RIO ARC BULLION ACCOUNT

The ARC Bullion Account USD, like its sister Sterling Account, continues to produce very positive results, up an impressive 23.51% in the first eight months of this year. Looking forward, I am almost certain that September will close in profit.

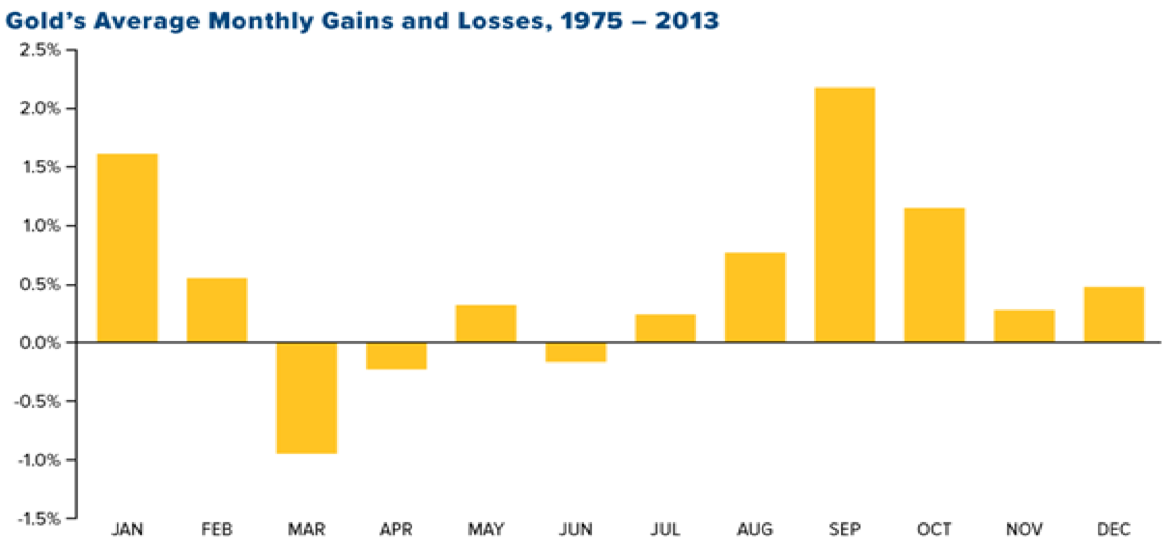
As expected, August produced a seasonal correction in keeping with gold's historic performance during the summer holiday period.

Trading this month has been relatively quiet, again in line with previous years. I sold Bullion on 3rd August at $1,363 (the gold sold had been acquired during July). The sale proved to be rewarding as gold fell in price as anticipated and that being so I had already preset a trade to reacquire the metal at a lower price in mid to late August. The metal proved resilient this year and held ground, the anticipated correction arrived a little later than expected in week four of August, due in part to both profit taking by pension funds, and the upcoming Fed meeting on interest rates.

That said, as forecast, I was able to reacquire the metal on 29th August at $1,318. The remainder of the Bullion Account's cash position was invested on 1st of September at $1,305, when gold's correction had in my opinion ran its course (basically it had hit the end of any correction short term). That being the case, the metal should and did swiftly rally, as traders bought in and I was able to sell the gold which I had acquired for the Account only a few days before at $1,346, the net result being yet another successful trade for the Account. The latest trade executed being just two days ago when I purchased physical gold for the Account at $1,314.

The fundamentals for buying Bullion are now very obvious, as such we are likely to see the metal supported, a move back above $1,350 an ounce would seem very plausible this month.

Golden Opportunities - Bullion historically does well in September.



Having returned from annual leave on Friday, 16th September, I am totally rested and refreshed, ready for action! Before I mention recent events, let us first have a brief look back over both July and August which, as expected, remained as what might be described as "summer holiday stagnation". The summer blues is the historic norm before we enter what most in the business refer to as the seasonally stronger period for bullion, September and to a lesser degree October. As can be seen from the above chart, September is when gold historically performs at its best, for a host of reasons.

I predict that the Fed will announce that there will be no rate rise which favours bullion. Looking ahead, the upside in gold is perhaps obvious given that the fundamentals remain very strong for a continued gold rally, one major reason being because of the low-to-negative bond yields around the world. There is a sizable sum in this unsettling position today, to be precise over $13 trillion dollars worth of global sovereign debt on a tight rope, all currently carrying a negative yield.

In case that is not enough reason to move to the safety of gold, there is also the increased geo political risk bolstered by the increased use of negative interest rates. Those in charge continue to clutch at straws in the face of a faltering financial system. The effects can be seen and felt by all as we witness the global devaluation of currencies, more and more people around the world are forced to deal with the financial burden caused by the loss of purchasing power. Worse still is that no one in power seems to know the eventual consequences of this strategy.

Warren Buffett has commented similarly recently, saying that the current situation “could produce something in the way of behavior that nobody’s even anticipated.” My advice on the topic as always is that one should take insurance against any possible unknown, or likely negative impacts brought about by foolhardy actions by those in power. Simply put it would be wise to seek a strong insurance in the form of an investment in physical bullion in these uncertain times.

Previously strong currencies are swiftly becoming what can only be described as fiat money; another compelling reason to buy gold. Ongoing currency wars, and uncertainties arising from the upcoming US Election with its two rather unusual candidates also justifies holding gold.

As for the markets, I would bring to members attention that statistics from the US stock futures which pointed to a 0.8% opening loss for the S&P 500 only a few days ago, its biggest daily drop since the U.K. referendum and an important factor to consider. In addition, bonds have also come under pressure recently, selling with the yield on German bonds rising above zero to 0.04 percent, their highest since Britain’s Brexit vote in late June. I would also remark that the rise in lower-rated euro zone countries’ yields is even sharper.

What does this all mean?

Should we see no Fed rate rise then the US stock market will get only a brief reprieve, before the market begins a much overdue correction, the bond markets looks set for a fall too. The important point is, if and when it comes, will it be just another correction, or the start of a bear market or worse, another crash? **That said, the argument to board the RIO ARC Bullion Account becomes very compelling!**

As for the coming Fed meeting, there are those who feel that the FED chair, Mrs. Janet Yellen, will raise interest rates later this month. I strongly disagree, simply because I am certain that Janet, although relatively new to the job, does not want to discredit the FED even further and gain a bad name. She obviously remembers what happened the last time she raised rates last December, when the dollar strengthened and stock markets plummeted.

Accordingly, I predict that there will be no interest rate rise this month; this surely would be common sense given the circumstances. It would also be foolhardy to risk upsetting financial markets around the world prior to the upcoming US Presidential election in November.

I note that Gold is just slightly lower at $1319/oz after consolidating gains. Actually, gold had seen two consecutive gaining weeks prior to this consolidation, that being bullish from a technical perspective. Markets being sentimental and momentum driven, this may mean that the recent correction is over, and technical driven traders are most likely to see this as a positive signal and go long on gold, causing a positive price move.

Bloomberg has warned that a selloff in fixed income is showing signs of snowballing into a global market rout. This also would see a run to bullion and underlines the importance of being diversified and having an allocation in physical gold.

For those who are interested, I would draw attention that the mid year months are frequently seen as a time of seasonal weakness for gold as has been the case in recent years and since gold became a traded market in 1971. Gold’s traditional period of strength is from early August into the autumn and early winter.

As I look to the short term, October and November, these months are historically favorable months to own gold. Autumn and early New Year are the seasonally strong periods for the gold market due to robust international physical demand. This is especially the case in Asia for weddings and festivals and into the year end for Chinese New Year, when China heavily buys gold.

The ARC USD Account bought back into gold on the 29th of August. My experience has shown that, in the past 20 years, acquiring gold in August has been an excellent trade. Especially in the past eleven years, gains have been averaging nearly 11% in just six months after the mid-year low. **However, this year could produce even better results, given that next month could herald an announcement from the IMF which may just become the largest financial news story in decades.**

In the report above I have not covered what might be seen as the most significant forthcoming change to the world's financial system in fifty years. My prediction is based on an announcement from one of the most powerful organizations in the world, the IMF, who are getting ready to make an official announcement next month. Should this take place, as expected, then it is almost certain to start one of the largest transfers of money out of US Dollars in decades. Which would see gold rally even further in coming months.

Members should take note, this all happens next month which is when the IMF are likely to announce the results of its meeting which took place earlier this year, in June. This meeting has already reassessed and decided the makeup of the world's reserve currency system and which currencies are to be involved in it. This is a big deal since the elite IMF executive board meets only twice in a decade. **This October, I am predicting that we will see the world welcome in a new reserve currency; the Yuan.**

Should my prediction be accurate and we see China's currency take centre stage, it should be of great comfort to know that I have spent thousands of hours studying in depth research on this topic, and reviewed the likely effects of including the second largest economy's currency in the exclusive status offered to those in the reserve basket (currently USD, Euro, Sterling and the Yen) all of which have SDR special drawing rights.

As is usual with most of my predictions and financial forecasts, they are offered in advance of any main stream coverage on same, many such predictions have come to fruition and produced very positive results for those invested over the years. One common trait which emerges from such predictions is that they are almost always provided to members whom have not heard or read little to nothing on such predictions outside of RIO. This advance knowledge continues to be one reason why RIO, and its members have an investment opportunity second to none and to get in first before the herd.

For reference, the current allocation for the central bank reserve basket has the USD at the top of the table, as one would expect, with 41.9% of the reserves, second place going to the Euro with 37.4%, Sterling with 11.3% and finally the Yen at 9.4%. I am predicting that we are likely to see this change this October.

Should I have forecasted correctly and the announcement goes ahead as indicated, a new currency will be added to the short list of world reserve currencies. **Warning - if, and when, this happens, billions of dollars will move out of the U.S. Dollar and into this currency.**

The good news is, being among the first to see this opportunity I am well prepared. RIO is in a very strong position, being both protected from adverse market influences and strategically placed to benefit from the above. I am, as always, ahead of the market, and ready to trade on the opportunities which our analysts have identified from their research which I have studied over the years.

This very rare situation, brought about by the likely changes to the currency reserve basket which has an effect on the world's financial system as a whole, is, for those on the right side of this trade, forecast to be extremely rewarding.

I predict that, in less than five years,the Yuan will move up the table to the number two position and overtake the Euro.

Finally, both ARC's have outperformed their target returns to date and look set to close 2016 as the top performing physical gold bullion investments in the world in their respective currencies.

William Gray
The RIO Club