

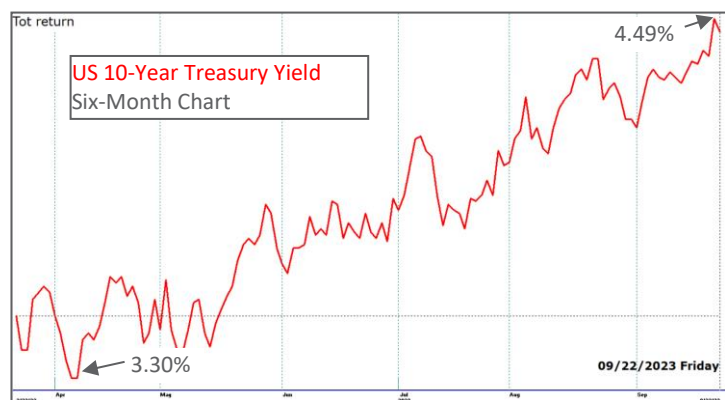


RGB Perspectives

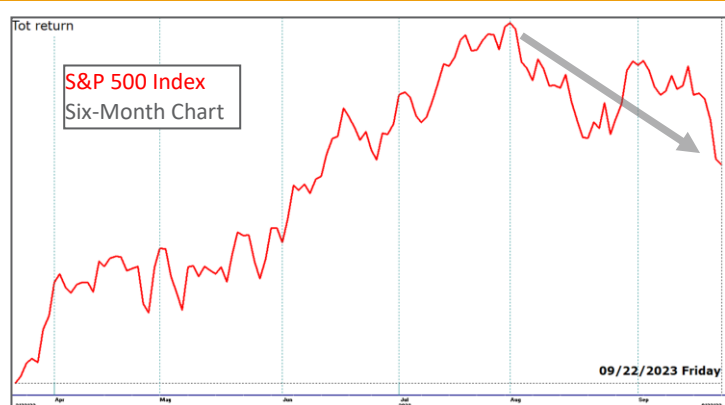
September 25, 2023

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The Federal Open Market Committee (FOMC) met this past week and as widely expected, kept rates steady. However, the committee continues to suggest that future rate cuts will be more gradual than previously expected. This has pushed bond yields higher as can be seen in this chart of the **US 10-Year Treasury Yield** which has been steadily rising over the last six months.



Rising rates have had a negative effect on the stock market. The **S&P 500 Index** is now in an intermediate-term decline as it continues to fall from its early August high. The index is down 4.2% for the month of September and the decline appears to be accelerating since the FOMC announcement last week.



Junk bonds, which tend to be a good barometer of the overall health of the stock market, have held up relatively well. The **BAML High-Yield Master II Index** pulled back along with the rest of the stock market last week but has not rolled over into a downtrend; at least not yet. In fact, the junk bond index remains in an uptrend as reflected by its rising 50-day moving average.

The stock market is adjusting to changes in monetary policy expectations and this is pushing stock prices lower. However, as long as the economy remains on solid ground and the labor markets remain strong, the Fed has the ability to keep rates elevated to make sure inflation remains in check. This may take some time for the market to adjust to this new reality. On a positive note, the strength in the junk bond market is a welcome sign that the current volatility may only be temporary.

I have not made any changes to the RGB Capital Group investment strategies over the last week but am closely watching our holdings in the event the market continues to trend down. The Core strategies are at about the breakeven level for the month while the Balanced and Flex+ strategies are down. Thanks for your continued trust during these uncertain times.

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Prepared with data through 9/22/2023