

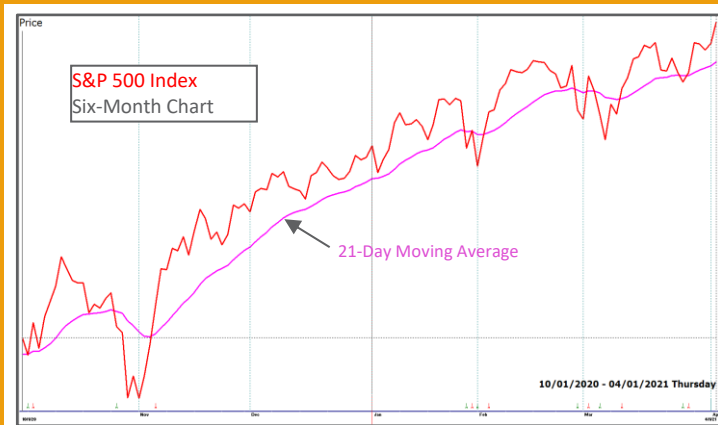


RGB Perspectives

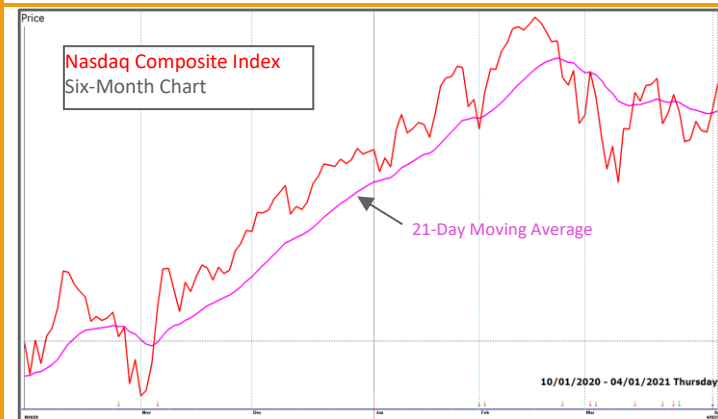
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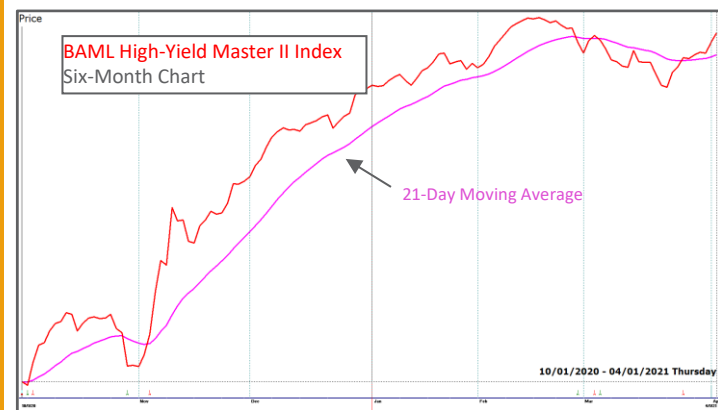
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The chart to the left shows the **S&P 500 Index** along with its 21-day (approximately 1 month) moving average. The 21-day moving average helps us visualize the trend of the market. The recent stock market volatility experienced in late February and early March has resolved to the upside. The 21-day moving average has turned up and the index closed at an all-time high at the end of last week.



The volatility in other segments of the market were a bit more extreme. The **Nasdaq Composite Index** experienced a -10.5% decline between mid-February and early March. The Nasdaq Composite Index has crossed back above its 21-day moving average at the end of last week, but the moving average itself has not yet turned up.



Junk bonds do a good job of providing clues to the overall health of the market. When junk bonds are trending up it is an indication that investors are willing to hold riskier assets. The **BAML High-Yield Master II Index** trended down between mid-February and mid-March but has now turned up. The index is in a short-term uptrend trending above its 21-day moving average.

The market environment has improved over the last two weeks with both large-cap stocks and junk bonds trending up. It is unlikely that the stock market will continue to trend up without the participation of growth/technology stocks so I expect that trend to turn up shortly if the rest of the market continues to move higher. With the financial system flush with liquidity, the pace of vaccinations increasing, and the number of new jobs surging, the environment looks positive. However, uptrends do not last forever. I continue to put a high priority on risk management and capital preservation as the stock market environment can change quickly. I made no changes to the RGB Capital Group investment strategies over the last week.

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