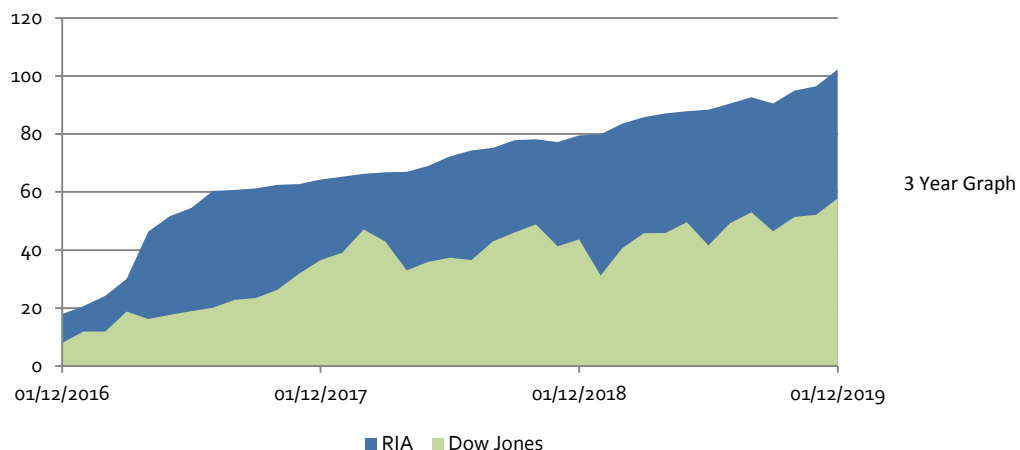




The RIO Regular Investment Account USD produced a gain of 2.97% during November and continues to produce the desired result, posting gains of 12.44% in 2019. The performance over the past 3 years has been truly excellent, with returns of 71.55% filed; in comparison the Dow produced 46.16% over the same period. But recent statistics underline the true attraction of this account; during the past three years this high risk investment account has produced 34 gaining months and only 2 losing months, this makes the RIO Regular one of the least volatile stock related investments in the world.



Two recent trades

On Tuesday 5th November I utilised 12% of the cash held to acquire Lockheed Martin stock for the account at 371.55, and sold 50% of the stock on the 26th at 392.03 taking profits.

Elbit Systems was acquired on 20th November at 158 using 10% of the cash held. I subsequently closed 100% of the position on Tuesday 26th at 165.30 moving proceeds back to cash as we entered December.

The stock market

With thanksgiving in the US underway and November coming to an end, the stock market looked set to enter what has been the best month of the year for stocks. That said, stocks closed lower on Friday down 0.4% on the day as the market reacted to recent trade deal news which weighted on what was a strong month.

Looking back, stocks were strong this month mostly due to optimism surrounding recent positive news from both the US and China on their trade negotiations, comments in October from President Donald Trump looked very encouraging as he announced that the two sides had reached a “phase one” trade deal to be signed this month.

Following this, things looked shaky as President Trump signed into law two bills backing protesters in Hong Kong on Wednesday, setting off a clash with China which had objected to such legislation. China reacted swiftly as the Ministry of Foreign Affairs condemned the move, and accused the US of having “sinister intentions.” There is building concern that this could sour trade negotiations

between the two countries ahead of December 15th which is the deadline for the next round of US tariffs on Chinese goods.

For those who may feel that China has not suffered, statistical data shows otherwise. China witnessed its slowest economic growth for 25 years, partly due to the US-China trade war.

Finally, it may be of interest for members to know that the Dow has traded positively 80% of the time in November, the first time since 2009.

William Gray
The RIO Club