



RIO ARC BULLION ACCOUNT USD

The ARC USD account gained 0.41% this month. Last year, the ARC Bullion Account produced 11.53% and had posted eleven gaining months in the twelve-month period. Over the 24-month period this investment has reported a risk reward ratio of 16.22 which means the reward for the risk taken in the two-year period has been more than beneficial to those invested. Since its launch this investment has produced a gain of 170.57%.



Gold

Last year, precious metals demonstrated remarkable strength, posting substantial gains amid global factors driving international investor demand. Despite gold's strong performance during 2024, there are several reasons why bullion could revisit recent highs soon.

Donald Trump's tariff proposals may support America's manufacturing and domestic economy, but at what cost, mister market is starting to realise that there will likely be negative consequences if or when they are enacted. These are just a few reasons why gold has broken above \$2,850 an ounce and is testing critical resistance levels.

It has gone unnoticed, but gold now comprises 19% of global reserves, I draw attention to this number because it is almost double what it was a decade ago, this while the dollar's dominance has eroded from 62% to 48%.

This change has been driven by geopolitical motives but the speed at which this change is happening is exasperated by a need to escape the clutches of a weaponized dollar.

I have often commented that low rates, sky-high spending, and debt-driven policies have stretched the system to its breaking point. With that the confidence in the dollar is eroding, and something drastic must happen to restore trust in the global reserve currency.

Meanwhile, central banks around the world have been quietly loading up on gold.

Russia's gold reserves top the table at 9% of their GDP. France, Germany, and Holland now hold gold reserves equal to 6% of their GDP. And China, despite them bolstering their reserves have just 1% in gold but they continue to accelerate the bullion buying to strengthen their reserves. moving away from US treasuries and the US Dollar.

The US has fallen behind at 2% of GDP although this may be about to change.

Should the US move to 4% of GDP and double their current level then they would need to purchase 261 million ounces of gold. Should that happen, it would send gold on a massive rally higher, reasserting itself as the ultimate monetary asset.

It's also worth noting that during Trump's last term, the price of gold doubled, and debt rose 40%.

In other gold related news, I noted that there are rumours building that Trump may unleash Elon Musk and the DOGE on the gold reserves held in Fort Knox to confirm that the 4,580 tons of US gold is there. I had commented in reports some years ago that the last time this was done was in 1974, when a group of journalists and a congressional delegation were allowed to see the gold reserves. This was done to dispel rumours that the gold had been removed. Although if I recall correctly Treasury Secretary Steve Mnuchin and Kentucky Governor Matt Bevin, visited the vaults in 2017 during Trump's first term.

William Gray
The RIO Club