

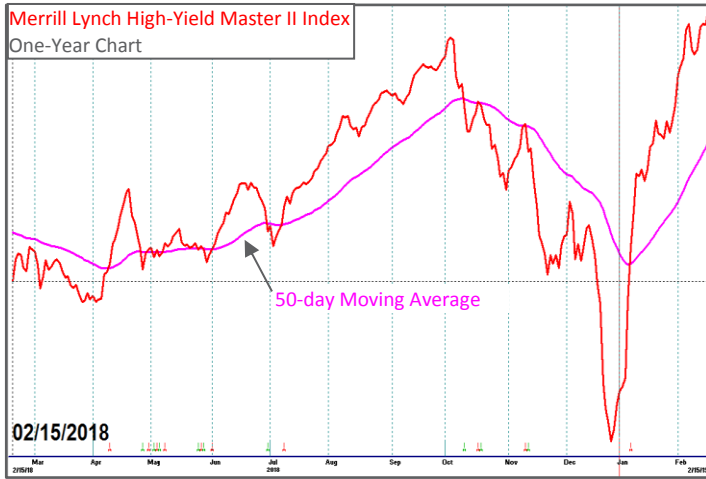


# RGB Perspectives

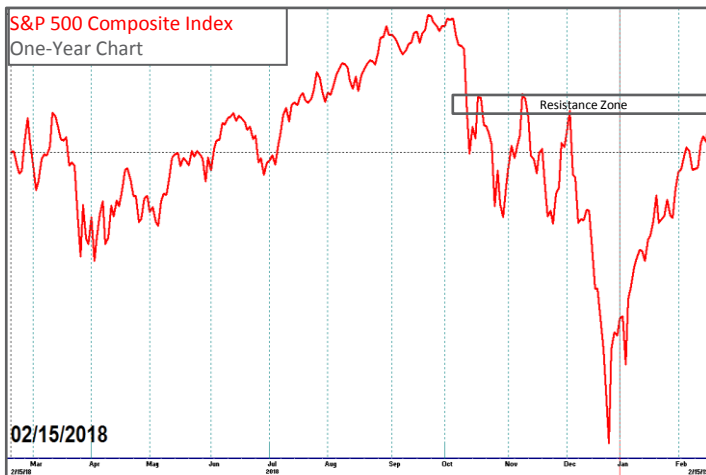
February 18, 2019

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

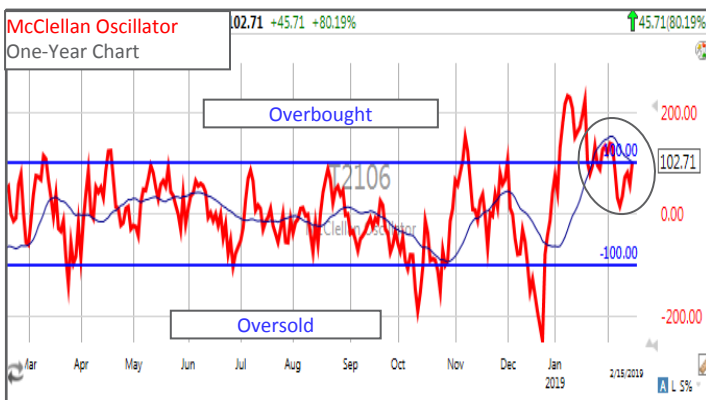
RGB Capital Group LLC • 858-367-5200 • [www.rgbcapitalgroup.com](http://www.rgbcapitalgroup.com)



Junk bonds are trending higher. They are solidly above their 50-day moving average and have exceeded their 2018 peak. This is a positive configuration.



Stocks are also trending higher with a pattern of stronger up legs interrupted by weaker down legs. Most of the major indices, including the **S&P 500 Composite Index**, are approaching their October / November peaks which may provide some resistance to the current uptrend.



The market is a bit extended on a short-term basis. The **McClellan Oscillator**, a short-term overbought/oversold indicator, is back in overbought territory but not by much. However, the 21-day moving average, which serves as an intermediate-term overbought/oversold indicator, remains elevated. Generally, the 21-day moving average will oscillate around the zero line, so it would not be surprising to see a reversion back to this level.

Since the December 24<sup>th</sup> low, the S&P 500 is up 18.1%; the Nasdaq up +20.7%; the Russell 2000 is up +23.8%. While these uptrends are encouraging after a steep decline, these types of strong uptrends won't last forever. It wouldn't be surprising if we see some sort of pause or pullback as the major indices approach their October/November peaks.

All the RGB Capital Group strategies are up a little for the month.

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](http://www.fasttrack.net) or TC2000 ([www.worden.com](http://www.worden.com)). RGB Capital Group contact info: (858) 367-5200. Email: [info@rgbcapitalgroup.com](mailto:info@rgbcapitalgroup.com)