



RGB Perspectives

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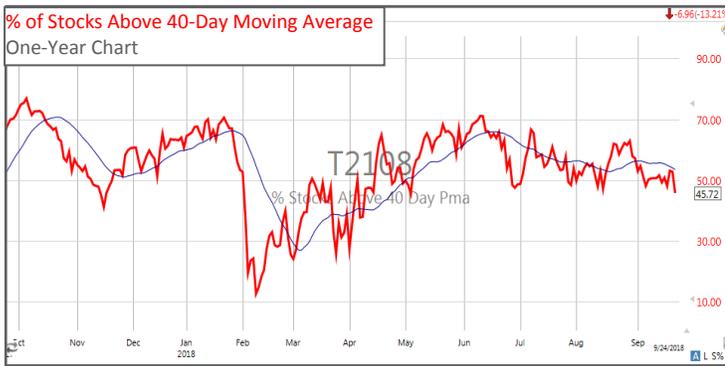
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Large-cap stocks remain in an uptrend. The **S&P 500 Composite Index** is trending up above its rising 50-day moving average.



However, other market indices, including small-cap, mid-cap and technology/growth stocks, are in short-term declines. The **Russell 2000 Index** of small-cap stocks peaked at the end of August and is down a little of 2% for the month of September.



The market weakness is also reflected in some of the market breadth indicators. The **% of Stocks Above 40-Day Moving Average** indicator is slowly deteriorating. The indicator is below its' declining 21-day moving average and below the neutral 50 level.

When large-cap stocks continue to trend up while the rest of the market starts to rollover, it is generally a sign of market weakness. It is unlikely that large-cap stocks will continue to trend up for very long while other segments of the market deteriorate. If the overall uptrend in the market is to continue, we would expect to see other segments of the market (small-cap, mid-cap, technology) to bottom soon and start to trend up.

I look forward to seeing many of you at our meeting in Los Angeles this coming weekend or at our San Diego meeting the first weekend in October. We will discuss the RGB Capital Group investment approach and business operations. If you have specific questions that you would like addressed during these meetings, please send me an email so that I make sure we address your questions during the meeting. At the meeting, I will also be sharing information on a new, equity model that will be available to clients starting October 1st. There are a few more spots for both meetings. Please contact Lois at lois@rgbcapitalgroup.com as soon as possible if you are interested in attending.

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