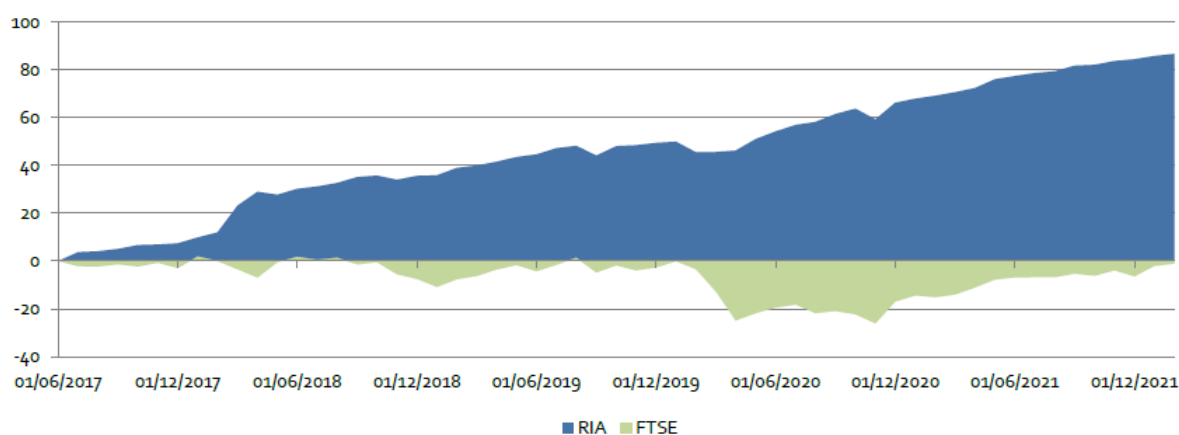




The Regular Account GBP posted a gain of 0.47% during January. A closer look at the statistics reveal an outstanding risk-reward ratio of 9.58:1; the industry views anything over 3:1 as excellent.



Looking back, my recommendation to buy into the undervalued FTSE 100 has now proven justified; the UK stock market closed 2021 recording its best year since 2016. The RIO Regular Account also closed 2021 recording twelve consecutive gains, a perfect year, and its best performance since launch. Having correctly forecasted the upside in the UK market, we were basically in the right market, at the right time, all I had to do was apply our time-tested investment strategy to produce the desired results.

The Market

The FTSE 100 ended the first month of 2022 1.1% higher, and as such has outperformed the wider European stock aggregate, which recorded its worst month since October 2020.

Looking forward, markets will now await a key monetary policy decision from the Bank of England, due in early February. I forecast that the BoE will announce yet another rate hike, and have positioned the Regular Account for this. If I am correct, this will be its second hike in a row.

The FTSE 100 has been helped by a robust performance in higher weighted banking and energy shares on expectations of rising interest rates and soaring oil prices, respectively. The FTSE also has a lower representation of technology stocks that do not perform well in a high-interest scenario, and rate hikes are on the cards.

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