



# RGB Perspectives

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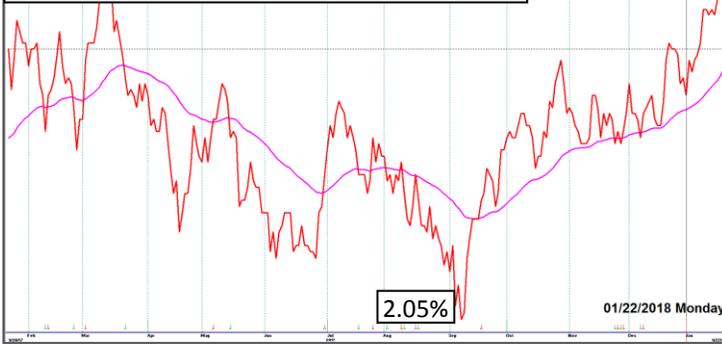
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NYSE Composite Index (with 50-day moving average)  
One-Year Chart



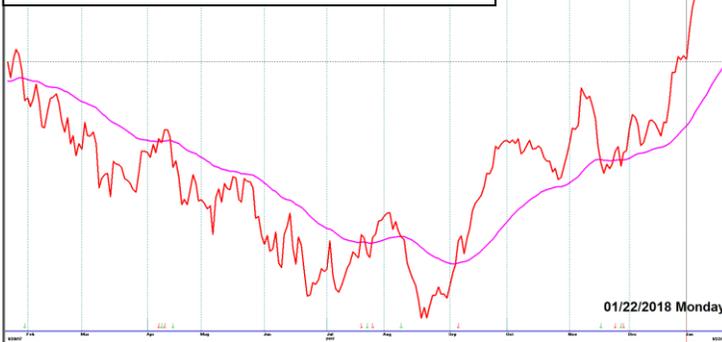
Stocks continue to trend up. The **NYSE Composite Index** is trending up above its uptrending 50-day moving average (I plotted the 50-day moving average to help us visualize the trend). Notice that the 50-day moving average has been trending up for most of last year. With an improving economy and the positive impacts of the new tax legislation, there doesn't appear to be much that can derail the current uptrend. That, of course, will change at some point in the future.

10-Year Treasury Yield (with 50-day moving average)  
One-Year Chart



Treasury yields are also climbing higher. The **10-Year Treasury Yield** was at 2.05% in early September and closed today at 2.66% (a 29.8% increase). Remember, as yields climb, prices of interest rate sensitive bonds decline. With an expanding economy and a Federal Reserve poised to continue to raise interest rates, I expect this trend to continue.

NYSE Energy Index (with 50-day moving average)  
One-Year Chart



Economic growth is also evident in some commodity groups. As the economy picks up momentum, demand for energy and other raw materials increases driving prices higher. The **NYSE Energy Index** bottomed in August 2017 and is currently in a very strong uptrend. Since bottoming in mid-August, the NYSE Energy Index is up 25.6%.

The charts above reflect an expanding economy which is generally positive for stocks and commodities. During times like these, I reduce emphasis on day-to-day risk management of the RGB Capital Group model portfolios in order to take advantage of the trends described above. However, long-term risk management is still critical to avoid life-altering losses. I will attempt to identify when the trends change from uptrends to downtrends in order to protect our capital.

The RGB models are fully invested and no significant changes have been made to the models over the last week. As you might expect, the RGB Flexible models are more aggressively positioned than the RGB Conservative models with additional exposure to equities and exposure to certain commodity groups.

All the RGB Capital Group models are positive month-to-date. Thank you for your continued trust and confidence.

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