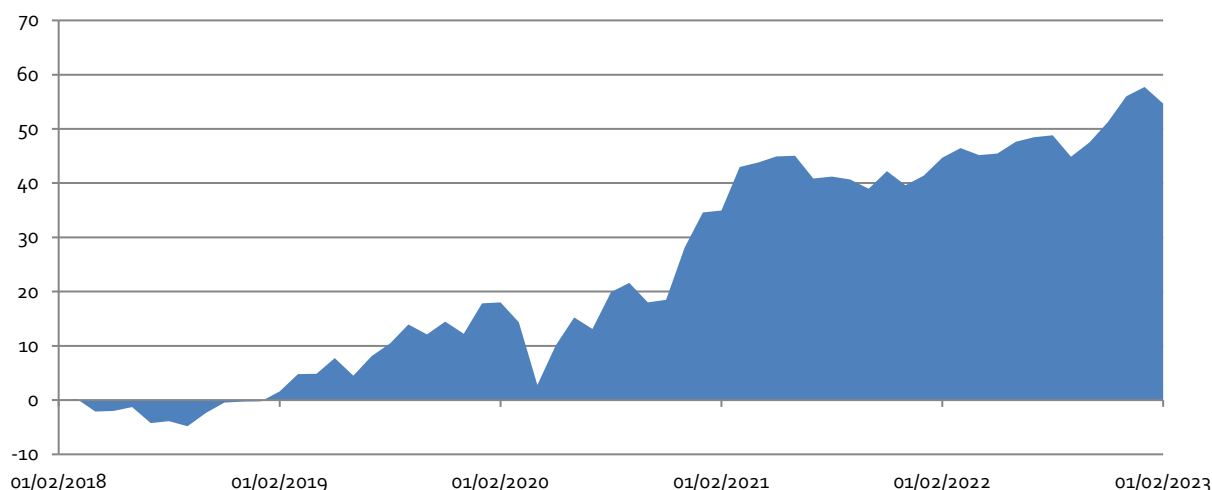




The RIO Platinum Account USD recorded a return of 15.51% in 2022, these gains in stark comparison to the blood bath seen in both Bond and Stock markets over the period. The account has rewarded those who remain invested, as demonstrated by the 140.21% net gain recorded since its launch in March 2016. The average return of 20.03% pa has far exceeded the target return set at launch - this says it all.



## Platinum

Platinum produced a gain in 2022, unlike equities and Bonds which suffered serious losses in the same year. That said, the metal also came under pressure as a result of a negative macro backdrop, characterized by a stronger dollar index as the Fed tightened aggressively, a situation which in turn led to the market shying away from risk. At the time this position was amplified by the slowdown in the Chinese economy due to their strict Covid policy.

However, by mid to late 2023, I anticipate that these macro headwinds become macro tailwinds. Our analysts have commented that the Dollar is likely to come under downward pressure as soon as the Fed becomes less hawkish, I would agree with their comment, but add this will happen if and when we see softer inflation data.

Easier financial conditions in the United States will prompt investors to rebuild long positions across commodity asset classes, including platinum. Finally, economic activity in China is already starting to rebound as the country has moved away from the zero covid policy. As the positive macro backdrop develops for commodities it should stimulate speculative and financial demand for platinum.

The fundamentals have not changed, in fact on the supply-demand side, platinum could see further shortfalls in 2023. Given the war in Ukraine it's also likely that the west will not renew existing Russian PGM material as contracts, which will certainly cause market supply issues.

As for the demand it's on the increase as regulations in developed economies continue with their objective to reduce pollution standards, such policies will continue to be beneficial for the value of platinum. It is looking more likely that platinum could be substituted for palladium in light-duty

gasoline automobiles, this would boost platinum consumption considerably. With or without this occurrence the supply-demand balance of the platinum market is likely to tighten in 2023, and as I mentioned above should the macro backdrop become favourable, I would forecast that platinum prices will move higher.

In short, I predict that the confluence of positive macroeconomic and fundamental drivers would suggest that platinum will end the year higher.

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