

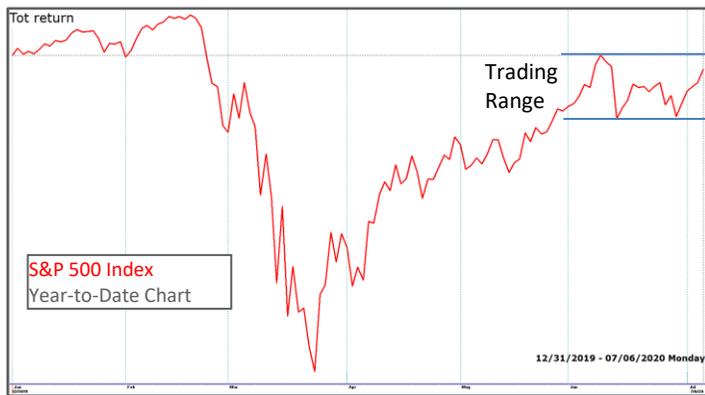


RGB Perspectives

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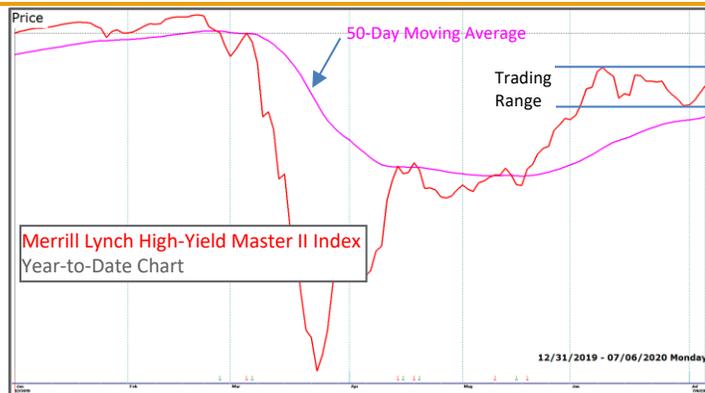
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The trading range that I first mentioned three weeks ago remains in tact. The **S&P 500 Index** is now traversing towards the top of that range, but still remains range bound. A break above or below this trading range will give clues to the near term direction of the market. The index remains down -1.6% year-to-date.



The **Value Line Arithmetic Index** is an equal-weighted index that better represents a typical individual's investment portfolio as it represents approximately 1,675 stocks across multiple stock exchanges. While the index is following the same general chart pattern, the index is down -10.3% year-to-date.



Even junk bonds are trending sideways as the market digests the recent large gains in the stock market. The **Merrill Lynch High Yield Master II Index** is about halfway between the upper and lower bounds of the trading range and remains above its 50-day moving average. The junk bond index is down -3.5% year-to-date.

The trading range above represents a balance between buyers and sellers. At some point this balance will tip in favor of one of these groups. If buyers dominate the market, stock and junk bond prices will rise above the top of the range. If sellers overwhelm buyers then the opposite will happen and prices will decline. Until that time, the movement within these trading ranges is not that significant.

Announcement: I will be holding a Mid-Year Update Webinar on Saturday, July 25 at 9:00 am PDT. I will be providing a brief review of the current stock market environment and discuss the risk management techniques that we used to successfully navigate through the recent difficult market environment. I will discuss our capital preservation techniques used during the early stages of the coronavirus crisis and how we shifted to a more aggressive posture to take advantage of the opportunity that was created. The webinar is open to all RGB clients, as well as others, interested in learning more about our risk management techniques. Past clients are always welcome to join. Registration is required. [Register Now](#)

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