



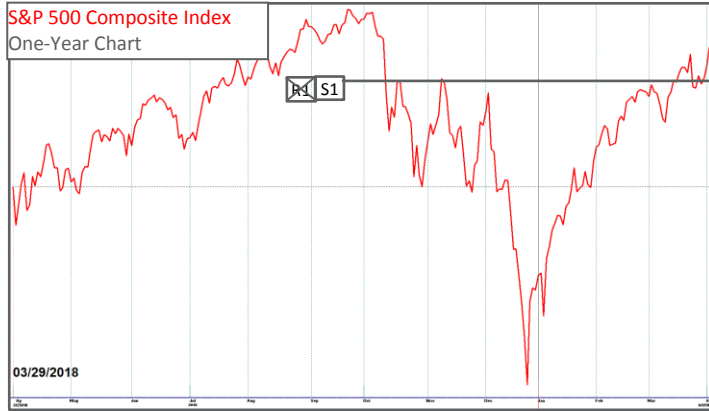
# RGB Perspectives

April 1, 2019

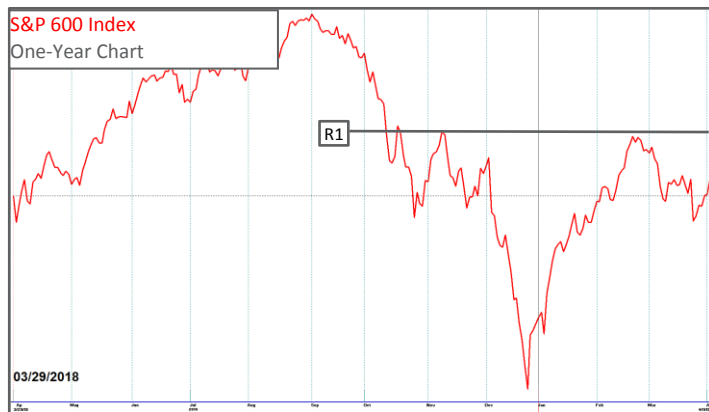
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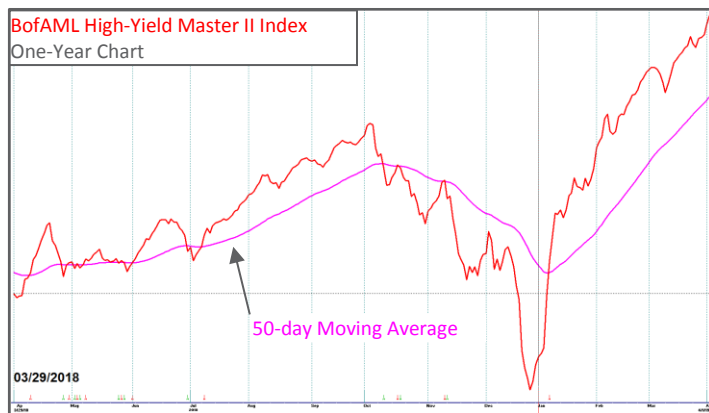
I am hosting a webinar on Tuesday, April 2 at 7:00 pm PDT to discuss RGB Capital Group's investment advisory services. It is intended for existing and prospective clients interested in reviewing our investment philosophy and operations. If you are interested in participating, please register here: [https://zoom.us/webinar/register/WN\\_Ux-veXkpTy6uhl4WZHQFKQ](https://zoom.us/webinar/register/WN_Ux-veXkpTy6uhl4WZHQFKQ)



The **S&P 500 Composite Index** penetrated the October/November highs in early March and then pulled back to that level later in the month. The successful penetration and testing of this level has turned this resistance level into an area of support and is an indication that the uptrend off the December lows is intact. The next significant test for this large-cap stock index will be the 2018 highs.



Small-cap stocks are telling a very different story. The **S&P 600 Index** was unable to penetrate Oct/Nov peaks and started to decline in late February. Generally, when small-cap stocks lag large-cap stocks, it is an indication of potential weakness. Divergences between large-cap and small-cap stocks happen from time to time, but the divergence isn't likely to last too long. I expect if the market as a whole continues trending up, small-cap stocks will trend up as well.



In my opinion, one of the best indicators of the overall health of the financial markets is the junk bond market. The **BofAML High-Yield Master II Index** is in a strong uptrend trending above its rising 50-day moving average. It has surpassed its 2018 high and is indicating that investors have an appetite for risk in the current market environment.

While I don't know what the market will do in the future, most of the indicators I follow are indicating a positive market environment. Although small-cap and mid-cap (not shown) stocks have underperformed recently, I would expect that they will join in the uptrend if the current market rally continues.

The RGB strategies remain invested in equities and/or bond/income funds depending on the strategy. All strategies ended up a little for the month of March.

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