

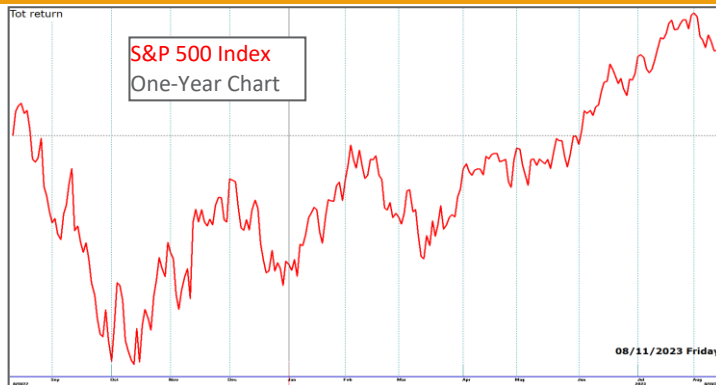


# RGB Perspectives

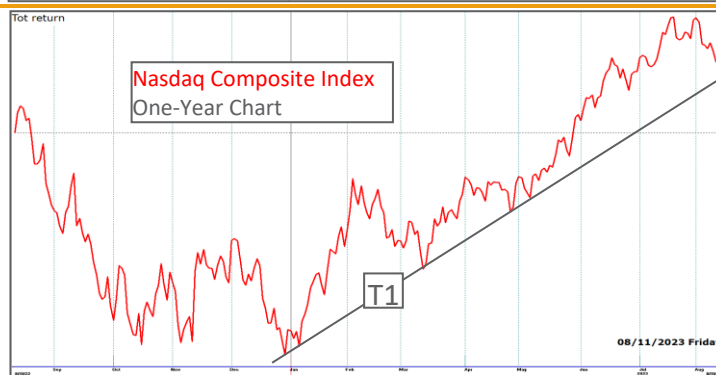
August 14, 2023

Written by Rob Bernstein ([rob@rgbcapitalgroup.com](mailto:rob@rgbcapitalgroup.com))

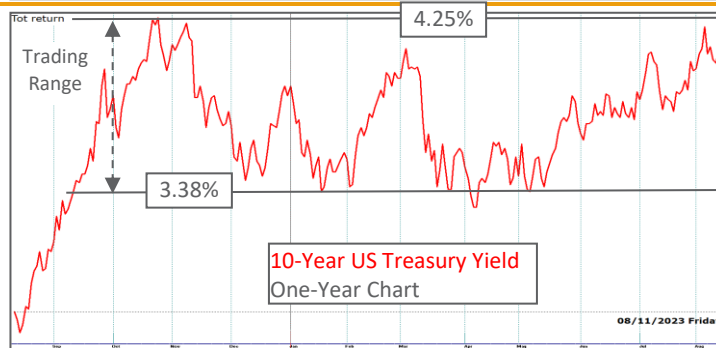
RGB Capital Group LLC • 858-367-5200 • [www.rgbcapitalgroup.com](http://www.rgbcapitalgroup.com)



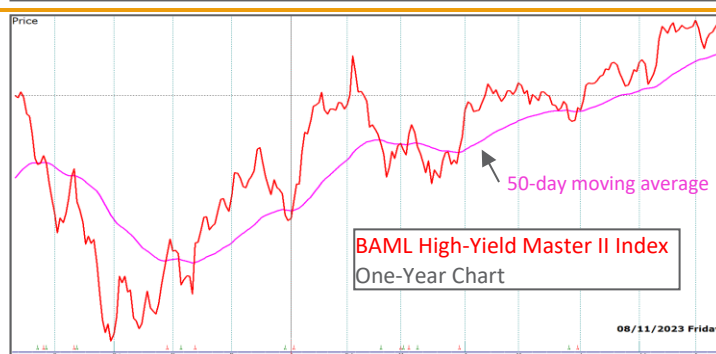
Most of the major equity indices remain in a short-term decline that started at the beginning of this month. The pull back has been minor so far and appears to be nothing more than a short-term decline within a long-term uptrend. The **S&P 500 Index** is down 2.7% for the month but remains up 16.2% for the year.



The **Nasdaq Composite Index**, one of the stronger performing indices this year, declined 4.9% since August 1. The index remains above the primary trend line (T1) that has defined the uptrend over the last 7 months. If the index drops below T1, it may be an indication that market conditions are changing.



Interest rates have climbed recently which may be putting downward pressure on the stock market. Despite mostly favorable inflation reports released last week, the **10-Year US Treasury Yield** has climbed back towards the top of a wide trading range that has defined much of the movement in yields over the last year. A break above the top of the range could put additional downward pressure on stock prices.



Despite the increase in yields, junk bonds have held up remarkably well. The **BAML High-Yield Master II Index** continues to trend above its 50-day moving average and is near its 52-week high, which is a positive indicator for junk bonds and the stock market.

Not all small declines turn into significant market pullbacks, but all major pullbacks start out as small declines. Therefore, the recent market weakness bears watching. No changes have been made to the RGB Capital Group investment strategies over the last week and the strategies remain fully invested. If the market weakness persists, our sell stops will be triggered, and I will move to a more conservative posture.

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](http://www.fasttrack.net) or [www.stockcharts.com](http://www.stockcharts.com). RGB Capital Group contact info: (858) 367-5200. Email: [info@rgbcapitalgroup.com](mailto:info@rgbcapitalgroup.com)

Prepared with data through 8/11/2023