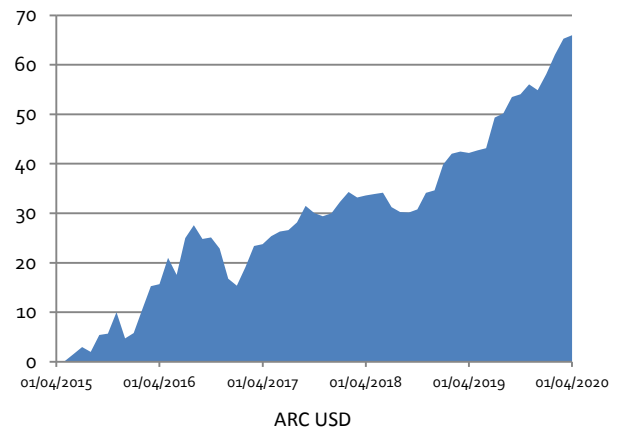
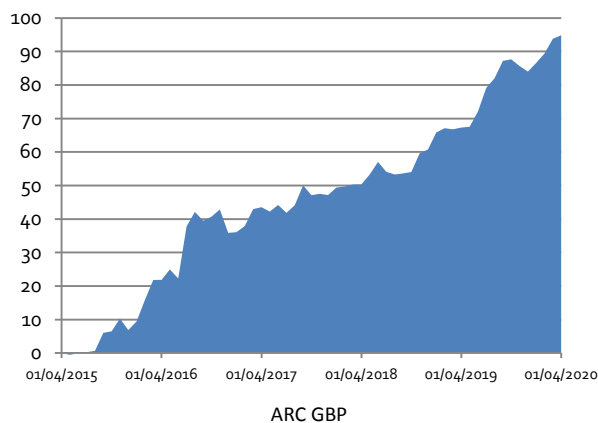




The RIO ARC Bullion Account Sterling saw a massive surge in inward investment during March with the account's money under management increasing 39%. This was a result of members moving USD out of banks and into Sterling bullion on the prospect of a double gain as gold rallies and Sterling recovers.



As for the value of gold going forward through 2020 I would be surprised if gold didn't rally to £1,450, a new all-time high in Sterling and test the \$1,800 barrier in USD. Members interested in safety would be equally rewarded investing in RIO ARC USD as gold is likely to move closer to the historic high in US Dollar terms of \$1,896.50 recorded on September 5, 2011. On the other side of the pond, gold established a new all-time high for GBP just this month. We are truly entering the golden age.

Gold, the ultimate safety asset, shows its worth

Following a year where gold gained 18.7% in value, the world has changed and there are now short term, mid-term and long term reasons to own gold which will see it continue to build on last year's strong gain. This will cause the technical and fundamental outlook to also improve.

In mid-March there was a short interlude which surprised gold bulls when gold dropped 10%. This represented a massive buying opportunity as the metal endured a sharp fall in value due to two short term influencing factors, a stronger dollar, and the forced selling of gold. The stock market meltdown had caught many of the world's largest financial institutions off guard and unprepared for the collapse in equities which left them facing massive losses. Their only choice was to sell liquid assets, such as gold, to cover margin calls on massively overexposed equity positions.

By March 24th the fall was over and the metal put in a strong performance rising over 9%, the largest weekly gain in years. Gold's rally had been further fuelled by government lockdowns, causing the global economy to plummet. Businesses were left with no choice but to scale back, or temporarily shut down their operations altogether. Worst hit were industries such as restaurants, hotels and airlines many of these are now bordering on bankruptcy.

Looking ahead, we could see the metal stay range bound in the first part of the second quarter consolidating above \$1,700/oz before moving higher to peak later in the year. The short-term

consolidation also takes into consideration the stimulus packages which have been rolled out and the effects of which have yet to be assessed. These record levels of stimulus causing US Dollar shortages in the short term could act as a drag on gold's value.

That said, the yellow metal is almost certain to climb further for the following reasons;

- The demand is rising, at a time when the physical gold supply is most likely to fall as refineries are set to cease activity, due to coronavirus shutdowns, will again fuel the metal's continued rise.
- The US Federal Reserve is likely to continue to embark on another round of subsidies to combat what could be seen as an economic pandemic. This will likely lead to inflation, a great driver for gold.
- With associated reduced interest paid by banks, non-interest paying assets, such as gold, become more attractive due to the safety provided.
- I see no end in the buying by central banks, who are not just looking to diversify, but they are more and more seeking to reduce their exposure to the Dollar.
- The Dollar could soon enter what may come to be seen as the final chapter of its vastly overvalued status before falling against other reserve currencies.
- Revival of US-China trade war as tensions flare up on the back of COVID-19 virus.

Finally, a personal message to all members at this time, I like most am currently in lockdown and my thoughts go out to all of those who have suffered from this pandemic.

William Gray
The RIO Club