



This investment trades physical silver and has produced no less than five gaining quarters since its launch in September 2017. The only loss recorded occurred in the third quarter of 2018 when the account fell a mere 1.06%. Overall this investment has produced a net gain of 8.99% for those invested and the returns to date have greatly outperformed the performance of benchmark, namely hold-in-hand physical silver which has lost 14.50% over the same period. Again, the above shows the benefits of accurately trading physical silver, as opposed to the common place buy-and-hold strategies promoted and sold by the investment industry. To date this quarter we are in profit and, as I had predicted some months ago, there is a strong upside in silver for a multitude of reasons some of which are outlined below.

### Silver

Looking ahead, when we finally see an end to the US China trade war, which could come as soon as next week given the US Presidents recent comments on additional tariffs. These tariffs have put additional pressure on the Chinese delegation arriving in Washington, hopefully we will see some positive news from the get together. If there is a deal done then we will begin to see an increase in demand for silver. This will, in turn, will lead to a change in the supply demand ratio as business returns to normal and, most likely, result in a rise in value of silver over the next year.

Overall, 2018 was not favourable for silver, and the trade war certainly helped dampen the appetite for the metal. In addition, the rising global interest rates and strong US Dollar, coupled with a weak Chinese Yuan, all had a negative effect on the demand for the metal, and as a result the value of silver remained lack luster. Even so RIO's Silver Lining fared well posting gains three out of four quarters, as we await the much anticipated trade deal. The RIO Club as usual designed and launched this product to its membership to give the members an opportunity to profit from the predicted upswing in the value of this commodity.

Facts show that the bear market for silver has been in play since its notable peak in 2011, currently the market in silver looks underpriced. RIO's view is that the global economy will grow next year at the forecasted rate which is above 3.3 percent. In turn this would almost certainly lead to higher

demand for silver. Statistically facts show that the demand has been growing steadily higher and, given the flat primary supply, this would normally translate to positive news for the value of the metal. RIO's research has also confirmed that there has been very little new silver production, which bodes well for the shiny metal in the coming year.

Statistics show that the gold to silver ratio is currently 82.66, which is at a twenty six year high. This can only mean one of two things, i.e. gold prices are very high, or silver prices are very low. It is without doubt the latter, with gold at around \$1276 ounce, while silver has languished and fallen to \$14.94 per ounce.

Finally, I would expect silver to move above \$16 an ounce in coming months should a trade deal be struck. For those in doubt, perhaps they may consider the fact that in relation to the stock market, silver is cheaper to purchase today, relative to the S&P 500, than it was in the depths of the Great Recession. That is an opportunity!

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The RIO Club