



RIO Silver Lining GBP has certainly lived up to its name this quarter, this period produced a stellar gain, up 7.25%. The metal opened the quarter just above £18 and remained range-bound to the 6th of March when my predictions for silver to rally bore fruit. Silver had fallen as low as £17.24 an ounce in January before rocketing to a high of £20.08 on the 20th of March. The metal then ending the month at £19.81, when I took the opportunity to sell.

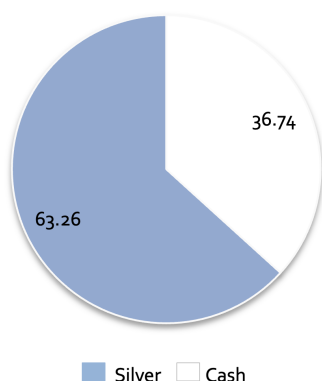


As the metal crossed my target price of £19.70, I sold 5% of our holdings to cash, taking profits for those invested.

I am almost certain that Silver has far more upside potential, and as such I have weighted this investment to Silver accordingly, I fully expect it to move higher as we move through April. If I am proven correct, I will be able to bank further gains for those invested. We may even see the metal breach £21 an ounce, this unseen since August 2020.

In recent weeks, institutional investors have increasingly been looking at silver as a more favourable buying opportunity, especially since gold is beginning to look over-bought. This metal has the potential to move higher and move quickly as the momentum continues to build.

Silver is the second most common precious metal, but its importance goes beyond its value as a precious metal. It has vital industrial, technological, and consumer uses, especially in electronics, automobiles, solar panels, and silverware. Metal is a store of value in jewellery, coins, and bars, and it is also naturally used for investment.



The pie chart shows the investment's asset weighting at the end of March. Note that the Silver Lining is heavily weighted to silver! I fully expect silver to continue to rally as we enter April, and stand ready to sell should I be proven correct.

The Silver Market

Since 2021 I have been following silver inventories, and over this period I have seen a significant decline in the inventory. We could be nearing a point where these silver inventories are actually depleted, and for the first time in decades, there may be a real shortage of silver in the market.

Normally there is more than sufficient silver inventories in the market place, that is until recently. Over the past three years, silver inventories have declined by 16,802 tons, this is a significant decrease, there are still 36,813 tons of available inventory (this equal to one year's consumption).

So after three years of shrinking silver inventories we could easily see a silver supply deficit this year. There has been very little in the way of any new supply, and there has been a substantial increase in the demand.

Conditions are becoming more favourable for a bull market in silver.

William Gray
The RIO Club