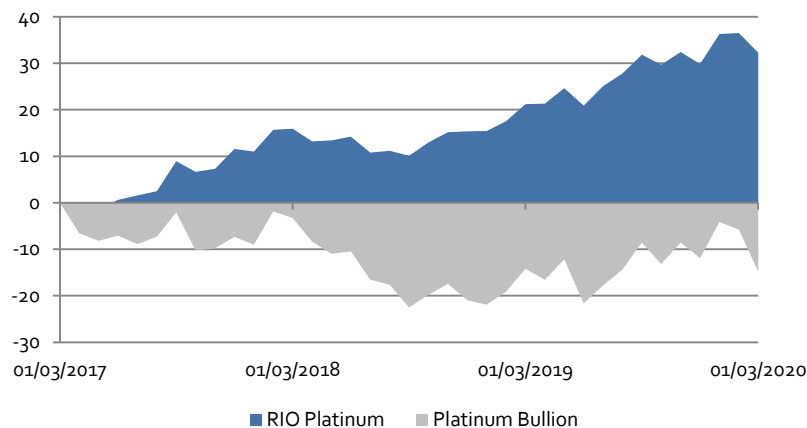




RIO PLATINUM ACCOUNT USD

The Platinum Account produced a small loss in February, against a backdrop of a world stock market sell off. That said, the account continues to perform, posting a gain of 9.13% in 12 months and 32.26% since launch.

The massive stock market sell off had negatively affected the precious metals market. Platinum fell 9.61% for the month; in direct comparison the RIO Platinum Account fared far better losing only 3.10%.



The main reason for the drop in platinum's value was that far too many institutional investors and traders were facing the prospect of losing their shirts, they had to sell their platinum and other precious metals just to meet margin calls on their equity based investments. This collapse in stock values caught many professional investors off guard; the spread of the coronavirus had raised fears of a pandemic and caused panic selling, driving stock markets around the world into correction mode. As we neared month end, many equity markets had trillions wiped off their stock markets value.

Prior to the above fall platinum prices were very much in rally mode, they looked poised to climb to new highs. Looking forward, the risk off position, which results in a market panic, will drive investors to very liquid assets such as platinum, silver and of course gold. The fact that many investment professionals were forced to liquidate their gold positions to avoid margin calls is good news as it has created a buying opportunity in these metals. After all, the US China trade deal has been signed and the metal was on track to gain for the third consecutive month, this virus panic will pass and when it does platinum prices will almost certainly rally as we move through 2020.

Platinum just had its worst monthly drop since May 2019; for active traders like myself it is an opportunity to benefit from the event driven collapse in price to average in and build a position. I will start what might be a long task to position the account so it may capture sizeable gains in the future as and when markets normalise.

William Gray
The RIO Club