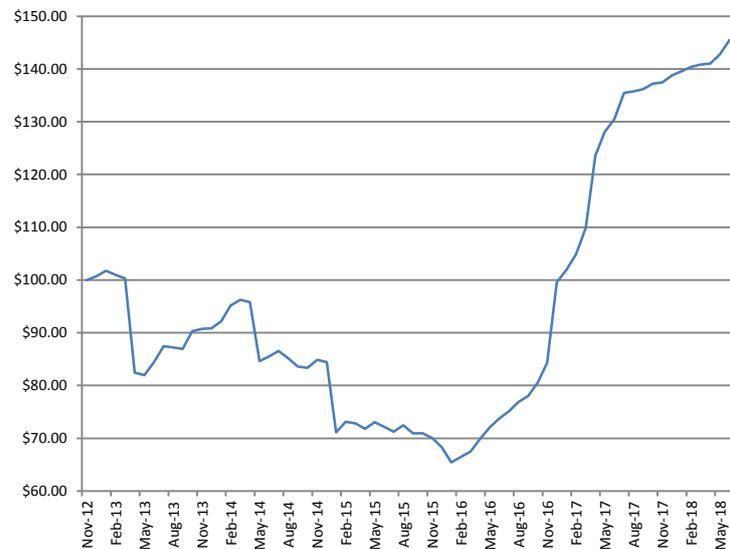




RIO REGULAR INVESTMENT ACCOUNT USD

The RIO Regular Investment Account (USD) produced a gain of 1.93% during May. This was achieved in spite of the mayhem experienced by the US stock market, as Italy's Central Bank warned the nation they were only "a few short steps" away from losing investor confidence. Consequently, financial markets suffered the biggest sell-off in years on fears that repeat elections in Italy would become a proxy vote on euro membership.



Accurate trading in the month has meant that RIO Regular posted yet another positive return recording a record breaking twenty ninth consecutive gaining month for the Account. This high risk investment has set a new record every month for over two years. It continues to break all previous RIO consecutive return performance related records, I would draw attention to the fact that this is a significant achievement as our investment statistics date back over twenty years. The consecutive gains have produced an amazing return of 122.38%. The results reported by this investment over the past 24 months have more than doubled the comparative value of returns produced by the Account's benchmark, the Dow Jones. That said, the Dow Jones also performed well over the same period, returning 37.25%. However, although this market produced a positive result, it's performance pales by comparison with RIO's record return of 97.31% posted for the same period.

During May the market continued to struggle to digest the likelihood of a trade war. That plus the Italian fiasco paved the way for me to continue with my recent trading strategy of holding a larger than normal cash position. Doing so is safer, given that I stand by my forecast that further stock market corrections are to be expected in 2018. The market has just had a small taste of what is lurking in the background. A stock market correction would be good news because, should my prediction be borne out, then this would represent a very significant investment opportunity, which could in turn generate excellent returns.

U.S. stocks finished broadly lower on Thursday as the month closed, with the U.S. decision to impose tariffs on steel and aluminum imports from the European Union, Canada and Mexico sparking promises of retaliation by trade partners and reigniting fears of a global trade war.

Finally, as I have said several times previously, active trading is vastly superior to a 'buy and hold' strategy, especially if one seeks to limit the risk taken. As always, it is important to remember that this product is a high risk investment.

US Market update

U.S. stocks closed firmly higher on Wednesday the 6th, with two major indexes ending at records as equities extended a recent winning streak to a fourth straight session.

This in spite of the President retaining a tough stance on trade, ahead of the G7 meeting starting in Canada. Any expectation for a resolution this week on the escalating trade dispute are running low. Both Canada and Mexico have retaliated and the EU is also threatening to take retaliatory action.

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