



## Virgin Galactic



Since Virgin Galactic was first listed on the New York Stock exchange the company has evolved and is beginning to find its feet. During May the company had already cleared 24 of the FAA's 29 licensing milestones; the outstanding FAA requirements are expected to be resolved during the next one or two test flights. That done, we will likely have a firm announcement on the much-anticipated space trip by founder Richard Branson. His flight will attract massive media coverage which is certain to rally the stock. It will also mark a massive move forward as commercial service will then begin. Further free publicity and media coverage is guaranteed as several movie stars, such as Leonardo DiCaprio, are already booked and set to take to space.

On the hypersonic travel front, Rolls Royce have announced that they have partnered with Virgin Galactic to build a supersonic jet, the first such jet since Concorde ceased service in 2003. Importantly, the Virgin Galactic designed jet has caused additional interest and finally other investment companies are beginning to realise that the upside in this particular stock is not limited just to space trips. The potential to build such an aircraft has been bolstered by a secondary announcement from Rolls Royce confirming yet another partnership with Reaction Engines. That being so, supersonic travel could fast become a reality. Reaction rocket engines could easily power a jet to supersonic speeds, making the trip from London to New York possible in just 90 minutes.

The take away is that Virgin Galactic has matured, and has begun to firm up its position in the market place. I have therefore changed the strategy to suit, seeking to build a bigger position in order to potentially net larger gains when the license is granted. The issue of the license should bring with it Richard's flight date which would likely drive the stock higher. Ultimately, at some point I will adopt a simple buy and hold strategy for much of the total allocation to SPCE stock, but now is not the right time to deploy this strategy.

That said, SPCE stock has already gained a considerable financial following from institutional traders over the past 10 months. I have also noted that several hedge funds have added SPCE to their

traded equities and such funds can become heavy buyers. I also have noted that mainstream investment houses are warming to the idea of space being the next new and dynamic industry and they will soon seek to get in on the action. Finally, it is also reassuring to see that most experts agree that the space industry, and the businesses involved in it, are set to experience massive growth in the next few years.

In conclusion, it is simply a matter of time before we see far more mainstream investment companies in this trade. Two such entities are currently looking at launching space industry funds in the coming months; the additional capital investment will substantially increase the potential upside for SPCE stock.

Due to all of the above, in mid-July I began building a buy and hold position in SPCE, this task has now been put to bed. I have all but reached my objective to average in, and have acquired and will retain around 25-30% of the SPCE stock bought, with the remaining capital set aside to trade SPCE stock as usual.

Those invested may recall that the maximum exposure of 888 to SPCE stock is set at 70%. Just to reiterate, the remaining 30% is used to trade in associated companies and a limited selection of gold stocks to be traded as counter balance.

I have traded SPCE stock since Virgin Galactic was first listed in October of last year during which time 888 has posted and closed over 100 trades. It may be of interest to know that of all the trades placed, only two were closed producing a loss.

The purpose of this update is to underline that fact that this is an explosive opportunity but, as always, I must use caution as SPCE is a very volatile stock, it is not time to go all in, far from it.

Looking back, members invested have already seen strong gains, with 888 nearing 100% gain in its first year. With recent announcements it now seems that events are moving very much in our favour, this setting the stage to produce further gains. The additional news and announcements support my view that we could be in for a very big uptrend in the space sector.

Finally, I reiterate that RIO 888 is invested in the right sector, at the right time. I have simply changed tactics to ensure that we maximize the potential gains, but have retained a significant percentage of the SPCE stock capital allocation in order for me to continue trading.

The most important thing is that the buy and hold percentage will bolster the overall position in SPCE stock; it would almost certainly benefit the account should we see a surprise announcement, on licensing or Richards flight date in the coming months.

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