



# RGB Perspectives

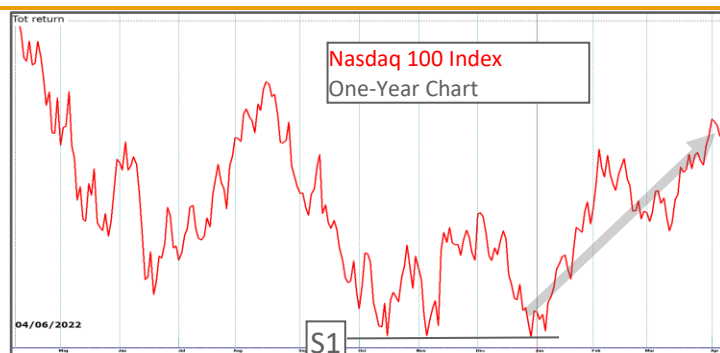
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Written by Rob Bernstein ([rob@rgbcapitalgroup.com](mailto:rob@rgbcapitalgroup.com))

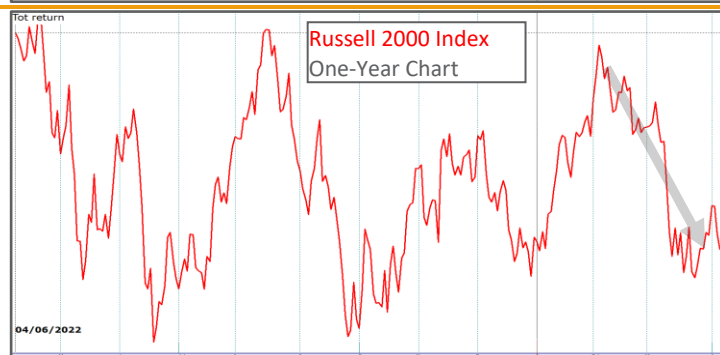
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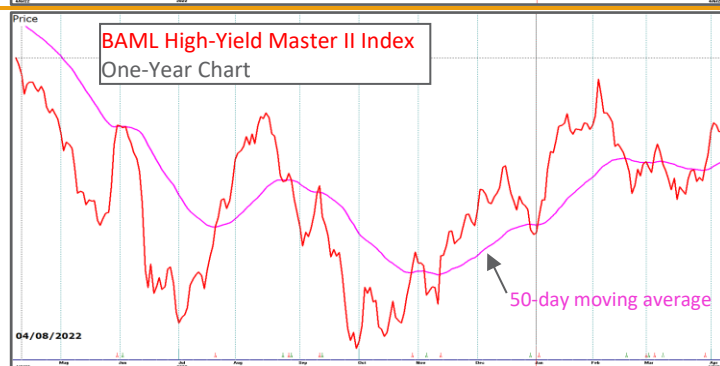
The **S&P 500 Index** is in a choppy uptrend. The index bottomed in October 2022 and has moved higher over the last six months. Recent concerns in the banking sector have created some short-term volatility but that appears to be contained for the time being.



The **Nasdaq 100 Index** is moving up but had a more prolonged bottoming process at the end of last year. The index bounced off support (S1) several times in late 2022 but has since been in a strong uptrend.



Small-cap stocks have not fared as well. The **Russell 2000 Index** has been in a wide-trading range for most of the last year and is currently in an intermediate-term downtrend. The recent issues in the regional banking sector have not helped the performance of small-cap stocks as the index is comprised of approximately 16% exposure to the financial sector. The index is currently near year-to-date lows.



Junk bonds have held up fairly well but continue to indicate some uncertainty. The **BAML High-Yield Master II Index** is moving sideways as can be seen by its relatively flat 50-day moving average that started to level out in February.

Much of the stock market has stabilized following the banking issues that surfaced last month. While the stock market environment has improved, we are starting to see more indications that the economy is slowing as a result of the aggressive rate hikes implemented by the Federal Reserve over the last year. If the economy slows down enough, we will likely experience a recession that will have a negative impact on stock prices. I have taken on some exposure to low volatility funds in the Core and Balanced strategies that have started to trend up recently. I don't know how long the trends will last but will monitor these holdings and adjust as necessary. The Flex+ strategy remains fully invested.

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