta Chart Book 2Q2019 and Conference Call Next Week – Order Today!

We update the Delta Chart Book quarterly and offer readers a live conference call to review the charts. The next update is Wednesday, July 10th at 12:00 PM ET.

If you would like to subscribe to our quarterly chart book, please call or email so we can add you to the list. There is an annual processing fee of \$30 to receive the chart book and participate in the live conference calls. This service is complimentary for clients.

Give Us a Call Today

We invite you to give us a call at **(415) 249-6337**, visit www.deltaim.com or email us at info@deltaim.com if you have questions about how we can assist you in managing your investment accounts.



"I think you should be aware that the chef is a summer intern."

Delta Stock Market Dashboard

MARKET SENTIMENT IS

BULLISH

THIS WEEK'S NUMBER IS

66.3

Our technical indicator increased
this week from 50.3 to 66.3

INDICATOR STATISTICS

Consecutive Bullish Weeks:	2
Cycle Inception Date:	6/27/2019
Range:	50.3 - 66.3
Mean:	58.3
Bullish Weeks YTD:	18
Bearish Weeks YTD:	9
*S&P 500	2.8%
*DJIA	1.6%
*NASDAQ	2.8%

* 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.