



RGB Perspectives

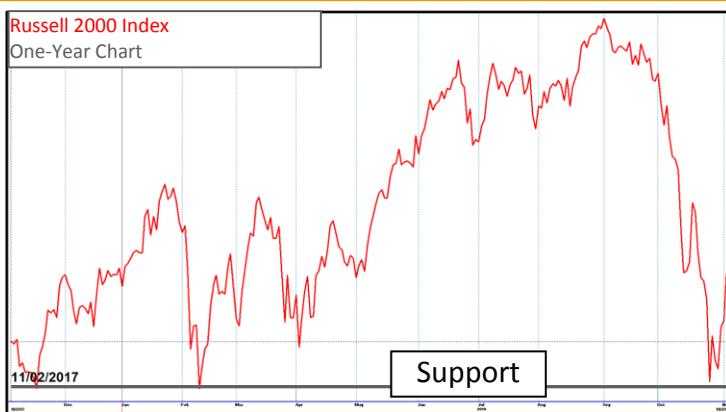
November 5, 2018

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The **S&P 500 Composite Index** (large-cap stocks) is 3.1% above its recent low but remains 7.1% below its all-time high. It is still in a downtrend as evidenced by the series of declining peaks (A → B → C).



The **Russell 2000 Index** (small-cap stocks) halted its waterfall decline last week as it bounced off of the lows established earlier this year which are acting as a significant level of support. It has recovered 5.4% of the recent losses but remains 11.1% below its all-time high.



Junk bonds are confirming the downtrend in equities. The **Merrill Lynch High-Yield Master II Index** is down 1.7% from its all-time high. This is not a steep decline at this point but as long as junk bonds are trending below their 50-day moving average it is an indication that risk is elevated.

The stock market remains in a downtrend. The recent lows MAY turn out to be the bottom of the recent bout of downside volatility but it is too early to make that determination. The market continues to be driven by uncertainty around the mid-term elections, trade wars, rising interest rates and concerns over global economic environment. Recent, positive news regarding progress in the trade negotiations with China has helped support the market over the last week.

The holdings in the RGB Capital Group investment strategies have not changed over the last week. The RGB Conservative strategy is down slightly for the first few days of the month while the Flexible and Flex+ strategies have started the month on a positive note. Thank you for your continued trust during these uncertain times.

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