



The RIO ARC Bullion Account GBP closed the month up 1.3%, this gain secured as I continued to sell into gold's rally taking profits for those invested. The attraction of this product is not only attributed to the fact that it provides those invested with a degree of portfolio insurance, it is also underlined by the fact that since launch in December 2014 this investment has recorded a net gain of 128.17%. The filed statistics reveal that the highest recorded monthly gain was 12.70% which was posted in June 2016 (Brexit). The highest reported loss was 4.89% filed during November of the same year. Further examination portrays that since launch, the account has recorded 55 gaining months, and filed 19 losing months. These statistics show that this investment has remained unchallenged as the world's top-performing physical gold investment in GBP terms.

#### Sentiment in the gold market is building - for good reason

Russia is a major oil and gas supplier to the UK and EU, and whilst gas is still coming in, oil has been reduced due to the fact that it comes via Ukraine. This reduction in supply has resulted in a significant rise in energy prices.

The rise of energy prices in turn driving a cost-of-living crisis as inflation runs hot; we may soon find that this may massively hinder economic growth because consumers will have little capacity to spend beyond essentials such as food, energy, and housing - and even then they may have to choose which is more important.

Recent statistics clearly show that the UK is experiencing its sharpest one-year decline in consumer confidence since the 2008 Financial Crisis. During March petrol and diesel costs had risen at their quickest rate on record. In fact, soaring food and fuel prices have governments around the world very concerned; this reveals the widespread political consequences of Russian President Vladimir Putin's invasion of Ukraine. Inflation had raised its ugly head but since the worst of the Covid-19 pandemic seemed over, some economists had hoped that it would be transitory. Well, it's clearly not; today it's rampant, and the pressures are in many cases becoming intolerable. As a regular columnist on Gold for Forbes magazine, in a recent issue I had commented that central banks had not yet acted, and at

the time most seemed unwilling to increase interest rates last year to combat soaring inflation - instead, they were clutching at straws saying it would be transitory. At the time I had correctly forecast that it would not be! Today I would predict that The BoE and Federal Reserve will be very cautious about scaring off investment by slamming the brakes on. I also confidently say that inflation will soon become the key issue ahead of the U.S. midterm elections in November. Looking forward, we could see inflation at 9% in the US in the coming months. As such, I stand by my forecast bullion is likely to rally higher this year.

In conclusion I am bullish on gold's outlook in the belief that inflation is running hot while central banks may shrug away from slamming the brakes on hard given the risk of an economic slowdown. Gold's upside is likely to be amplified by monetary mismanagement which is only growing in scope, after all. The geopolitical nightmare playing out is just another dimension to this. The story in Ukraine is rapidly morphing from an energy crisis into a food crisis – the two key parts of inflation and thereby, monetary policy decision-making. Central bankers remain cornered, but time is also running out. Inflation will only rise thanks to the war. It is perhaps obvious that economies are even less able to handle an interest-rate increase now.

The impossible choice is now at hand for central bankers, but it is nonetheless one that they will have to make. Basically they can let inflation rip, or they can risk triggering an economic crisis. Members should note that gold provides a safe haven in both scenarios.

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