



The Regular investment Account (USD) has produced a gain of 0.28% during May. It has again outperformed its benchmark, the Dow Jones, which, by comparison, lost -5.35% in the past four weeks. Both RIO's investment strategy and additional team work has helped produce the exceptional record of 40 gaining months since January 2016, the account registered only one losing month, which was in October 2018, when the Account lost a modest -0.55%. Thank you to all members whom have commented on the performance, it is, as many have said, rare to see consecutive gains in any stock related investment, especially in the recent market volatility.

### **Notable Trades**

I invested 15% of the cash held to acquire Lockheed Martin stock on 2th May at 332.55, and subsequently was able to close the position on 20th May at 342.01, with both capital and profit taken back to safety. Those invested will know that I have traded this stock since Trump took office and I can, with some certainty, say that Lockheed Martin looks set to move higher. Later in the month I invested 5% of the cash held to buy Elbit systems stock at 140.27 on 23rd May, closing the position on 28th at 142.80. Members will be aware that I trade regularly in defence stocks, three years ago RIO had identified the opportunity, and selected the right sector to trade and as a result we have posted over 120% in the past three years. It doesn't get better than this, although perhaps more of the same as our analysts have assisted in the identification of several such stocks which are set to 'sky rocket' in coming months. This is good news for those invested, or contemplating adding to their current holdings.

### **The trade war between the US and China continues to escalate**

In the US, the trade war against China, which has so far been focused on attacking imports, is set to take on a new dimension, with some reports suggesting that the Trump administration is seeking to choke off China's access to key technologies by limiting the sale of key US components to China's recently blacklisted telecom giant, Huawei. It is beginning to look like the US-China trade war has been developing into a more entrenched strategic dispute, pushing investors to safe haven assets. Meanwhile, four Federal Reserve policymakers said that the recent ratcheting up of US-China trade tensions is creating uncertainties for businesses, and that this could threaten economic growth. If so, it will be an important factor in Fed policymakers' decision on how long to stay "patient" on interest rates.

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