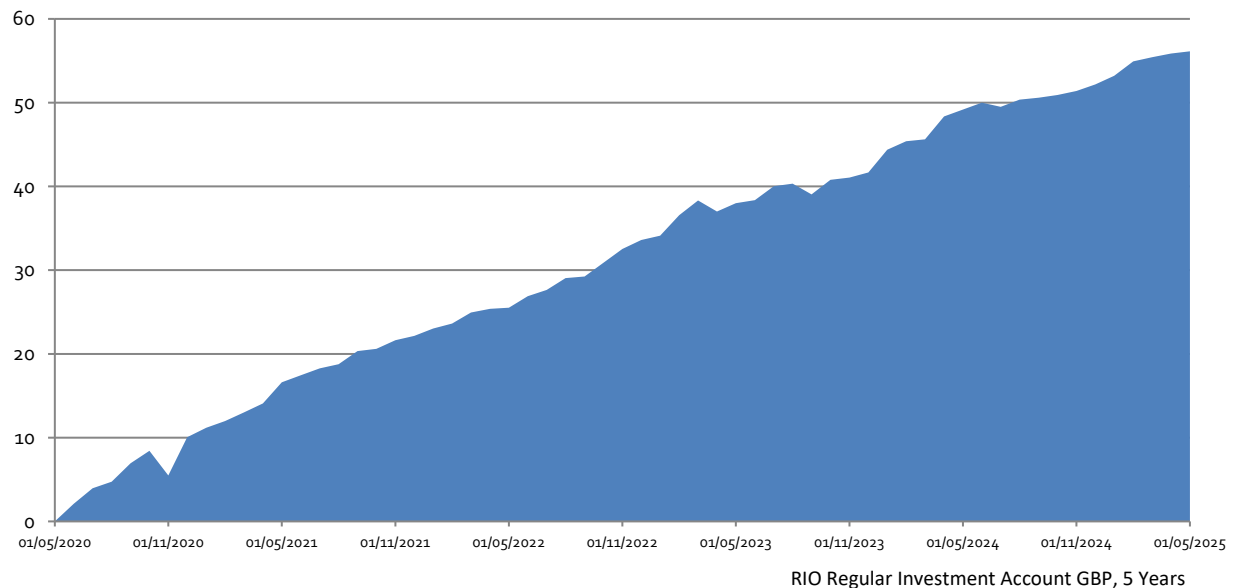




The RIO Regular Investment Account GBP returned 0.17% during April, this gain recorded whilst the accounts benchmark (FTSE 100) closed the month down 1.02%. As the month opened, I had taken action to reduce equity exposure, this was done because I had anticipated the stock market sell-off. The market did in fact move lower and had fallen almost 10% by the 7th. Importantly the move lower had provided the opportunity to reposition and it's worth mentioning that trades closed during early April were closed in profit or break even.



Fund managers and traders in the global financial markets are focused on the potential effects, continuing to develop from President Trump's recent trade tariffs in the United States, affecting stocks in every country and sector. With this in mind, there are two likely scenarios that investors need to consider; a challenging trade environment that will be sustained in the coming years, slowing global GDP growth and economic activity as well. That outcome is, in my opinion, unlikely, as the world economy would have to be cut significantly to de-globalize effectively. The more likely scenario is that a deal is struck with the United States and its trading partners soon, leaving most (if not all) of these fears in the past.

Today, as I write, I have raised exposure to several stocks, having bought in to the fall back earlier this month. The allocation to equities at the end of April was 37.21% with the remainder being held in cash, the exposure to equities today is currently 49.2%.

### The Market

The UK's economy grew by 0.2% in March, exceeding forecasts while Q1 GDP rose 0.7%, driven by the government's efforts to boost investment. However, the Bank of England sees the growth as temporary. Tariffs and tax hikes dampen business sentiment, but consumer spending remains strong despite economic concerns. Following this data release, sterling extended gains against the US dollar this morning.

The Bank of England's Catherine Mann supported holding interest rates steady, citing stronger-than-expected resilience in the UK labour market. While some data suggests a slowdown, she emphasized it is not a clear downward trend, contrasting her previous push for a 50-bps rate cut in February.

European Central Bank supervisors are urging lenders to reassess US dollar needs during crisis, amid concerns they can't rely on the Federal Reserve. Nearly one-fifth of the Eurozone banks' funding is in dollars, increasing vulnerability if dollar access is restricted during financial stress.

President Trump's Gulf visit led to a preliminary US-UAE chip import deal and major business agreements. The trip included diplomatic moves, military visits and efforts to position the region as a global AI hub, prompting some US security concerns.

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