



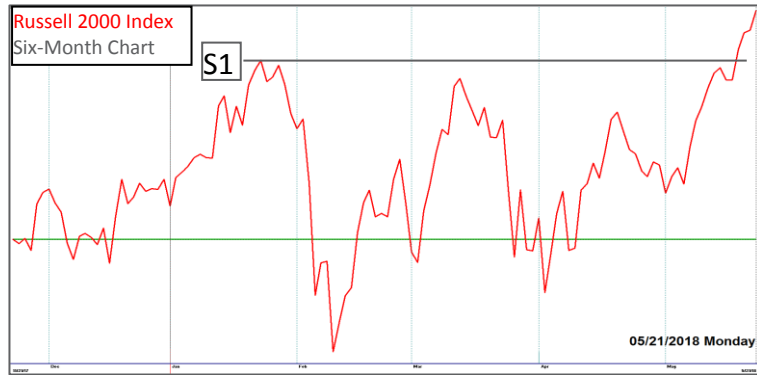
# RGB Perspectives

May 21, 2018

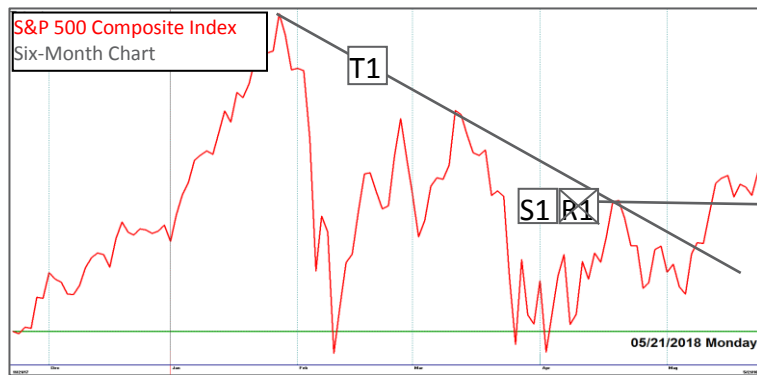
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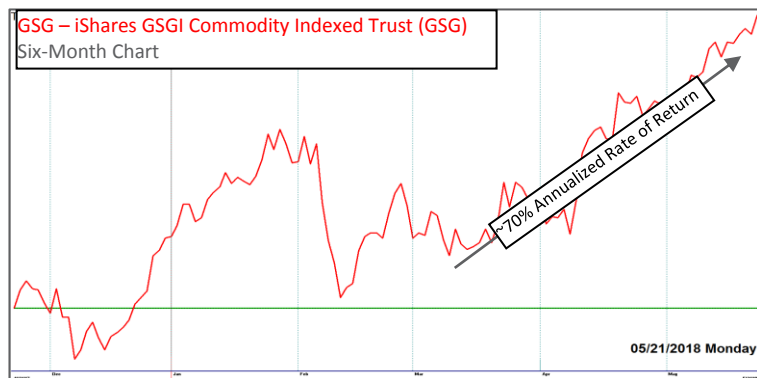
All clients and friends of RGB Capital Group are invited to attend our annual meeting scheduled for Saturday, September 29 in Los Angeles and Saturday, October 6 in San Diego. For details and online registration please use the following links: [Los Angeles Meeting Details and Registration](#) or [San Diego Meeting Details and Registration](#). If you would like to attend, you must register. For questions, please contact Lois at [lois@rgbcapitalgroup.com](mailto:lois@rgbcapitalgroup.com) or 858-367-5200.



The **Russell 2000 Index** of small-cap stocks continued to trend up last week surging through the January highs (marked as S1). This is a very positive indication that the recent volatility maybe behind us as generally, investors buy small-cap stocks when they are less concerned about risk.



Large-cap stocks, as represented by the **S&P 500 Composite Index**, are lagging small-caps and need to climb about 5.1% to reach its January high. Despite the underperformance when compared to small-cap stocks, the technical picture has improved. The S&P 500 initially broke above T1 and subsequently broke above near term resistance (R1). This resistance area has now become support (S1). Maintaining above this support level is important for the longer-term uptrend to continue.



One area of the market that continues to show strength is the commodity sector. The **iShares GSGI Commodity Indexed Trust (GSG)**, an ETF that tracks an index with broad based commodity exposure, is in a strong uptrend. When inflation starts to pick up as it is currently, commodities can trend up strongly for an extended period of time. GSG is trending up at approximately 70% annual rate.

The market environment improved considerably over the last week and as a result I have added equity and commodity exposure to the RGB Capital Group models. The Flexible models are positioned more aggressively than the Conservative models with greater exposure to the market. All the models are up slightly for the month.

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