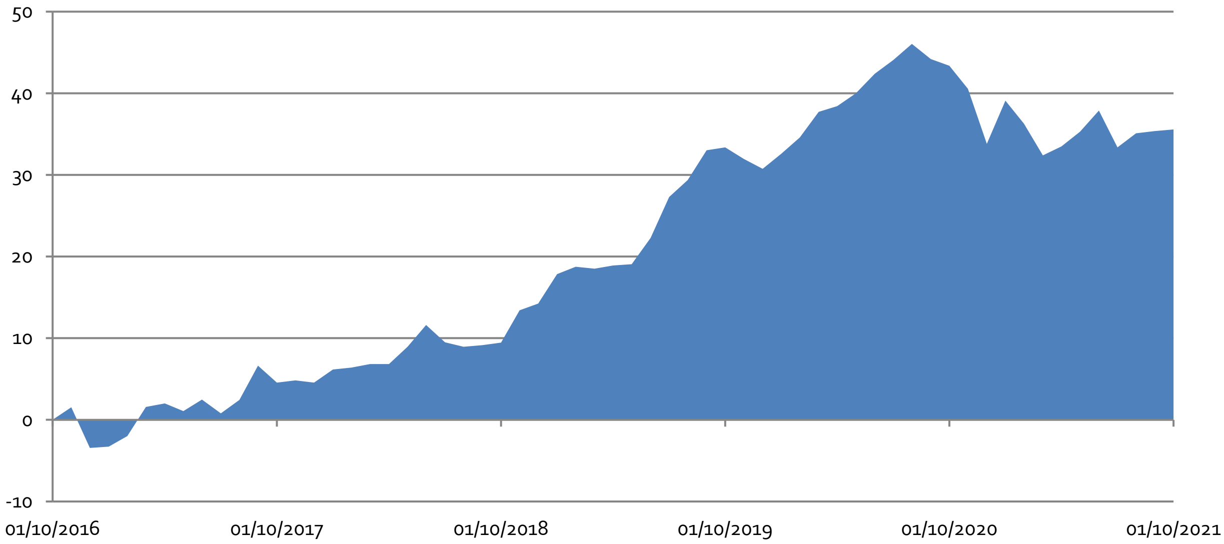
RIO ARC BULLION ACCOUNT GBP

The RIO ARC Bullion Account GBP gained 0.15% this month and the return of 117.32% filed since launch ensures that it stays the top performing physical gold investment in the world, in terms of absolute return in Sterling.

The graph below shows the performance of the ARC for the past five years.



Gold

In Sterling terms gold didn't fare well, falling 0.83% during September. It could have been worse; losses were offset somewhat by recent Sterling weakness following Boris Johnson's announcement that he intends to raise National Insurance contributions.

India's gold appetite has returned; gold imports during September skyrocketed 658% from last year. A correction in local price to the lowest level in nearly six months gave jewelers inspiration to purchase for the upcoming festive season. Statistics show a staggering rise from just 12 Tons a year ago, to 91 Tons in 2021.

Since its fall back in September, gold has already climbed 2% this week, following the latest batch of inflation and industry data from the United States, China, and Germany. America's Consumer Price Index (CPI) put inflation at 5.4%; a 13-year high and well above the Fed's 2% target.

Recent gains have lifted gold and pushed the metal back up to $1,797.28 per ounce. I have just sold 15% of gold held in both The ARC USD at $1,797 and The ARC GBP at £1,311, banking gains for both accounts. Those invested in Silver may be interested to note that it performed even better, in percentage terms, rising to $23.36 per ounce.

Markets

We have now entered the year's final quarter, and following last month when global stocks posted their worst performance since March 2020, the fourth quarter could be the most uncertain environment of 2021. Markets have recently been 'risk off'. At the moment there is still fear that the Chinese property sector will suffer contagion from the collapse of mega developer Evergrande. Additionally, there are persistent fears of a global economic slowdown and a European gas crisis, which could push markets back in to a ‘risk off’ position.

On top of the above a further market risk also comes from the fact that for months the public, and indeed the world, has been bombarded with many governments claims that “inflation is transitory”; just as I forecast, the issue has been getting worse and worse. Precious metals are historically a great hedge against inflation. Physical gold typically increases with inflation, thus preserving the true value of your wealth, that's one reason why over 57% of members hold the ARC USD, or Sterling as part of their investment portfolio.

Short-sighted monetary policy has already led to an overheating of the global economy. Should the Fed and other central banks finally taper stimulus programs, and subsequently hike up interest rates to fight inflation, it will take time to close the gap on inflation and raise real rates. Time in which wealth will depreciate in value unless common sense prevails, and you buy safe haven assets like gold. The ARC Account is ideal!

An eye on a new world order

With the world swamped with paper money and money-printing in full swing through 2020, a currency backed by gold would have great credibility. I may be the first to point out that China has designs on the Yuan becoming the world’s reserve currency and to return to what some may see as the gold standard. For years I have written on the fact that China has a lot more gold than they declare, and for that matter more than any single other country. With ten central banks working on digital currencies, according to recent research, none (except perhaps the Bahamas), are as advanced as China. Big Red has been on this before anyone else, in fact since at least 2014. They say that theirs will be fully functional for the Beijing Winter Olympics in 2022.

Why own gold? Put simply, when the ride stops, and it will stop, the US economy and market will struggle to survive without the help of the Fed’s stimulus. Ultimately it will be gold that shines through. Central bankers are about to add a certain chill to an economy already being punished by COVID, lockdowns, shortages and energy price rises. As always, instead of solving the problem, central banks will try to suppress the very coping mechanisms the economy has for such crises. The consequences of this policy mistake, if it happens, could be very unfortunate. Since the end of September, gold and gold stocks have actually outperformed the broader stock market.

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