

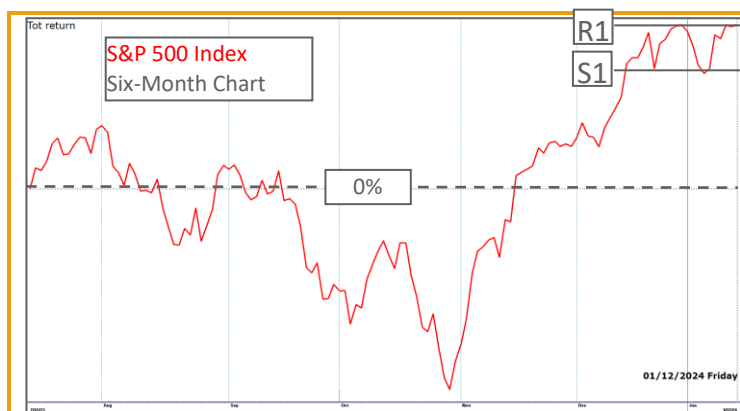


RGB Perspectives

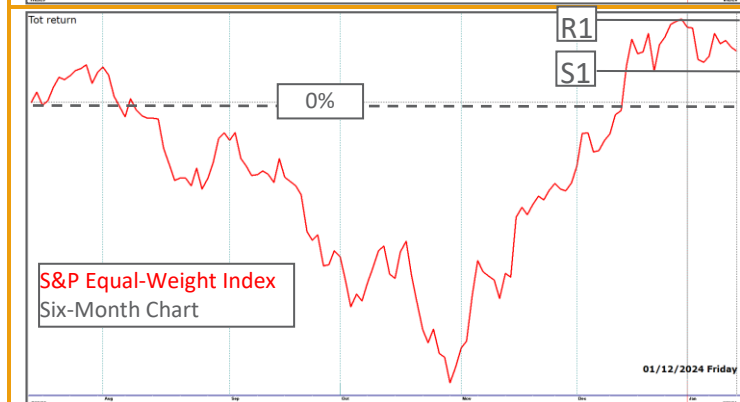
January 15, 2024

Written by Rob Bernstein (rob@rgbcapitalgroup.com)

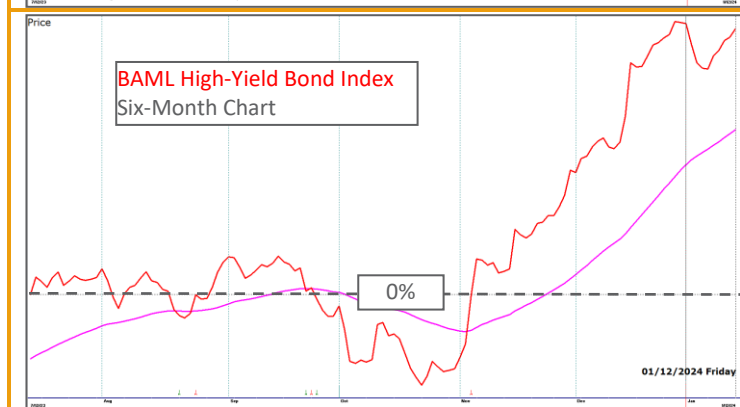
RGB Capital Group LLC • 858-367-5200 • www.rgbcapitalgroup.com



The **S&P 500 Index**, a capitalized-weighted index of large-cap stocks, sold off at the beginning of the year but quickly recovered those small losses. Reviewing the price movement of the index over the last month suggests the index may be entering a trading range environment bouncing between support (S1) and resistance (R1). The index is currently at the top of this trading range and a push above R1 would signal that the strong uptrend off the late October lows has further to run.



The **S&P 500 Equal-Weight Index**, in which each stock has a proportionate impact on the value of the index, is also in a trading range. The index is currently about midway between R1 and S1. Any movement between these levels is just noise. However, a break above R1 or below S1 will provide clues to the short-term direction of the stock market.



The **BAML High-Yield Bond Index** (junk bonds) is generally a good indication of overall market risk. The index pulled back along with the stocks during the first week of the year but has since resumed trending up. I think this is a bullish indication and a sign that the trading range environments seen in the two charts above will resolve to the upside.

The stock market doesn't generally move up in a straight line, so moving sideways in a narrow trading range is a productive way to work off the overbought condition that generally develops during a strong market move. The small selloff to begin the year currently looks to be nothing more than some profit taking as investors reposition for the new year. If the economy continues to hold up and the Fed becomes more accommodative as anticipated, I expect the market could continue to move higher. All the RGB Capital Group investment strategies remain fully invested.

Announcement: Please join us for the [RGB Capital Group Annual Update Webinar](#) which will be held on Wednesday, February 7, 2024 at 5 pm PT (8 pm ET) from the comfort of your home. The webinar is intended for clients, as well as others interested in learning more about the services we provide. Specifically, we will review the current market environment, the RGB Capital Group investment strategies, and our approach to risk management. In addition, you will be able to connect with the RGB Capital Group team and have your questions answered. If you would like to join the webinar, please register [here](#).

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