



**Profits taken for the RIO Professional Investors Fund on the remaining Gold trades as expected; as silver begins to shine through!**

### **GOLD**

Having sold the remaining Gold positions for the Fund into the rally and realising the predicted gains from trades positioned during May, a more than acceptable return has been realised for the Professional Investors Fund over this period.

Several members have recently commented that they had seen and read our Gold article featured in the March 2012 issue of Forbes magazine, where RIO correctly stated that, in spite of the fact that most mainstream media was then reporting that the Gold rally was over, the bull run was still very much alive and Gold had not lost its allure. At the time of issue RIO predicted that this commodity would head again for \$1,800 and that this would likely happen during September. In fact Gold has reached \$1,787 this month, a considerable rally from the \$1,530 price when I made the forecast for a move to \$1,800. Forecasting is all well and good but most importantly since I had predicted the rally, I then established several positions for the Fund in Gold, I can now report that all netted forecasted returns, which may be good news for all those invested.

### **SILVER**

Perhaps the Silver lining is that during May I also altered our metals weighting towards Silver, acquiring additional positions for the Fund based on the extensive research which I had already done some of which featured in reports to members during this period.

The rally in this commodity outperformed Gold just as I had predicted and as such I sold into the rally closing all of these Silver trades, selling at intervals levels of \$33, \$33.75, \$34 and with a final order closing at \$34.78 an ounce, the repositioning I did in May has all been very profitable for the Fund.

### **CURRENCIES**

The proceeds from the above closures were then moved initially to cash pending further repositioning as usual, a percentage of these monies was utilised immediately to take advantage of Sterling/Dollar movement, Sterling strengthened moving out of its previous range. As such I placed two trades selling Sterling at 1.6260 predicting Sterling to be overbought at that price; both trades are currently active as I write. To bring members attention to this trade I provide some insight to why the opportunity has arisen;

The opportunity to sell Sterling against the Dollar presented itself due to the uncertainty in Europe where investors were selling the Euro, which dropped back below the \$1.30 hurdle. The spike in the price of the Euro following the ECB meeting earlier this month was dramatic, latest movements being lower than expected. I predict that the Euro will continue to be volatile.

Concerns over the European recovery are obvious and some additional attention was seen during a public clash between German Chancellor Angela Merkel and French President Francois Hollande, which just added to the uncertainty.

With all this activity in Europe, Sterling advanced against the US Dollar as investors sought UK assets. The pound moved higher even as global investors sought shelter in the US Treasury market. This highlighted the trading opportunity in Sterling which I immediately took advantage of placing two trades selling Sterling as mentioned above these are very likely to produce the desired result.

As most members know I have successfully traded Sterling/Dollar/Sterling positions for years, that stated, I should add that this Sterling rally looks very fragile indeed. I expect Sterling to fall back in to the previous range, moving below 1.6150 very soon producing further gains for this Fund which continues to benefit from active trading.

The above trade selling Sterling looks to be well positioned it's based on recent data which showed UK inflation easing and retail sales declining by 0.3% last month. Furthermore consumer prices in the UK rose 2.5%, compared with an increase of 3.1% during the same month a year earlier.

September will be yet another in the long list of profitable months for RIO Professional Investor's Fund which continues to significantly outperform its benchmark return set at inception. Those invested may find it interesting to know that I am currently repositioning the Fund to take full advantage of currency volatility which I predict will continue in the run up to the US election in November.

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