



Investment Manager Comments

The RIO Regular Investment Account (USD) produced a positive month during March recording a gain of 0.71%. Further rumours of a US-China trade deal looked to be in the making which drove the Dow Jones higher. That said, as a comparison over 6 months the Account has produced gains of 5.00% whilst in comparison the Dow has produced a loss of 2.00%. In short it can be clearly seen that the Regular Investment Account has massively out performed its benchmark return. Indeed over the past three years this account has posted stellar gains of more than 125%.

Looking forward as we enter April, I expect that there will be continued hopes for a satisfactory US-China trade deal and this will be a very positive sign for the markets. The Trump administration is still fully engaged in talks with the Chinese government, and although these talks have yet to be fruitful a deal may be in the making. A deal would see markets rally and most certainly benefit the account.

The latest comments from the Federal Open Market Committee (FOMC) minutes showed a more cautious outlook. Economic risks were highlighted, growth was flagged as “solid” not “strong”, which was the wording in the previous minutes, “softness” was used at times; and concerns about tighter financial conditions around the globe were cited. There has also been discussion about the Federal Reserve wanting to stop reducing its \$4 trillion balance sheet till later in 2019. Looking ahead, I predict we will see plenty of opportunity to trade as trade wars soften and the Fed keep any rate rises in 2019 very much on the back burner. It’s my prediction that they may have to back pedal and reduce rates by a quarter percent or more in 2019. Should this be the case then we would almost certainly see the stock market rally further.

William Gray
The RIO Club