

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.

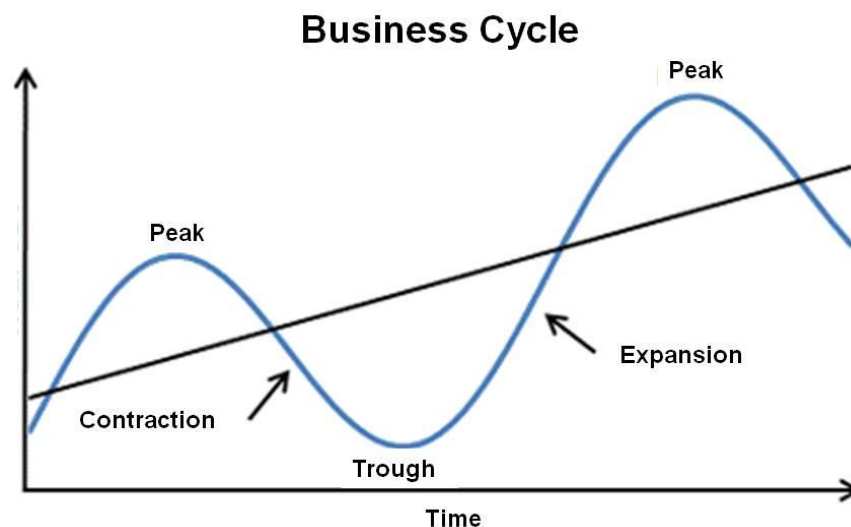
Delta manages portfolios at TD Ameritrade and Schwab.

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

November 15, 2019

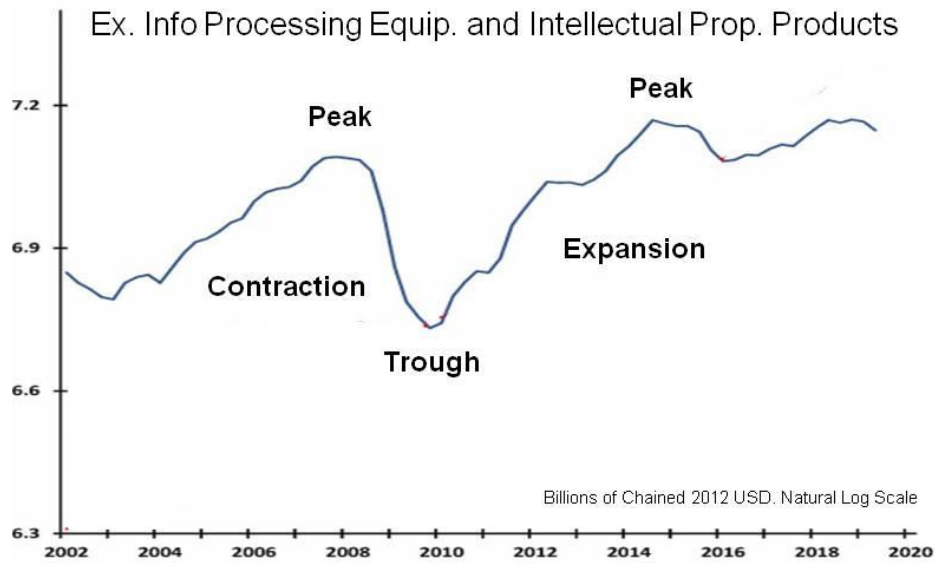
Cycle Straight

Business cycles. Traditional business cycles involve expansions which peak followed by contractions which trough. Repeat.



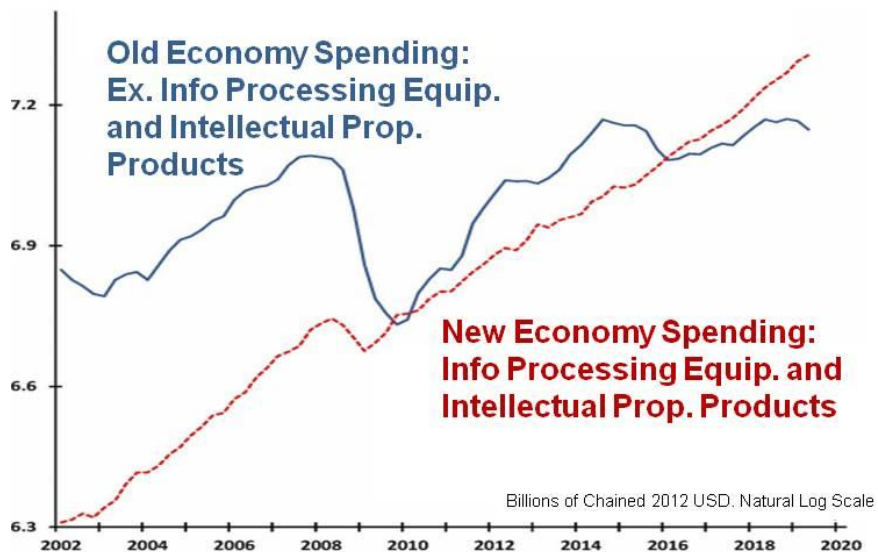
In the chart below, business investment measured as nonresidential investment spending without information processing equipment and intellectual property products appears to have peaked in 2014. Old economy business investment spending appears to be following the traditional business cycle and suggests the economy is slowing down and possibly heading for contraction.

U.S. Real Nonresidential Investment Spending



This high level look at business spending is masking an important change in the U.S. economy. Old economy business spending is cyclical. New economy business spending has strong secular growth. It is becoming an increasingly large percentage of total business spending. The chart below shows new economy business spending measured as spending on information processing equipment and intellectual property products.

U.S. Real Nonresidential Investment Spending



In the 1990s, new economy spending comprised only about 25% of total nonresidential investment spending. Today, new economy spending comprises roughly 54% of the total capital spending. As new economy spending becomes a larger component of business

investment, the U.S. economy may become less cyclical. The magnitude and secular growth of new economy spending may be a reason why the current economic expansion persists longer than expected. It may also be a reason why growth stocks (especially large-cap growth e.g., Google, Apple, Microsoft, Amazon, etc.) continue to outperform value stocks.

Year-End Planning Considerations

- Required minimum distributions (RMD) – over 70½.? If you haven't already, schedule to take your 2019 RMD now!
- Qualified charitable distributions (QCD) for those claiming the standard deduction and planning on charitable contributions
- Annual beneficiary reviews
- Tax loss harvesting
- Determine marginal tax bracket to drive timing of income
 - Know how much income can be realized before “creeping” into the next tax bracket, especially when considering a Roth IRA conversion
- Opportunity zones and capital gain tax deferral

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.



Delta Stock Market Dashboard

MARKET SENTIMENT IS

BULLISH

THIS WEEK'S NUMBER IS

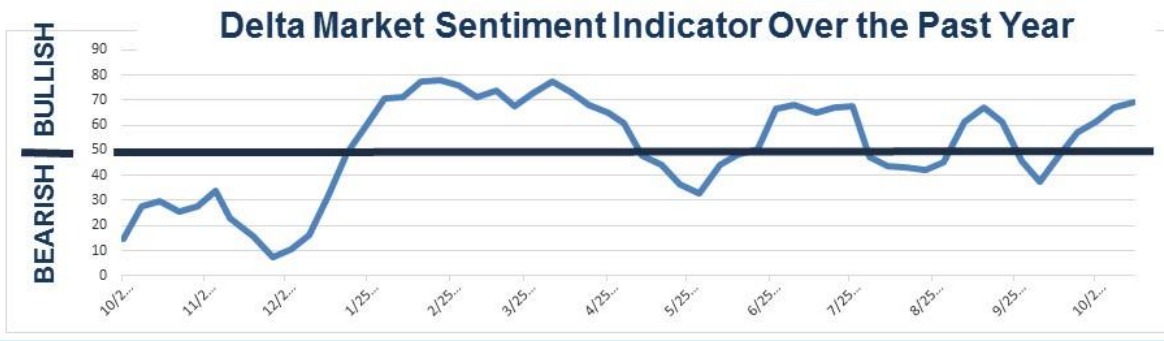
69.3

Our technical indicator increased
this week from 67.1 to 69.3

INDICATOR STATISTICS

Consecutive Bullish Weeks:	4
Cycle Inception Date:	10/25/2019
Range:	57.4 – 69.3
Mean:	63.84
Bullish Weeks YTD:	30
Bearish Weeks YTD:	18
*S&P 500	2.9%
*DJIA	3.7%
*NASDAQ	3.6%

*Percentage change during current cycle



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

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