



RIO Currency Concept registered a gain of 1.02% in this the first quarter of 2025. The pound remained steady against the dollar during the last week, hovering around \$1.290. This as traders prepare for what is expected to be a volatile 2025, market sentiment remains cautious towards sterling at present.

In my previous report dated 2nd of April I had brought members attention to the fact that the uncertainty over the dollar would almost certainly push the sterling to move higher, to 1.32 or more and at the time the pound sat at 1.29. Sterling rallied higher as I had predicted, in fact this month Sterling had 11 straight day of gains, which was its best back to back gain since January 1971 (the year the pound switched to the decimal system).



At the start of the year the exchange rate was 1.25 and it had moved to 1.34 by mid April, as my forecast was proven to be correct. I sold at 1.33 and at 1.34, banking gains for those invested.

I expect the Federal Reserve to cut rates in the coming weeks and such cuts are likely to be more than previously anticipated, if I am correct then this will further undermine the dollar and as such the dollar would weaken further throughout the year. The weakness of the dollar is expected to outweigh these risks, allowing sterling to continue rallying over the course of 2025, though this maybe at a slower pace.

Today the dollar currently represents 58 per cent of global foreign exchange reserves, at that level it is still in a dominant position, however, I would bring attention to the fact that the green back has fallen from over 70 per cent just two decades ago. This again just as I had predicted in several reports posted and circulated to our membership during 2000.

Since 2022, we have all witnessed the decline in the dollar's reserve status, this of course due to active selling by central banks, a telling signal!

William Gray  
The RIO Club