RGB Perspectives

Written by Rob Bernstein (rob@rgbcapitalgroup.com)

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

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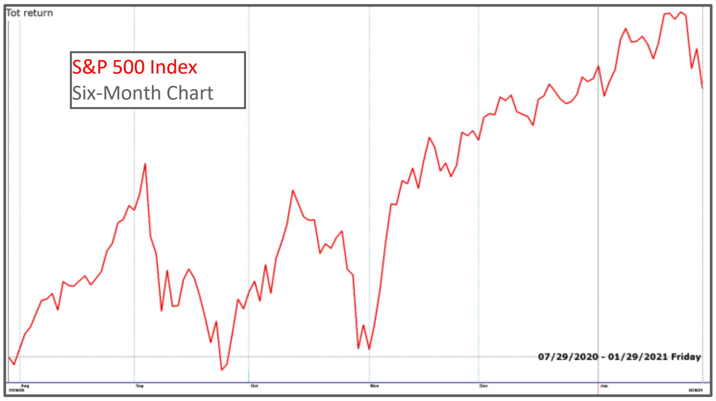
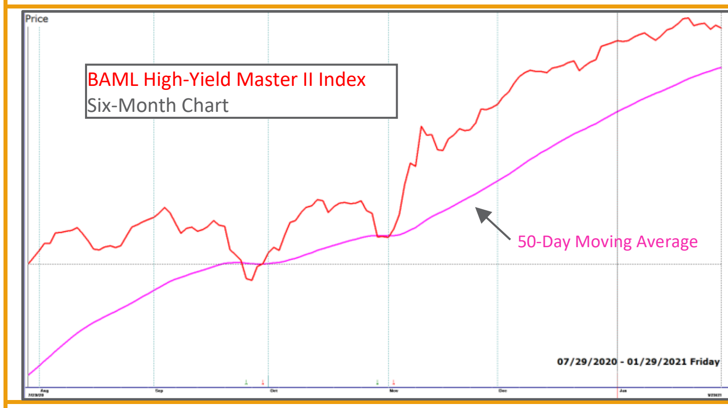
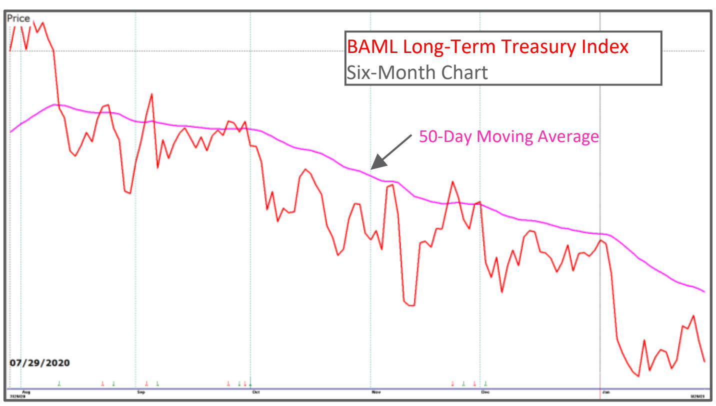


The stock market ended the month on a weak note. While, the S&P 500 Index entered a short-term downtrend the last few trading days of January falling 3.7% over the last four trading days of the month. The intermediate-term uptrend remains in tact.



The BAML High-Yield Master II Index (junk bond index) tends to do a good job of reflecting the overall level of risk in the market. As stocks started to retreat at the end of January, junk bonds moved sideways and remain comfortably above their 50-day moving average.



To assess the level of risk in the market, it is also helpful to look at the performance of US Treasuries. During times of elevated risk, investors flee to the safety of US Treasuries driving treasury prices higher. The BAML Long-Term Treasury Index remains in an intermediate term downtrend reflecting a low level of risk in the overall market.

The stock market has been in a strong rally since November 1st, so a little profit taking over the last several trading days in the equity markets is not all that surprising. An uptrend is defined by a series of stronger up legs followed by weaker down legs and as long as that pattern remains, the market should be considered in an uptrend.

I have made no changes to the RGB Capital Group investment strategies and they remain fully invested. The RGB Core and Balanced strategies remain primarily invested in low volatility bond/income funds that continue to trend up. The non-qualified (taxable) versions of those strategies (CN and BN) remain leveraged. The RGB Flex+ strategy remains fully invested. The uptrend in the financial markets will change at some point in the future and when that happens, I will make adjustments striving to minimize any significant decline in our portfolios. Thank you for your continued trust and confidence.

Prepared with data through 1/29/2021