



RIO Currency Concept gained 1.92% in the third quarter of the year and is currently in profit as I write. The investment was established to exclusively trade 'the cable' namely the British Pound and US Dollar, this selected currency pair is importantly one of the oldest and most widely traded currency pairs in the world. The product has been very popular with our membership since launch and in recent weeks we have seen a rise in inward investment.

The past performance is compelling, to date this investment has an exceptional record, having filed 19 gaining quarters, and only one losing quarter since its launch in October 2018. The lack of volatility has made Currency Concept one of the most coveted currency investment products in the marketplace.

The Cable

The British Pound has, for the most part, rallied against the United States Dollar since late September, but I stress that this has been on the back of Dollar weakness. The coming weeks lack major scheduled data from the United Kingdom and, while there isn't a lot from the US either, what there is from the latter will probably drive trade in GBP/USD.

For the moment those all-important interest-rate differentials will favor Sterling bulls. While the Bank of England may, or may not raise rates again, it's not certain. But it's looking like the Bank of England is significantly further away from cutting rates than the Federal Reserve are. Foreign exchange markets are forecasting that US borrowing costs may fall in the first half of 2024 and I agree with this prediction.

The Bank of England Governor Andrew Bailey has just warned that the UK's inflation fight could see rates remaining high well into 2024. Given that, it's clear to see why Sterling has gained. It's fair to say that the upside, has to a degree, been supported by the UK's domestic economy which has outperformed earlier forecasts this year, but previously most were overly pessimistic, in my opinion.

The question for this week is whether there's anything in the pipeline likely to materially change the markets' views. For now, it appears that there's not, although there may be later in the month as various central banks including the Fed and BoE make their last policy decisions of the year.

For example, the US payrolls figures for November are due on December 8, and they are likely to offer the best short-term trading opportunity of the week. It's expected that there will be 175,000 new non-farm jobs, showing a steady unemployment rate of 3.9%. A stronger number than that would most likely offer the Dollar some upside, however the market would also need to see any rate-cut expectations fade.

GBP bulls need to see the pound rechallenge 1.2728 soon, or the upside will be restricted. The pair remains in a broad trading band defined by 1.2516 (August 28's low) and 1.2836 (June 23's high). In the near term, however, currency traders are likely to await a clearer directional trend before committing capital.

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