

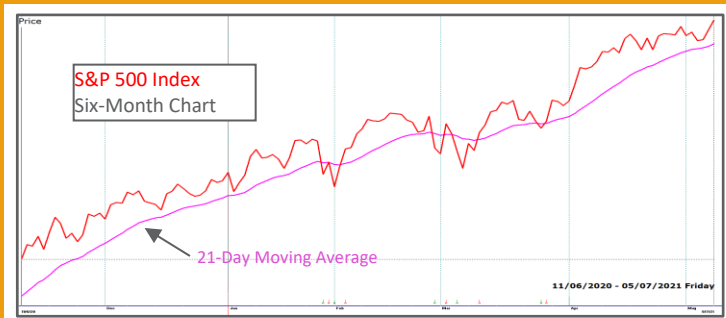


RGB Perspectives

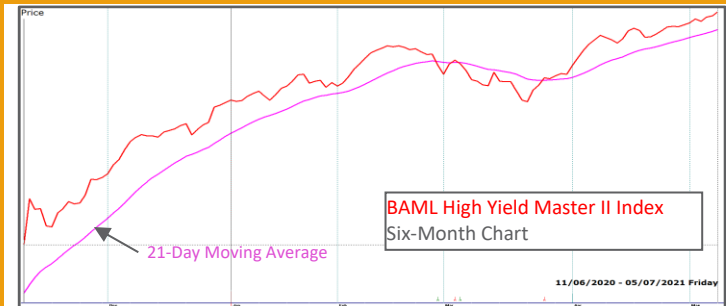
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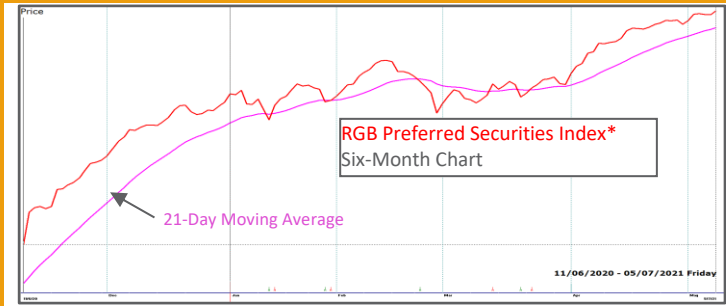
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The **S&P 500 Index** broke out to new all-time highs last week and remains above its rising 21-day moving average.

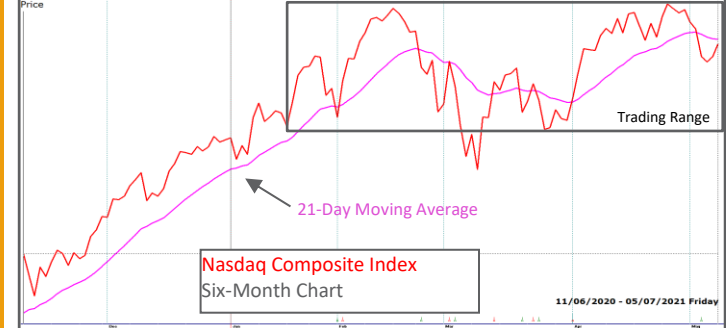


Junk bonds, that meandered sideways between February and March, have resumed their low volatility uptrend. The **BAML High-Yield Master II Index** is steadily rising above its 21-day moving average.



Many of the economic sensitive bond groups including floating rate bonds, preferred securities, high yield municipal bonds and emerging market debt have resumed their low volatility uptrends after a period of trending sideways. Preferred securities, as reflected by the **RGB Preferred Securities Index***, are trending up on very low volatility.

*The RGB Preferred Securities Index is an equally-weighted average of mutual funds that track this segment of the market. You cannot invest directly in an index.



However, other segments of the market, including small-cap and technology/growth stocks are not performing as well. The **Nasdaq Composite Index** (growth/technology stocks) is in a wide trading range and sits just below its 21-day moving average.

The weight of the evidence continues to point to a generally positive market environment with large-cap stocks and economically sensitive bond groups trending up. Tracking some of the segments that are currently in trading ranges may give us clues to the future, short-term direction of the market. The current multi-month trading ranges will not last forever. If small-cap and technology/growth stocks break above the top of their recent trading ranges, that would be a positive indication for the market. We will likely know in the not too distant future.

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