RIO ARC BULLION ACCOUNT USD

The ARC absolutely should be part of everybody's portfolio, it was established to offer a superior form of physical gold bullion investment. This product affords members all the benefits of gold bullion investment coupled with the potential to see additional gains above that possible from standard products offering investment in either the bullion market or gold bars, for example.

Gold

Gold has had a poor year so far, but the yellow metal could be ready to shine again. Gold prices started the year at around $1,900/oz and fell back as investors threw caution to the wind and rushed into the risk-on assets such as stocks, this all-in anticipation of economic reopening.

By early March, the price had tumbled to $1,700/oz and June was the metal's worst month since 2016. I am happy to report that gold has spiked since then and it has been trading around $1,820/oz this week. In fact, it has risen over 2.4% since the start of July in US dollar terms.

The reason for the rally is simply that gold is historically seen as an inflation hedge. Inflation surged to 5.4% last month in the US and also went over the central bank's target in the UK. Unlike the dollar, gold is a currency that cannot be manipulated by central banks. Today, we are seeing several factors which could produce the perfect storm for gold, having traded the metal for two decades I would be surprised if we didn't see Gold move closer to $1,900 given the inflationary outlook.

Gold has lost 10% since it peaked at an all-time high of $2,063/oz last year, but its long-term investors won't be concerned. Those who bought five years ago are still sitting on substantial gains and have, in a sense, been paid handsomely for holding what essentially is portfolio insurance!

Members should note that Gold is not only a wise asset to hold as a hedge against inflation, it is increasingly being held by Banks as a hedge against further fiat currency debasement. Given today's back drop this is very wise!

William Gray
The RIO Club