



RIO ARC BULLION ACCOUNTS

As expected the ARC Bullion Account has recovered lost ground as Gold has risen to its highest price in nearly a month, the correction in price simply because the general/main market investors are now falling in line with RIO's approach to trading gold. They are buying gold as they feel that the Federal Reserve will now hold off raising benchmark interest rates, despite some positive economic data released Thursday, probably because these are softened by worrying employment returns.

But there is far more upside potential for the shiny metal, the fact is that we are drawing near the Brexit vote on June 23, and, as predicted in previous reports, volatility is picking up now. The US Dollar gained approximately 0.4% for the week which brought it back from its four-week low. However, despite this renewed short term dollar recovery, gold produced a weekly rise of over 2.65%, and reentered its previous trading range, holding above the \$1,270 level. In the coming days we could see Bullion move above \$1,300 again as Brexit fears increase.

The main markets' troubles are far from over. Let's not forget that it's a US election year, and there is a vast difference between the two candidates, who will contest the November Presidential election.

Then we could add obviously that there is the negative interest rates issue, which has been adopted by over a third of the developed world and which is plaguing markets. As commented previously the impact of such negative interest rates policies, as employed by several central banks, has led to adverse changes in the risk/reward ratios of many asset classes.

The European Central Bank's (ECB) massive easing programs are now having a profoundly negative effect on European sovereign yields. The yield on 10-year German bonds, the European equivalent of 10-year Treasury's in the U.S, has fallen to a record low.

This means that the benchmark sovereign debt of one of the world's most important economies yields had fallen to less than one quarter of one percent, which will drive money out of these assets, especially since yield will most likely fall further. In last week's Professional Investors report I mentioned that RIO's analysts had predicted yield to go to 0% very soon. Well they were right, and they could even enter negative territory for the first time in history.

This will cause further market stress and nervousness with this, in turn, supporting a gold rally.

Gold anyone?

Metals

On the subject of precious metals, the real moves were seen in physical silver, which posted a weekly gain of nearly 6% by last Friday. This was, the largest gain for the metal in nearly two months. This is one reason why I had instructed our head office to email all members who were holding silver as an asset class through the ETF SLV, on my recommendation. These RIO members having two

things in common, they all own a UK regulated pension plan (QROPS) and they all are RIO Club members, my advice was simple - sell silver (SLV) and net the profits.

For those members having regulated QROPS UK pensions schemes, which are directly managed by RIO, all positions were closed netting a double digit return in the process, in this case there was no emails necessary, just a note on profits realized. It is unfortunate that UK pension plans often will not afford the opportunity for those owning such plans to hold physical metal direct as that's a better investment option, but there you go, that's the rules.

For those invested in RIO Platinum, RIO's latest addition to the clubs investment product range, it also has showed gains, indeed its up over 12% since its soft launch in February. This account is yet another RIO star, achieving its annual target return in a short 4.5 months, as such its most likely to outperform in 2016.

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