



The Currency Concept account gained 0.72% in the first quarter of 2023. A small profit, but this gain is far more compelling when you consider this investment's exceptional track record, having filed 17 gaining quarters and only one losing quarter since its launch in October 2018. The consecutive gains and performance have lifted Currency Concept above any would-be contenders. RIO CC has registered a net gain of 46.57% in the period.

For most of this month, the confidence in Sterling had held firm despite the housing data. In the manager comments posted in the factsheet on the 1st April, I had stated that the GBP/USD could test 1.2500 next week, and that if it did, I would be able to bank gains for those invested. Sterling did indeed climb above 1.25 and I took profits, I hope to buy back at 1.235.

### **The Market**

The US dollar moved higher in early European trade Monday, finally seeing some reprieve, having reached a one-year low last week. Strong earnings from some of Wall Street's banking giants have for now diluted concerns in the banking sector, raising expectations of another interest rate hike by the Federal Reserve. With inflation cooling quickly and the Fed policymakers expressing fears that weakness in the banking sector could push the US into a mild recession later this year. Most US / Sterling traded currency funds have factored in a pause in the central bank's rate-hiking cycle in May.

This may prove to be their loss because on Friday the 14th, a robust set of first-quarter 2023 earnings from JPMorgan Chase, Citigroup, and Wells Fargo were released, lifting concerns about the banking crisis that unfolded last month.

We also heard the Federal Reserve Governor call for more monetary policy tightening to reduce persistently high inflation.

Today, most money managers expect the Fed to hike another 25 basis points at its next policy meeting on May 3. The UK released February's employment data yesterday, and it also reported March's inflation data. These numbers will influence the Bank of England's interest rate move; as things stand, I see a rate hike of 25 basis points hikes at their meeting on the 11th May.

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