RGB Perspectives

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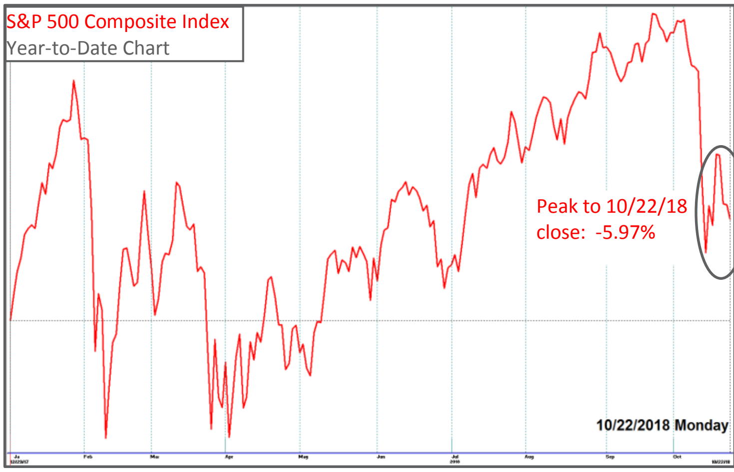

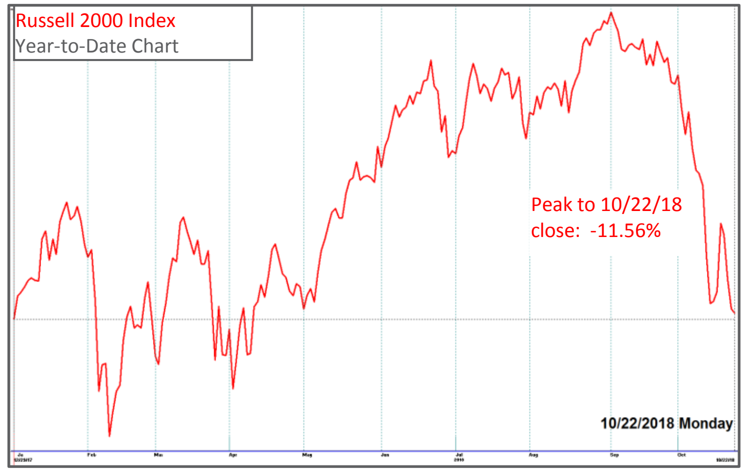

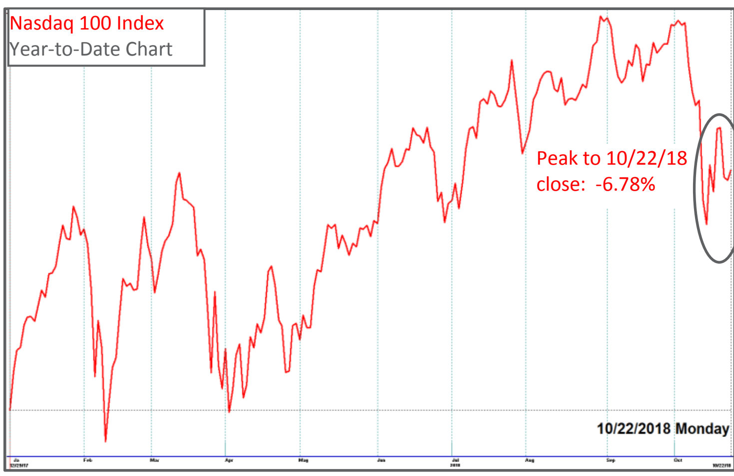

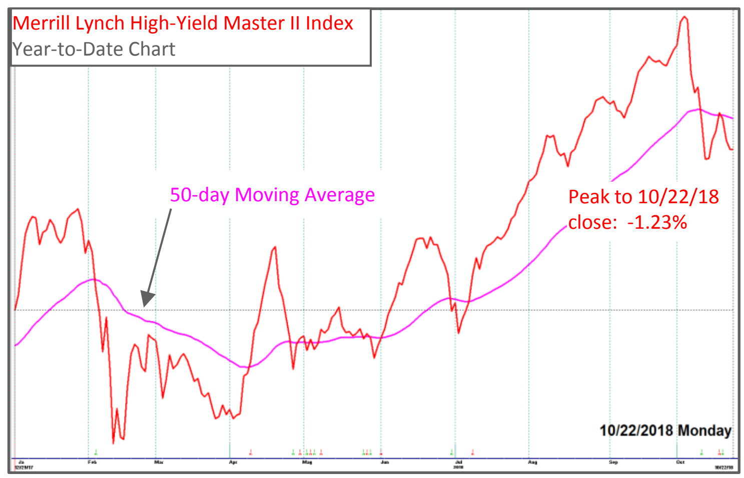

The four charts above are the same four that I shared last week. While last week the indices were generally all pointing to a negative environment, this week is a bit of a mixed message. On the positive side, both the S&P 500 Composite Index(large-cap stocks) and the Nasdaq 100 Index (growth/technology stocks) are starting to demonstrate signs of a short-term uptrend (see circled areas). Both are above their recent lows and, in the case of the Nasdaq 100 Index, it has put in a series of rising troughs. Although not definitive at this point, this may be a sign that the recent weakness has run its course.

On the other hand, the Russell 2000 Index (small-cap stocks) is demonstrating signs that the downtrend may have further to go. The Russell 2000 Index continues to decline and there are no signs of a bottom. It has given up virtually all of its gains for the year and is down over 11% since its recent peak in early September.

The Merrill Lynch High-Yield Master II Index (junk bonds) started to trend up last week but failed right at its 50-day moving average before declining over the last few trading days. This is an indication that uncertainty remains in the market. If the market environment begins to strengthen, we would expect junk bonds to start climbing as well.

The recent downturn in the market continues to look like a normal correction within an ongoing uptrend, at least for now. A drop below the recent lows in the S&P 500 and the Nasdaq 100 would start to change my opinion of that overall assessment.

There has been little change in the performance of the three RGB strategies (Conservative, Flexible and Flex+) since last week with all strategies ending the week just about where they started.

Prepared with data through 10/22/2018