



RGB Perspectives

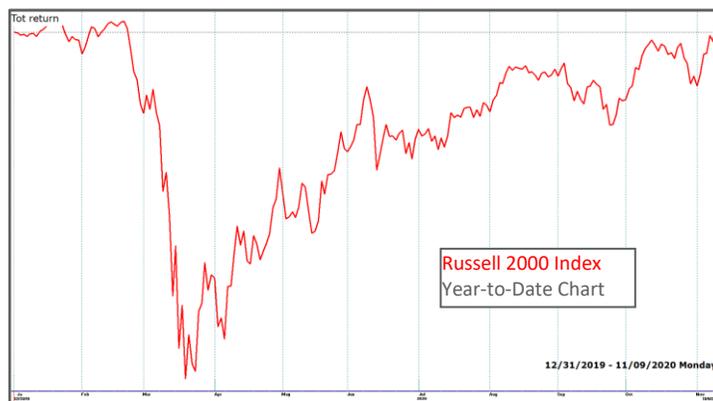
November 9, 2020

Written by Rob Bernstein (rob@rgbcapitalgroup.com)

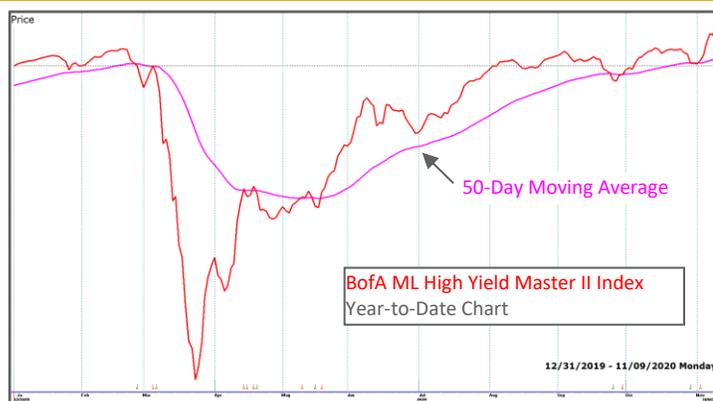
RGB Capital Group LLC • 858-367-5200 • www.rgbcapitalgroup.com



The **S&P 500 Index** had a spectacular week moving from the bottom its multi-month trading range back to the top of the range in just six days. The index is up 8.6% during this period. While the rally has been impressive, the index remains confined to the trading range that has defined the price movement of the index for the last few months. A continuation of this short-term uptrend would lead to a break above the top of this trading range and be an indication that the uptrend that started off the March 23 lows has resumed.



Small-cap stocks have joined the party and outperformed many other assets classes recently. The **Russell 2000 Index** is up over 10.8% in the last six trading days. It has broke above its October highs and finished today 2% below its all-time high set back in August 2018.



Junk bonds are confirming investors' appetite for risk as the index continues to trend up. The **BofA ML High Yield Master II Index** pulled back a little towards the end of October touching its 50-day moving average but has since resumed its uptrend. Today it sits at an all-time high and is comfortably above its 50-day moving average.

The market has had a massive rally over the last week as some of the uncertainties that have plagued the market have been removed. The market is celebrating a Biden victory and a split Congress as investors believe that political gridlock will lead to more of the status quo. Then today Pfizer announced positive results from its Phase 3 trial of a COVID-19 vaccine with a 90%+ efficacy. While it will take time for final approval and distribution of the vaccine, the stock market tends to look out 12 to 18 months at which time much of America will have had the opportunity to be vaccinated. This is certainly a positive for the economy and the industries that have been decimated by the pandemic.

The RGB Capital Group investment strategies remain fully invested. The Core strategies are invested in low volatility mutual funds and the Flex+ strategy is fully invested in large-cap equities. The Core Non-Qualified and Balanced Non-Qualified strategies are leveraged but maintain overall volatility that is significantly less than that of the market. Thank you for your continued trust as we navigate an uncertain time in the market.

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 or www.stockcharts.com. RGB Capital Group contact info: (858) 367-5200. Email: info@rgbcapitalgroup.com