



The ARC Bullion Account GBP recorded a small loss this month down 0.54%, although it out-performed spot gold which lost 1.98% in the same period.

The Market

The US dollar is weakening, and looking forward the green back is almost certain to see further downside due to deficits, and the building global shift away from dollar-based transactions. This is one reason why gold has surged as central bank buying accelerates - the shiny metal is now the second largest reserve asset to the USD, this fact based on a recent report from the ECB.



The demand for bullion had already hit record levels in 2024, and 2025 is on track to be yet another strong year for national reserve purchases which will support gold values. On top of this, geopolitical tensions and sanctions are accelerating the move toward gold. Additionally, there is the new alternative global payment systems which are reducing reliance on the dollar - gold seems well supported!

For more than two decades I have recommended members hold gold as a hedge against their dollar exposure by allocating at least 10% of portfolios to gold. This has now proven its worth, the US Dollar Index, when measured against a basket of other major currencies, has declined by approximately 10% this year through mid-June and is currently trading at its lowest level in three years.

Members should take note that an additional downside risk due to concerns over America's growing deficit is building. Bloomberg reports that foreign vendors, from Latin America to Asia, are asking US importers to settle invoices in euros, pesos and renminbi to avoid currency swings.

Most know that RIO has been sounding the alarm on the dollar's downside, underlining the fact that one of the main beneficiaries of the dollar's weakness has been gold. We have for years recommended precious metals as they tend to move inversely with the dollar's value and again, this fact has proven to be true.

Looking forward, central banks around the world have continued to accumulate gold. Official sector gold purchases exceeded 1,000 tonnes in each of the last three years, which is more than double that of the annual average of the previous decade.

I also noted that this European Central Bank report had brought attention to the fact that, for the first time, gold now represents a larger share of total global foreign exchange reserves (20%) than the euro (16%). So to summarise, a massive shift has been underway for the past three years, and it shows no sign of easing as a recent survey has indicated that almost all central banks expect to increase their gold reserves over the next twelve months.

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