



RIO Silver Lining produced a net gain of 6.72% which is an excellent return during the third quarter of 2019. Since launch in September 2017 the account has produced gains in 7 of 8 quarters netting 18.10% profit.

The constant fluctuations in silver provide more opportunities to buy and sell, which leads to a profit, but members must remember that this makes silver a more speculative investment. Since its peak on the 4th September when the metal reached \$19.75, the price has fallen back. This recent move would suggest that the extent of the pullback has now occurred and, given the renewed interest in this metal, a rally above \$19/oz could easily be seen in the coming months.

Looking ahead, I predict that silver could outperform gold when institutional investors and professional traders begin to focus on this market's demand fundamentals. Simply, a US-China trade deal is very likely to lead to higher demand for silver, which has strong industrial uses. Further support would come from moves towards infrastructure investment should it play out in the USA. This bodes well for metals such as silver, so any movement in the price back below the \$16.75 level would provide a strong buying opportunity.

The gold-to-silver ratio shows how many ounces of silver it would take to buy an ounce of gold. If the ratio is at 88 to 1, this means it would take 88 ounces of silver to buy one ounce of gold. Investors use the ratio to determine whether one of the metals is under or overvalued and thus if it is a good time to buy or sell a particular metal. When the ratio is high, it is widely thought that silver is the favored metal. When the ratio is low, the opposite is naturally true and usually signals a good time to buy gold.

Looking back, RIO launched the Silver Lining in September 2017 and managed to post a small gain during the products first quarter, the year end. As for 2018 it certainly was a rough year for silver, with the strong US Dollar, rising global interest rates, a weak Chinese Yuan, and other hindrances arising from the trade war keeping prices down. The bear market for silver has now been ongoing since its major peak in 2011.

In light of the above facts some may say that, as usual, I had identified yet another market which has significant upside, in this case silver, but entered this market early. In response I would point out that precision trading, and personal knowledge of the market resulted in the Silver Lining recording three out of four quarters in profit during 2018, and posted a net gain of 7.52%.

Perhaps the added challenge of trading the arguably very difficult silver market of 2018 successfully, has simply added to my trading experience, and even helped better prepare me for the bull conditions which I correctly predicted.

As for 2019, as I predicted in previous reports, silver would rally and since mid-July we have seen a change, silver rallying from \$15.19/oz on the 15th to over \$16.50/oz by the end of that month. This was satisfying for me, and both rewarding and satisfying for those invested to see the metal reach

and pass my target figure of \$18 US/oz, importantly this being a target price which I had set many months previously. The rally continued through August with silver peaking in the first week of September.

Members will recall from my recent reports that I forecast gold to rally, which has historically caused silver prices to move higher too. Today, expectation is building that equity prices will weaken, having reached a year high. Many investment houses finally have woken up to the fact that silver is set to rally. In fact a large number of professional traders currently see an investment in silver, short term, being more favorable to that of an investment in gold.

William Gray  
The RIO Club