



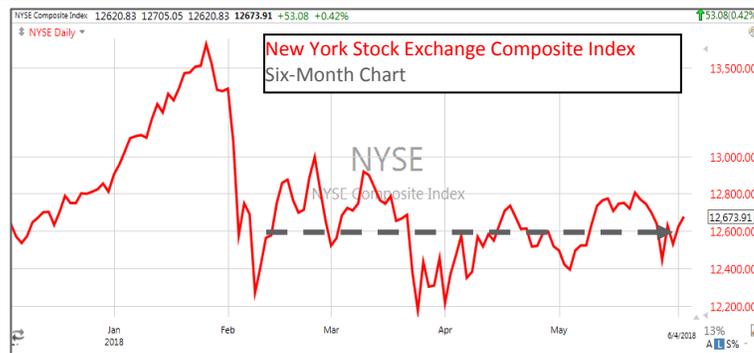
RGB Perspectives

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All clients and friends of RGB Capital Group are invited to attend our annual meeting scheduled for Saturday, September 29 in Los Angeles and Saturday, October 6 in San Diego. For details and online registration please use the following links: [Los Angeles Meeting Details and Registration](#) or [San Diego Meeting Details and Registration](#). If you would like to attend one of these meetings, you must register. For questions, please contact Lois at lois@rgbcapitalgroup.com or 858-367-5200.



Although there is no one single index that represents “the market”, the **New York Stock Exchange Composite Index** does a fairly good job as it includes approximately 2,800 stocks across the market capitalization spectrum. As you can see, the NYSE has trended sideways for the past several months without any clear direction, either up or down.



The largest stocks in the NYSE have the biggest influence over the value of the index, which at times can hide what is happening with “the market”. Therefore it is useful to look at market breadth metrics that give equal weight to each stock. One example is the **NYSE Advance / Decline Line** that is derived from the number of advancing stocks less the number of declining stocks each day. In the current market environment, there are more stocks advancing than declining, which indicates market strength that is not visible in the NYSE Index (price).



The **Cumulative 4-Week New High–New Low Index** tracks the cumulative total of stocks reaching 52-week new highs over the last four weeks less the number of stocks reaching 52-week lows over the same time period. The recent strength in the trend is also indicating strength in the market that is not apparent in the NYSE Index (price).

There are other market breadth metrics that I track that generally imply underlining strength in the market and, combined with the metrics shown above, suggest that the odds favor that the recent sideways market action in the NYSE Index will resolve to the upside. Of course, there are no guarantees that this will happen. If the stock market follows the market breadth metrics higher, I will continue to increase exposure to the stock market in the RGB Capital Group models.

The RGB Capital Group models finished the month of May mixed with the Conservative models ending the month flat to up slightly, while the Flexible models finished the month down a little. All RGB Capital Group models have started the month of June with small gains. Thanks for your continued trust and confidence.

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