

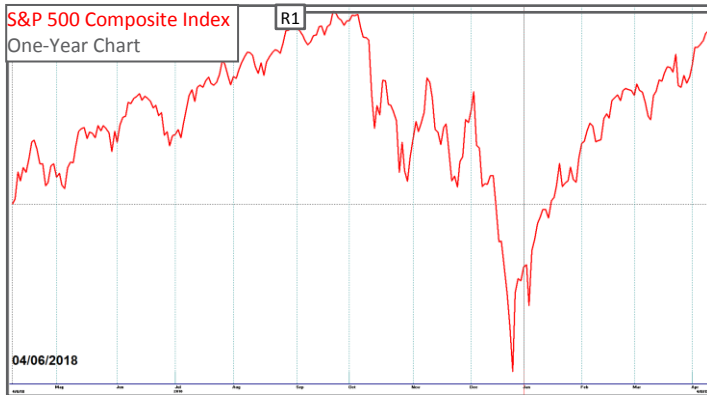


RGB Perspectives

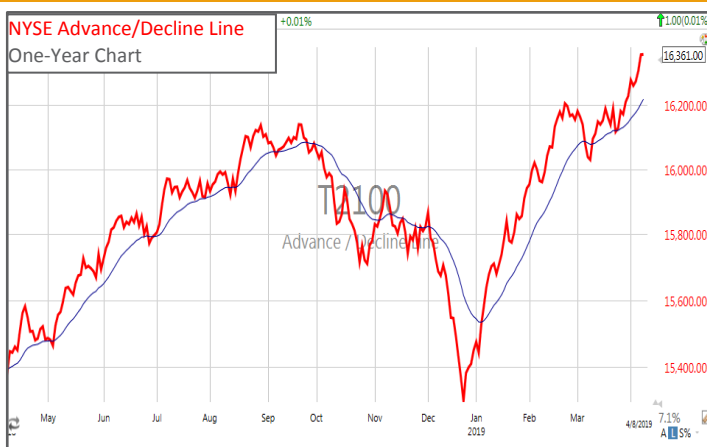
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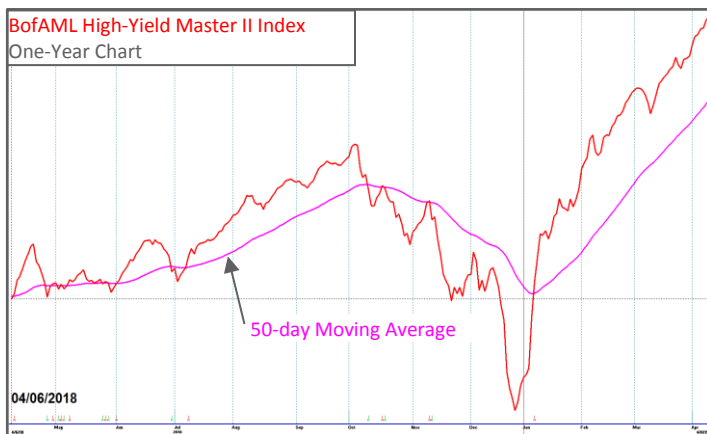
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The **S&P 500 Composite Index** continues to climb higher. With the successful penetration of the October / November highs last month, the index is now marching towards the all-time highs (R1) set back in September 2018. It is currently 1.2% below that point. Of course, the question now is what happens next? Will the rally fail at R1 or continue to trend up through R1 to new all-time highs?



Of course, we don't know the answer to that question but we can look at other metrics to give us clues to the strength of the trend. One indication of a healthy stock market is when more stocks are advancing than declining. The **NYSE Advance / Decline Line**, the cumulative total of daily advancing stocks less declining stocks, is in a steep uptrend and has already surpassed its 2018 high. The current uptrend appears to be broad-based.



The performance of junk bonds is another excellent barometer of the overall health of the market. When the **BofAML High-Yield Master II Index** is trending up, it generally indicates an environment where investors are willing to take on risk. The BofAML High-Yield Master II Index is in a low volatility uptrend, trending above its rising 50-day moving average. While this will not last forever, junk bonds tend to have strong trend persistence and suggests that the rally in junk bonds could continue.

The market appears to be in a stable, low volatility uptrend. While there is always something to worry about with respect to the stock market that could increase volatility or create downward pressure on stock prices, it appears that any small dip in the market is being viewed as a buying opportunity which continues to drive prices higher.

All the RGB Capital Group strategies are fully invested. The conservative portion of our strategies is fully invested and margined (in our leveraged strategies) in a variety of low volatility bond and income mutual funds. The equity component of our strategies is fully invested (but not levered) in some of the major equity indices. All strategies are up for the month of April.

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