



### Investment Manager Comments

The RIO Regular Investment Account (USD) produced a positive month during February, recording a gain of 1.19%. Further rumours of a US-China trade deal, looked to be in the making this drove the Dow Jones higher. That said, as a comparison over 6 and 12 months the Account has produced gains of 4.45% and 11.38% whilst in comparison the Dow has produced a loss of 0.19% and 1.99% respectively. In short it can be clearly seen that the Regular Investment Account has produced very impressive results; over the past three years it has posted stellar gains of more than 132.55%.

Looking back, as the end of February approached I had expected that there would be further hopes for a satisfactory US-China trade deal, and that this would be a very positive sign for the markets. The Trump administration is now in talks with the Chinese government and although any 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.

### **Notable trades closed in February**

I acquired Lockheed Martin stock at 290.58 for the Account on the 1st February, this acquisition was sold on Wednesday the 13th February closing 100% of the position at 304.42 taking profits.

Also acquired for the Account was stock in Boeing which was bought at 403.95 on the 11th February, using 10% of cash held to facilitate the acquisition. I then sold 25% of the position at 421.55 on the 20th February, importantly taking profits for those invested. The remaining position has been held as recent analytical data leads me to believe that there are further gains to be seen in this stock.

Elbit Systems stock, which had originally been acquired at 118.50, was subsequently sold at 129.47 on Thursday the 14th February, again taking profits and with the original capital, as always, back to cash.

### **Fed comments put pressure on the green back**

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. This has all contributed to downside pressure on the US Dollar and looking forward we could see increased pressure when the committee get together in March. 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 volatility in the US Dollar.

Members should note that volatility can and often does produce investment opportunities. As such looking ahead the Regular Account could produce a more than reasonable return in early 2019.