

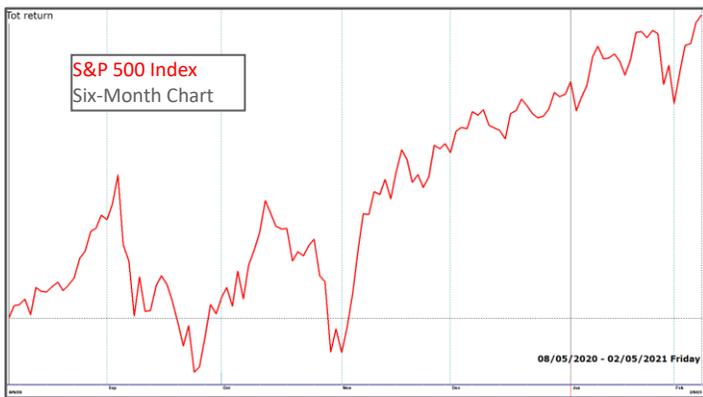


# RGB Perspectives

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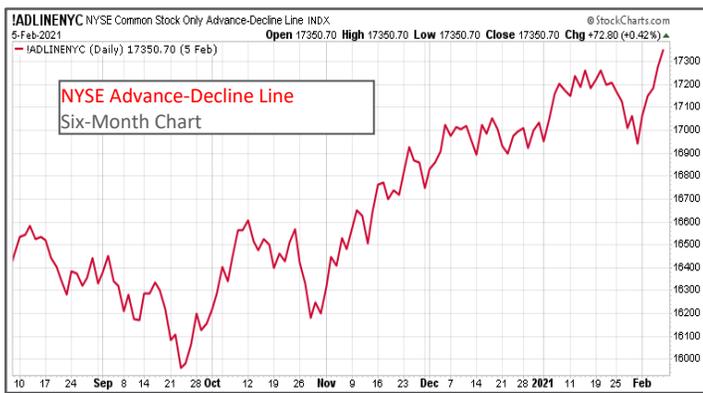
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The short-term decline at the end of January was quickly reversed during the first week of February. Many of the major stock market indices, including the **S&P 500 Index**, finished at all-time highs on Friday and look to continue that trend this morning.



The strong rally that started in early November last year has been a broad-based rally lifting stocks across the market capitalization spectrum. The **Russell 2000 Index** (small-cap stocks) is up an incredible 45% since November 1<sup>st</sup>.



We can confirm the rally in stocks with market breadth metrics that measure market performance using metrics other than price (advancing vs. declining stocks, new highs vs. new lows, and up volume vs. down volume). For example, the **NYSE Advance-Decline Line** plots the number of advancing stocks less the number of declining stocks each day. This daily value is then added to the cumulative Advance-Decline Line. When the Advance-Decline Line is advancing along with the major stock market indices, as it is now, it is indicating a healthy stock market environment.

The stock market remains in a strong uptrend and that uptrend is confirmed by many market breadth indicators. This rally will end at some point in the future; we just don't know when. Tracking market breadth indicators provides clues to when the uptrend starts to deteriorate.

I have made no changes to the RGB Capital Group investment strategies. All strategies remain fully invested and the non-qualified versions of the RGB Core and Balanced strategies maintain a margin position. I will continue to monitor the market and adjust the strategies, when necessary. In the meantime, we can sit back and enjoy the stock market rally as it provides support for our investments in the economically sensitive, low volatility funds that make up the majority of our Core and Balanced strategies.

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