



RGB Perspectives

December 11, 2017

Written by Rob Bernstein (rob@rgbcapitalgroup.com)

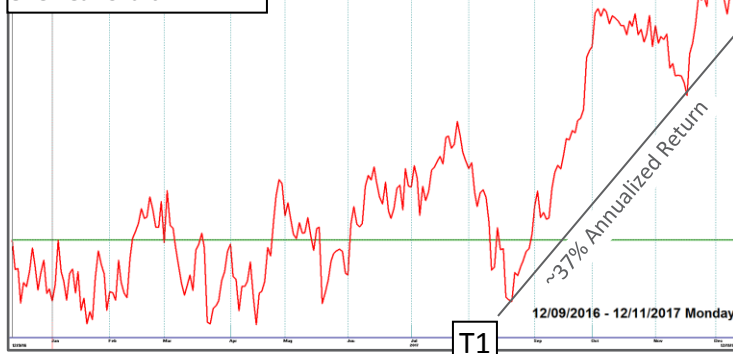
RGB Capital Group LLC • 858-367-5200 • www.rgbcapitalgroup.com

S&P 500 Composite Index
One-Year Chart



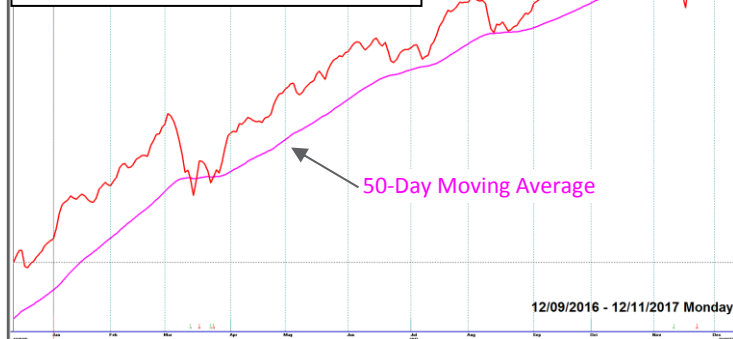
The **S&P 500 Composite Index** (large-cap stocks) remains in a low volatility uptrend. The uptrend has accelerated over the last three months as the S&P 500 has pulled away from its uptrend line (T1). It would not be surprising to see some pull back, or sideways consolidation, to get back in line with the dominant uptrend (T1) that started over a year ago.

Russell 2000 Index
One-Year Chart



The **Russell 2000 Index** (small-cap stocks) started trending up in August after trending sideways for most of the year. The current uptrend is significantly steeper than that of the S&P 500 Composite Index and comes with considerably more volatility.

Merrill Lynch High-Yield Master II Index
One-Year Chart



The **Merrill Lynch High-Yield Master II Index** (junk bonds), which generally follows the direction of the overall equity markets, is trading at about the same level it did in early October. As I have mentioned in prior RGB Perspectives, I don't expect junk bonds will have strong gains in the current market environment. However, junk bonds are still an important asset class to monitor as a sudden decline in this low volatility group would be an indication that market risk is increasing.

The equity markets continue to climb higher and the RGB Capital Group models continue to be positioned to benefit from these trends. Although we are positioned to take advantage of this uptrending market, I continue to monitor the markets for changes in these trends. Uptrends can change to downtrends rather quickly and it will be important to maintain the majority of our capital when that change ultimately happens. The RGB Capital Group models are flat to up slightly for the month of December.

RGB Perspectives is provided for general information purposes only. It does not constitute an offer to sell or a solicitation to buy a security, and is not an offer to provide any specific investment advice. Securities held in the RGB models are subject to change without notice. Past performance is not a guarantee of future performance. It is not possible to invest directly in an index. Individual account results will vary from RGB models due to timing of investment, amount of investment and actual securities used. Advisory fees are deducted within the first month of the quarter for the prior quarter. Most data and charts are provided by www.fasttrack.net or TC2000 (www.worden.com). RGB Capital Group contact info: (858) 367-5200. Email: info@rgbcapitalgroup.com