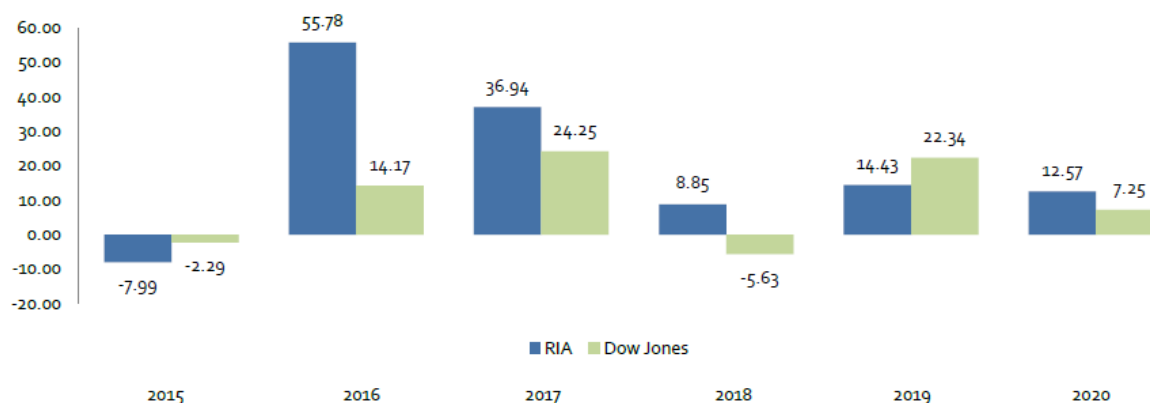




RIO REGULAR INVESTMENT ACCOUNT USD

The Regular Account posted a profit of 0.39% in November; this is its tenth consecutive gain. During the month, all trades closed were in profit. The Regular Investment Account is on target to close yet another year with a double-digit return; we have now entered the last month of 2021 as such I will take profits where possible, and reduce risk.

PERFORMANCE FOR CALENDER YEARS (%)



An exceptional track record

During the last six years, this investment has proven to be one of the least volatile US Dollar-based equity investments in the world. The risk taken to post gains is categorized by the risk-reward ratio; current statistics show that the Regular Account has a risk-reward ratio of 5.54:1. It is worth noting that many market strategists consider anything above 3:1 to be excellent for investment.

Market

Looking forward, rampant inflation coupled with a strong economic backdrop may push the Fed to end its bond-buying programme far sooner than expected; the programme could be rolled back during the first quarter of next year. I had previously forecast that inflation would not be transitory and it looks like my predictions on inflation are now proven correct. The Fed Chair Powell has recently commented that elevated prices are likely to persist well into next year. Not so transitory then!

The massive monetary stimulus, which has helped keep interest rates low and stock prices high, is likely to be scaled back at a swifter pace. Looking forward to next year, we could see Fed rate hikes take to the stage. I have been warning members for several months that inflation will soon replace COVID as the main issue - it now has. The stock market will almost certainly react to the coming rate hikes.

William Gray
The RIO Club