



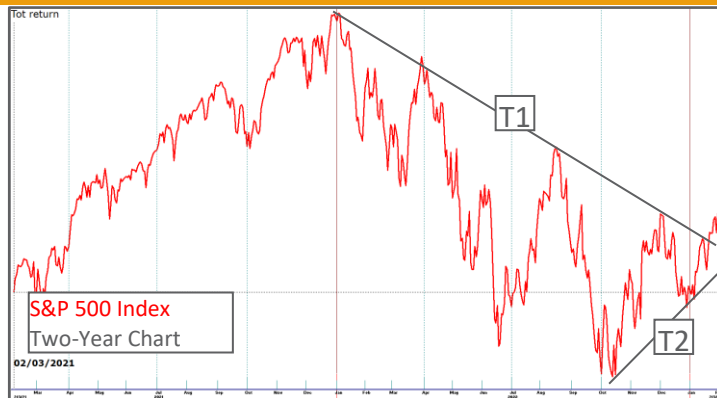
# RGB Perspectives

February 6, 2023

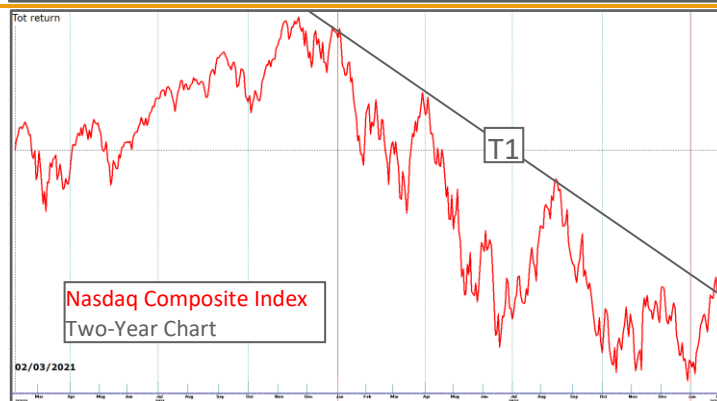
Written by Rob Bernstein ([rob@rgbcapitalgroup.com](mailto:rob@rgbcapitalgroup.com))

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

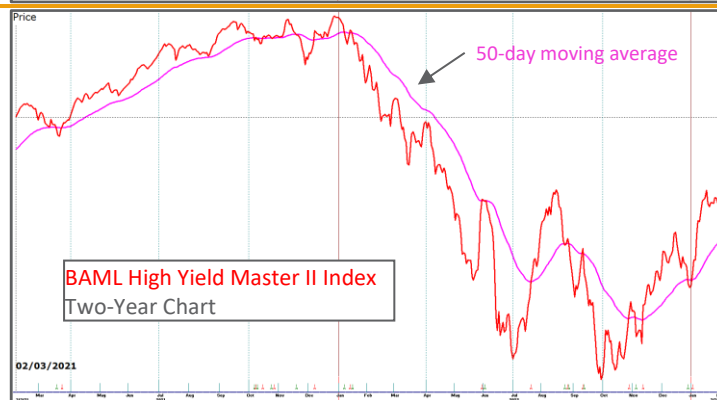
As widely expected, the Federal Open Market Committee (FOMC) raised short-term interest rates last week 0.25% to a range of 4.50% - 4.75%; the highest level in 15 years. In the press conference that followed that meeting, Fed Chairman Jerome Powell recognized that the results of the FOMC's aggressive monetary policy decisions last year were starting to impact the economy as the rate of price increases has steadily declined over the last six months. The markets rallied on the news anticipating that the Fed will be able to stop raising short-term rates soon.



The **S&P 500 Index** was up 1.6% for the week as the large-cap index continues to trend up. The S&P 500 Index broke above the primary downtrend line (T1) last month and is now up over 7% year-to-date. The index pulled back a little on Friday but that didn't change the current, intermediate-term trend (T2) which is up.



The **Nasdaq Composite Index**, which substantially underperformed the market last year, was up 3.3% last week and remains in a strong uptrend that started at the end of last year. The index surged through the downtrend line (T1) that defined the price movement in the index last year and is up over 14% year-to-date.



Junk bonds, my favorite barometer of the health of the stock market, are also in a strong uptrend. The **BAML High-Yield Master II Index** was up 1% last week and up over 5% year-to-date. The index is in a steady, low volatility uptrend which bodes well for junk bonds and the stock market.

All the RGB Capital Group investment strategies are fully invested. As the market transitioned out of the bear market decline at the end of 2022, I reduced our emphasis on risk management to take advantage of the strong uptrends. The Core Non-Qualified and Balanced Non-Qualified strategies are margined to take advantage of the low volatility trends that are available in the current market environment. Thanks for your continued trust as we navigated the volatile markets last year and transition into what looks like, at least so far, a more productive 2023.

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 [www.stockcharts.com](http://www.stockcharts.com). RGB Capital Group contact info: (858) 367-5200. Email: [info@rgbcapitalgroup.com](mailto:info@rgbcapitalgroup.com)

Prepared with data through 2/3/2023