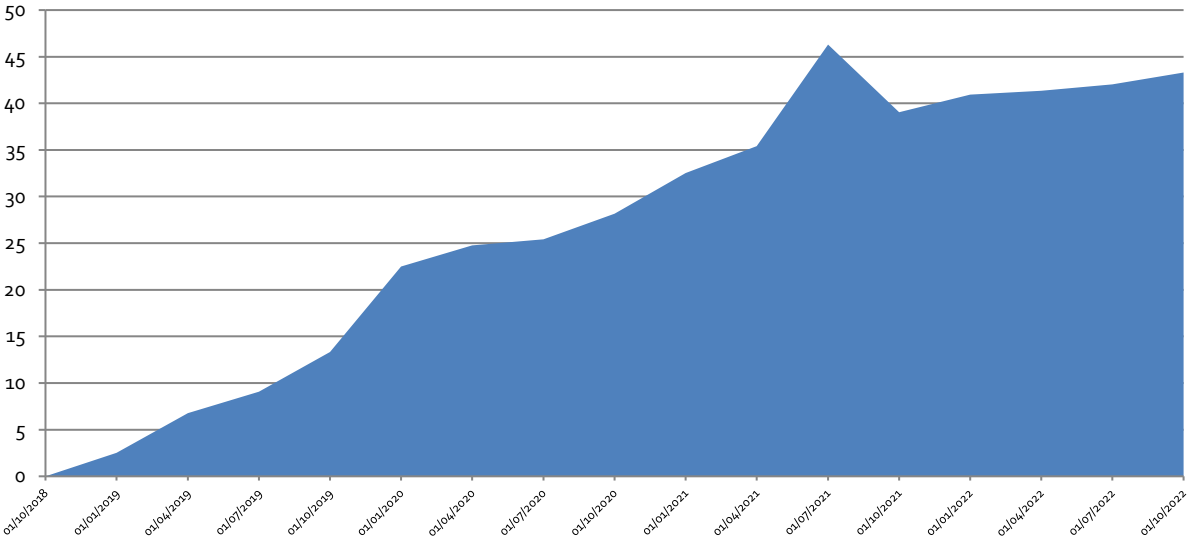




The RIO Currency Concept Account gained 0.90% in the third quarter of 2022. The posted return is small but still outperforms other asset classes, many of which had record-breaking losses over the first three quarters of 2022. The Currency Concept account has an exceptional record, having filed 15 gaining quarters and only one losing quarter since its launch in October 2018. Since its launch, this investment has registered a net gain of 43.31%.



The account remains well-positioned for a Sterling rally, as should Fed Chairman Jerome Powell fail to come through on the elevated expectations, we are likely to see some profit-taking in the US Dollar, pushing Sterling higher. It is important to note that future hikes have been priced in by the market, which to a degree, limits the downside risk.

The US dollar has risen against the British pound, Euro, Swiss franc, Japanese yen, Canadian dollar and Swedish krona alarming, and remains trading near its highest level since May of 2002. More importantly the dollar's value is now causing economic distress for several US allies who may soon call for an intervention to push the dollar value down.

Are we entering a period where we need to have yet another reset?

Joint intervention has happened before when the US dollar had appreciated 50% against major trading partners, in fact, between 1980 and 1985, the rise had effectively made trade incredibly expensive for anyone but America to conduct. As such this led to a gathering of the then G5 finance ministers (the US, UK, France, West Germany and Japan) in the plaza hotel New York in September 1985, the net result being that the world witnessed a currency reset, the devaluing of the US dollar to restore order, the plaza accord had been ratified by several nations, allowing for a devaluation of US dollar should it become overvalued.

The Sterling rate now is 1.1443.

William Gray  
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