



# RGB Perspectives

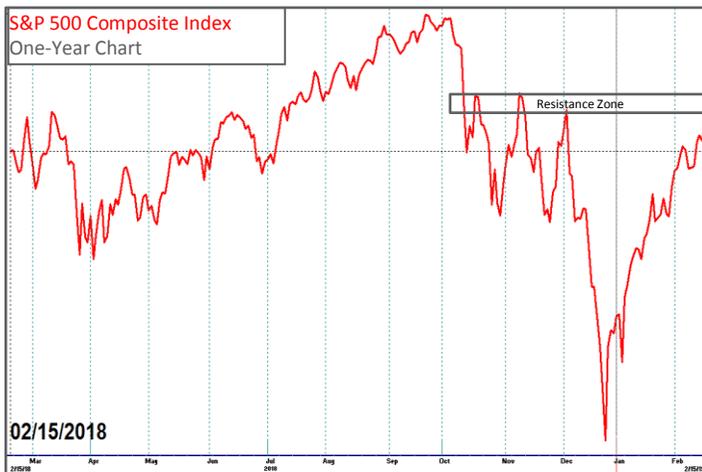
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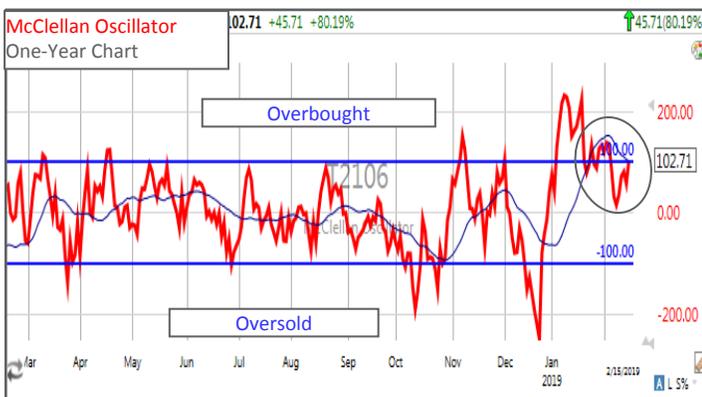
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Junk bonds are trending higher. They are solidly above their 50-day moving average and have exceeded their 2018 peak. This is a positive configuration.



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.

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