



The ARC Bullion Account GBP was ideally positioned for gold's rally and that being so I sold gold at 1,630, banking gains for those invested. By selling the metal I have reduced the physical gold holdings of the ARC, however, I predict that a buying opportunity will arise as we approach the Bank of England meeting which takes place on the 11th of May. My two and a half decades of experience leads me to the conclusion that I should be able to reacquire the gold sold closer to 1,540.

Looking back, last month was dominated by the collapse of Silicon Valley Bank, the fallout from which had resulted in the share prices of many regional and mainstream banks worldwide being hammered down. Today while an outright banking crisis has been averted, markets remain tense and could quickly enter a risk-averse stance at a moment's notice. Indeed, any rumour of another collapse would quickly reignite the fears that rocked the financial world in March. Bloomberg calculated that \$465 billion had been wiped off financial stocks globally due to the above. My point is that, like SVB, many other banks are sitting on loss making assets, and if they are forced to sell these to fund withdrawals, it could turn into a real banking crisis that has not been seen since 2008.

The UK inflation remains double digit, a rate hike is likely.

The latest figures released shows inflation at 10.1% annually. Inflation is not moving in the right direction, and this will give the Bank of England further reason to hike rates at their meeting on the 11th of May.

Some may say that there has been a tiny move lower from last month's 10.4%, but markets had been looking for a bigger move, something which would have driven the UK's inflation rate back into single digits.

The UK's inflation rate is now double that of the US, and more than five times the BoE's target of 2%, as such, a rate hike of 0.25% next month is likely. If I am correct the UK rates will be at their highest level since October 2008. An expected hike has already pushed the pound higher and in turn pushed gold lower to £1,597 today.

Looking forward, the dollar continues to be under pressure as we see a concerted effort by other countries to move away from the US as the dominant currency. Russia, China, and many other countries have struck deals in recent weeks to complete trades for commodities like oil without the use of waning dollar.

In the coming months a combination of lower interest rates and de-dollarisation, will put pressure on the USD and this will only continue to benefit gold and silver.

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