



RGB Perspectives

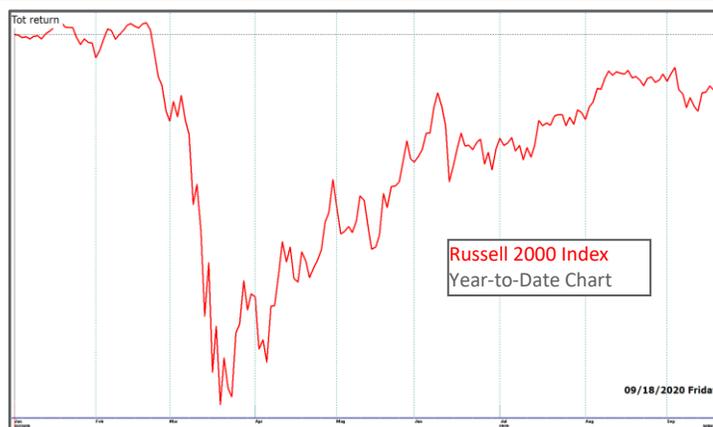
September 21, 2020

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The weakness in the equity markets continued last week. The tech-heavy **Nasdaq 100 Index** fell another -1.4% for the five days leaving the index down -9.7% for the month of September. The index remains below the upward trend channel that defined the majority of the market activity since mid-April but remains just above important support S1. A break below this level would create some concern that there may be more downward pressure in the coming days/weeks.



Not all stocks trended lower last week. The **Russell 2000 Index** of small-cap stocks gained 2.6% over the same 5-day period. The Russell 2000 Index is only down -1.6% for the month.



The **ML High-Yield Master II Index**, an index of the junk bond market, does not show any signs of elevated risk in the market at the current time. It has trended sideways over the last month and remained above its 50-day moving average. If the equity markets continue to deteriorate, the junk bond index will likely start to decline as well, but that hasn't happened yet.

The divergence between the large-cap technology stocks and the rest of the market continues. It appears that most of the recent selling is concentrated in the largest technology stocks that led the market higher over the last several months. The nature of the next up leg will help us put the current downtrend in perspective. If a series of rising troughs develops, a retest of the recent September highs might be on the horizon. A short bounce followed by a break below the recent September lows would be discouraging.

The RGB Capital Group investment strategies are mixed for the month of September. The Balanced and Flex+ strategies remain down for the month, while the Core investment strategies are up. I will take my clues from the charts and indicators that drive our investment strategies and react accordingly in an attempt to avoid any life-changing losses.

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