



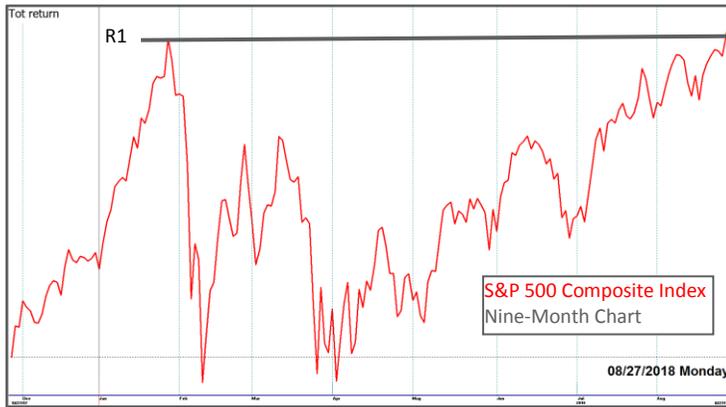
RGB Perspectives

August 27, 2018

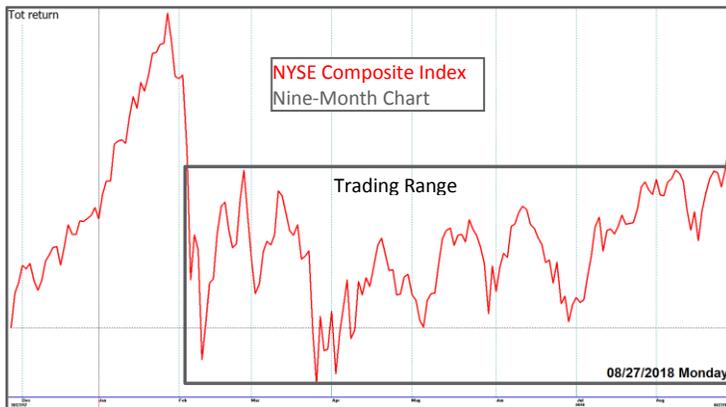
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All clients and friends of RGB Capital Group are invited to attend our annual meeting scheduled for Saturday, September 29 in Los Angeles and Saturday, October 6 in San Diego. For details and online registration please use the following links: [Los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



The **S&P 500 Composite Index** broke through the January highs today (R1) and closed at an all-time high. The market is being supported by positive news regarding trade negotiations with Mexico.



The **NYSE Composite Index** is also climbing higher and has broken out of a trading range that has persisted for the last seven months. Although this is a positive development, the NYSE Composite Index remains 3.9% below the January highs.



The junk bond index works well as a barometer of the overall health of the economy. When it is climbing higher, as it is now, it is an indication that investors are willing to take on risk. After trending sideways for most of the year, the **Merrill Lynch High-Yield Index** is now trending up above its 50-day moving average on low volatility.

The market environment is positive but is getting a little over extended on a short-term basis. It doesn't mean the market can't move higher from here but it would not be surprising to see some type of pullback over the next week or two. The extent of that pullback will provide an indication of whether this bull market has further to go. The RGB Capital Group models are invested in junk bonds and other income funds, along with some cash that will likely be deployed once we get a pullback in the market.

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Prepared with data through 8/27/2018