



## RIO ARC BULLION ACCOUNTS

**The RIO ARC Bullion Accounts (GBP/USD) have produced gains of 62.84% and 48.50%, respectively. In the current market conditions, given the increasing risk, and the upcoming negative effects of a US dollar shortage, Bullion is well known as a high quality safety asset and is a must own.**

Today there are mounting reasons to buy gold given the increased danger from geopolitical tensions, and any further unsettling activity on this front could spark a gold rally. Furthermore, a major part of the world economic order is likely to change as Trump brings protectionist politics back to America for the first time since WWII. This, in turn, also creates a strong argument to hold bullion.

If that were not enough to hold bullion in your investment portfolio, then there is the fact that the US is just beginning to see the long awaited return of inflation. Given that gold has historically been used as a hedge against the negative effects of rising inflation, it means that the metal is an obvious buy! The smart money has already begun to move into bullion as we are seeing the first signs of higher inflation, which will certainly cause gold prices to rise.

Furthermore, the most relevant and potentially disastrous financial event which is set to emerge in the world today is certainly not the protectionist policy of the US, nor is it just the geopolitical arena heating up. There is something far more potent looming, and something that the market has not priced in. *The two most significant risks to the capital markets are the global dollar shortage and the looming insolvency of China.* Both are intimately related, and certainly at this late stage are pointing to what looks like the next global liquidity crisis.

**As news of this hits the mainstream financial news panic will set in, those invested in the ARC Bullion account will be safe from volatility, and certain to benefit as gold rallies!**

If dollars are in short supply it means that China cannot control its currency, emerging markets cannot roll over their debts and the Fed cannot pursue its plans to tighten monetary conditions without making the situation worse. In layman's language this is bad news for risk assets such as stocks, and very good news for those holding hard assets, especially high quality, liquid assets such as Bullion, which is precisely why I mentioned the ARC Bullion accounts in my last report titled the RIO Regular Investment Account <http://docs.rioclubreporting.com/RIO-Regular-Report/Regular-Investment-Account-04-03-17.pdf>

One may ask how there can be a dollar shortage as the Fed printed nearly \$4 trillion US dollars to bail out the system after 2008. While the Fed was printing \$4 trillion, the world was creating almost *\$100 trillion in new debt*. These debt holders want their money back, and obviously \$4 trillion is not enough to finance \$100 trillion debt, unless new debt replaces the old, amplifying the issue. The system is nearing the end of the new debt cycle, and as history shows that's exactly what causes a global liquidity crisis.

Those members who came on board 12 years ago will, no doubt, recall that in early 2005 I accurately predicted the US mortgage market meltdown of 2007, a collapse that affected hundreds of millions of people worldwide.

During February 2006 I forecast and predicted the arrival of the 2008 financial crisis. Both were announced to members in a series of reports and several warnings to readers.

In these reports members were repeatedly advised to invest in Gold, and /or low risk investments such as those held by RIO Professional Investors Fund. Those who heeded my warnings were safe from financial ruin, which the 2008 crisis engendered.

Let's not forget that this event wiped trillions of dollars off the markets, and is considered by many economists to have been the worst financial crisis since the Great Depression. Most other investment houses admitted that they had not prepared for these events simply because they had not even seen them coming.

Basically, I see the cracks on the wall and again I find it my duty to strongly advise members that it is prudent to hold safety assets. Given that trading physical gold clearly outperforms the buy and hold it would make sense to invest in a physical gold product which benefits from active trading. As such the RIO ARC Accounts would be ideal, as it is almost certain that you will not only benefit from having your investment in safety, but almost certainly profit from the impending chaos, since Gold will rally in such torrid conditions.

As for US interest rate hikes, I predict we may see two, the first will be a rate hike of 0.25%. However, if the reader thinks this will stop the inevitable bullion rally you would be wrong. US rate hikes negatively effect emerging market debt, as it raises so too does the the cost of servicing this debt. When the US raise their interest rates the risk of a default rises, which means its another reason to hold bullion. Gold anyone?

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