



RGB Perspectives

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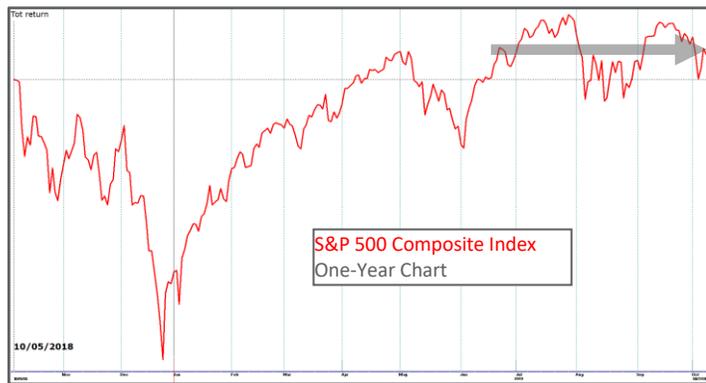
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The RGB Capital Group Annual Meeting is scheduled for Saturday, November 2 at 10 am PDT at the DoubleTree by Hilton San Diego – Del Mar and simultaneously broadcast via a live webinar. The meeting is open to both clients and non-clients who want to learn more about our risk management techniques and business operations. Details of the meeting can be found at www.rgbcapitalgroup.com/events. To attend, you must register using one of the two links below.

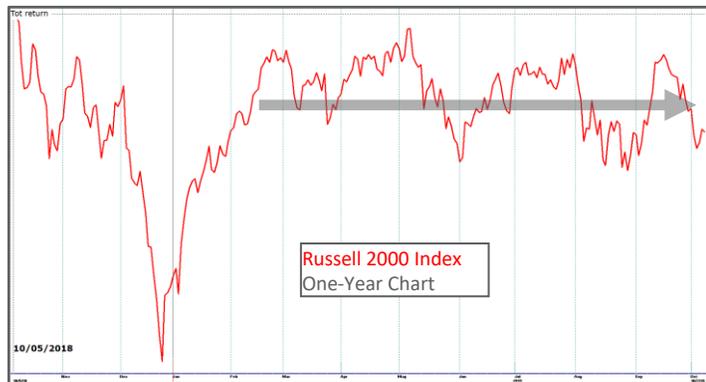
[Register to Attend in Person](#)

[Register to Attend the Webinar](#)

If you plan to attend, please register by October 18th so that we can make the necessary arrangements. Thank you.



The stock market has been weak over the last three weeks. While the short-term trend is down, the intermediate-term trend continues to move in a choppy, sideways trading pattern. The **S&P 500 Composite Index** is about the same place it was at the end of May and less than 2% above where it was a year ago.



Small-cap stocks have a similar chart pattern moving down over the last several weeks but remains in a wide trading range over the last eight months. The **Russell 2000 Index** is at about the same level it was at the end of January and is down over 8% from where it was a year ago.



While the stock market remains in a trading range, junk bonds continue to trend up. The **BofA Merrill Lynch High-Yield Master II Index** pulled back slightly over the last few weeks but remains in an intermediate-term uptrend. The index is less than 1% away from its all-time high and up over 6% from where it was at this time last year.

The effects of the U.S.–China trade war are starting to impact the overall economy with manufacturing and services output declining sharply. These reports were offset with an increased likelihood that the Fed will continue to reduce interest rates to bolster the economy. With this type of environment, it is not surprising to see a choppy stock market. If junk bonds turn down sharply with a significant drop below their 50-day moving average, I will be more concerned about the U.S. economy.

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