

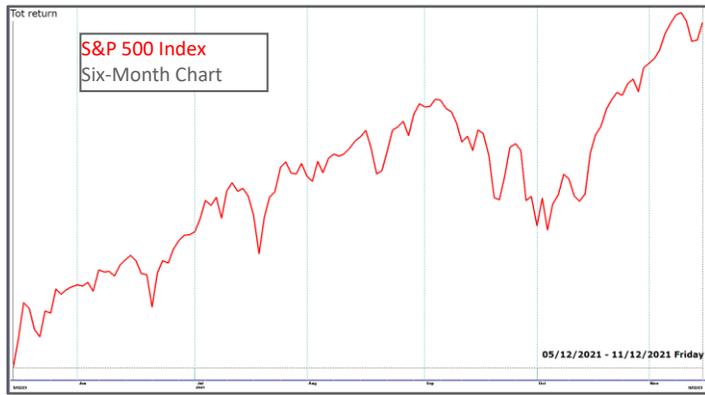


RGB Perspectives

November 15, 2021

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The major stock market indices are in strong uptrends. The **S&P 500 Index**, for example, continues to climb higher and is less than 0.5% away from an all-time high. Many of the other major stock market indices are within 1% of their all-time highs.



Market breadth indicators measure market performance using metrics other than price and most are confirming the strong uptrend in the market. This chart shows the **Percent of S&P 500 Stocks Above 50-Day Moving Average**. This metric fell to 25% during the September decline but has rapidly recovered. Currently, 74% of S&P 500 stocks are above their 50-day moving average indicating that this is a broad-based rally.



However, junk bonds, which usually act as a good indicator of overall market health, have not confirmed the recent stock market rally. The **BAML High-Yield Master II Index** is in a trading range and at the same level it was about two months ago.

The current uptrend is a broad-based rally that is lifting many stocks across the market capitalization spectrum. One concern with the current rally is the lack of confirmation from the junk bond market. This doesn't mean the stock market can't continue to rally but is a cautionary sign as junk bonds generally rise along with stocks when market risk is low.

The RGB Core strategies are about breakeven for the month of November and remain fully invested in low volatility bond / income mutual funds. The low volatility uptrend in the Core strategies has tapered off over the last month and I am monitoring the market for better risk-adjusted return opportunities. The Balanced and Flex+ strategies are positive for the month and benefiting from the rally in the stock market. Thank you for your continued trust and confidence.

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