



RIO ARC BULLION ACCOUNT GBP

The RIO ARC Bullion Account GBP gained 0.28% in February. The rally in gold has continued to benefit those invested in the ARC Bullion Account. It's reassuring that gold remains the one global asset with a low correlation to risk assets, no third-party or geopolitical risks, relatively low volatility, and a deep and liquid market. Add to this the threat of a new global trade war and it's a perfect backdrop for gold to rally higher.



Gold rally remains intact, and for many reasons looks supported in current backdrop

In a world submerged in government debt, which currency is a safe bet? The mainstream media have covered the fact that Canada's political system is in turmoil while the nation starts to look for a new Prime Minister. Recently, the world has seen the collapse of two major European governments. Meanwhile, the European economy looks weak, Britain's fixed-income market is extremely fragile, and China's economy is at best struggling.

In the US, household debt has rocketed higher. Today it's over \$17.5 trillion, leaving many struggling to keep up with mortgages, car payments, and credit cards. In this tightening financial squeeze, the implications of Donald Trump's bold policies are quietly shifting the economic landscape. Cutting taxes, renegotiating trade deals, and tightening the grip on foreign markets are creating the perfect market for a gold rally.

The Fed began to cut rates last September, but the 10 year Treasury Bond moved in the other direction, rising 100 basis points, a full 1%. The cost of borrowing money is rising fast, putting enormous pressure on the US economy.

Foreign buyers who once were the backbone of US debt markets, are now turning away. One example being China, who has been cutting exposure to US treasuries in favour of real assets like gold. Meanwhile, the Treasury faces an urgent problem: rolling over billions in short-term debt while keeping the system afloat.

As the demand for US bonds continues to fall, the only option left is for the The Federal Reserve to step up to the plate. Donald Trump's new Treasury Secretary, Scott Bessent, made it clear: lower rates are critical to managing America's massive spending problem. Even though Fed Chairman Powell is not on board, he's going to be forced to listen to the Executive branch.

Bessent has recently proposed that a shadow Federal Reserve take greater control over monetary policy. The Federal Reserve could lose its independence for the 1st time in over 100 years, and instead be another arm of the Treasury, forced to follow Presidential directives.

Is the market looking at another round of quantitative easing?

Quantitative Easing is the Fed's main go-to playbook during times of economic crisis.

Yield Curve Control (YCC) will be implemented and the Fed will be forced to purchase trillions of Treasury bonds to create artificial demand to force yields lower. This will flood the system with newly printed dollars which will vault gold higher.

In 2020, QE4 was launched in response to the COVID crisis, injecting \$700 billion into the economy and ballooning the Fed's balance sheet from \$4 trillion to \$7 trillion, almost overnight. No wonder then that gold has continued its rally!

The stage is now set for QE5 and this could dwarf anything we've seen before.

As most will know, every dollar the Fed prints also devalues its purchasing power. As QE5 Yield Curve Control floods the system with trillions of new dollars, gold will almost most certainly rally higher. Some experts have commented that the price of gold has no top, because the value of the dollar has no floor.

Gold may soon take centre stage due to Donald Trump as he could upend everything in the US Treasury bonds market. One of President Trump's top economic allies is Dr. Judy Shelton, she has proposed a bold plan to issue a 50-year US Treasury bond backed by gold on the 4th of July 2026, America's 250th birthday. Shelton stated that it would be a big day for the the nation, as it would reintroduce gold to America's monetary system.

Back in 2020, Trump supported and tried to place Shelton on the Federal Reserve Board, but establishment figures like Jerome Powell blocked her path. Today, with a Republican majority in Congress, Shelton's vision could become reality. And if Judy does take up this role, the knock on effects would be massive.

A gold-backed bond would require the US government to acquire massive amounts of gold, sending demand and prices far higher.

This would likely see some central banks mirror this practice, igniting a gold rally. This seismic shift could stabilize shaky markets and reshape global finance, creating an investment opportunity.

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