



RGB Perspectives

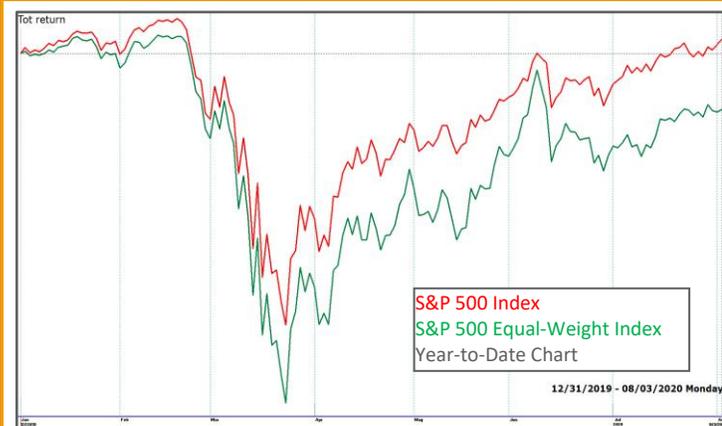
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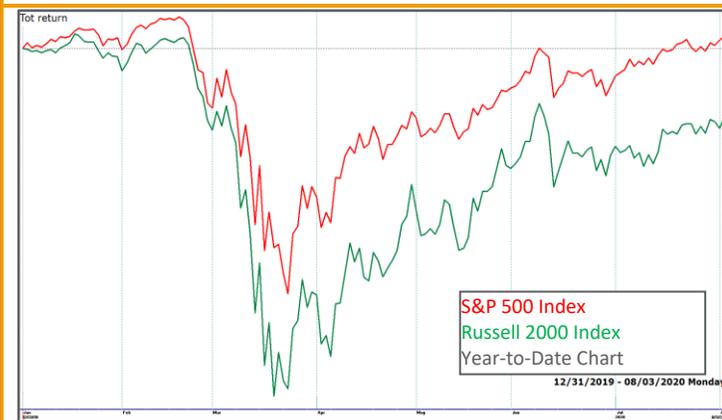
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The **S&P 500 Index** continues to climb higher ending today at a post-crisis high but still below the all-time high set earlier this year. The capitalized-weighted index of large-cap stocks is up 2.0% year-to-date but remains 2.7% below its all-time high set in February of this year.



However, simply looking at the **S&P 500 Index** does not provide a complete picture of the stock market. As a capitalized-weighted index, the largest five stocks in that index (Apple, Microsoft, Amazon, Facebook and Google) make up approximately 22% of the index. The **S&P 500 Equal-Weight Index**, on the other hand, gives each stock in the index equal consideration and as a result, the performance is significantly different. The S&P 500 Equal-Weight Index is down -7.3% year-to-date and remains 9.5% below its all-time high.



Moving further down the market capitalization scale we can see that smaller capitalized stocks are also underperforming. The **Russell 2000 Index** is down -9.7% year-to-date and remains 13.4% below its all-time high set back in August 2018.

Not all stocks are thriving in the current market environment and much of the market is still wrestling with the consequences of an economy that was shut down as a result of the coronavirus. The future direction of the stock market will be dependent on events that have yet to happen including the future spread of the virus, the timing of a vaccine(s) that is(are) widely available for distribution and what type of financial assistance may be available to individuals and businesses over the coming weeks/months that continue to struggle to pay their bills.

I certainly don't have the answers to those questions but will continue to monitor the market and make adjustments as necessary based on the impact these events have on the stock market. Making adjustments based on what the market is doing has generally provided better outcomes than making decisions based on what I think should happen. All the RGB Capital Group investment strategies were positive for the month of July and are positive year-to-date.

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