



# RGB Perspectives

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Large-cap stocks continue to grind higher. The **S&P 500 Composite Index** and the **Nasdaq 100 Index** are both near all-time highs.



However, mid- and small-cap stocks are not participating to the same degree in this rally. While both the **S&P 400 Index** (mid-cap stocks) and the **S&P 600 Index** (small-cap stocks) have trended up over the last two months, they are just now approaching the highs set earlier this year and remain below their all-time highs set in 2018.



While the divergence between large-cap stocks and mid-/small-cap stocks is concerning, junk bonds continue to point to a positive market environment. The **BofAML High Yield Master II Index**, continues to notch out new highs and is in a well-defined uptrend, trending above its 50-day moving average. This is a positive configuration that points to a continuation of the current uptrends in the stock market.

In strong market environments, stocks across the market capitalization spectrum generally trend up together. If the short-term uptrends of mid- and small-cap stocks decisively break through the 2019 highs and continue marching towards their all-time highs set back in 2018, it would be an encouraging sign for the market as a whole.

The RGB Capital Group investment strategies remain fully invested and no changes have been made to the portfolios over the last week. As we head into the last few trading days of July, all of the RGB investment strategies are positive month-to-date.

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