



Investment Manager Comments

The Account continues to produce very positive results, up an impressive 3.25% in January.

The short term correction in the gold value was due to a strengthening US Dollar and stronger stock market performance, both were in full swing at the start of the month. However, with the situation in the US with Trump set to take office, the value of gold moved higher. Accordingly, the bullion acquired on 15th December at \$ 1,137 and sold on 16th January at \$1,201.65, resulted in profits pushing the account higher.

Today, there is plenty of reason to be bullish for gold, one reason being that a major part of the world is changing as Donald Trump tries to bring protectionist politics back to America for the first time since WWII. Then there is the very real possibility of the long awaited return of inflation, with gold historically seen as a hedge against this. That said, the smart money will begin to move into bullion on the first signs of higher inflation causing gold prices to rise.

In addition, stock market volatility is likely, given that there are key elections to take place in France, the Netherlands, and Germany, all of which have popular anti-EU and anti-immigrant party candidates. Consequently, expect European markets to show anxiety, which is very good for the price of gold. 2017 may be the year that the fabric of the EU starts to show cracks or, God forbid, even break up, this would see a major run to safety assets such as bullion, before I even mention the increased danger from geopolitical tensions.

The list of uncertainties continues, with the global currency wars heating up and a looming Italian banking crisis. As uncertainty increases it will likely to lead to a sharp selling of risk assets, stocks which would attract losses. Gold is then a 'must have'!

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