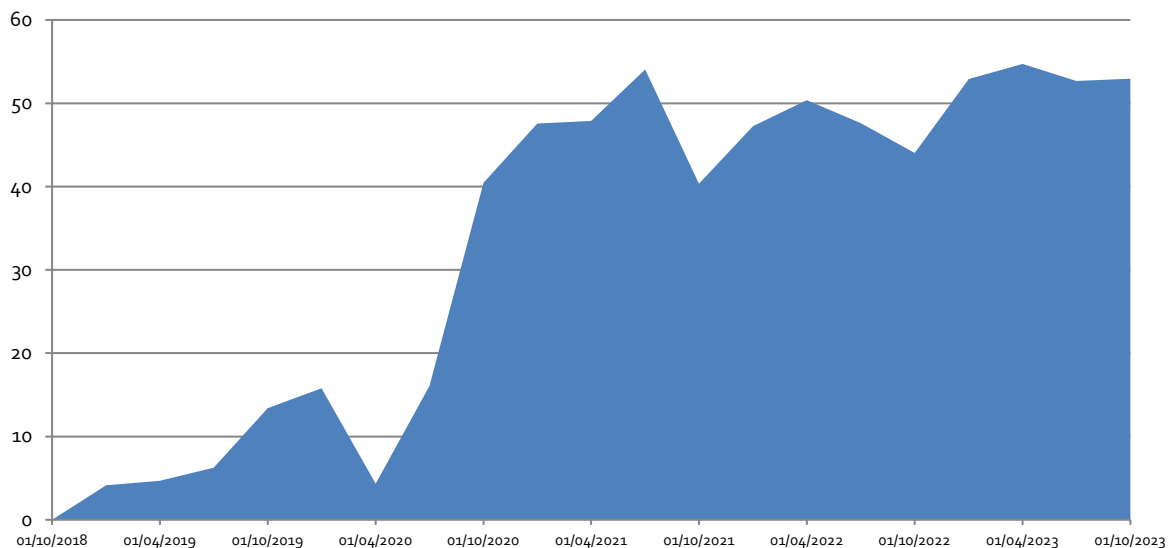




The Silver Lining USD has produced a gain of 0.16% this quarter, in stark comparison spot silver fell -2.63% in the same period.



As September opened Silver was at or around \$22.78, and as members may recall at the end of the last quarter, I had remarked that Silver looked oversold. My prediction that the metal would rally was swiftly proven correct as Silver had climbed back to above \$25 an ounce, reaching \$25.22 by the 20th of July. This was important as the metal had again crossed my sell mark, and as such I sold 8% of the metal held to cash, banking gains for those invested.

Having rallied to \$25 an ounce, I was aware that we would almost certainly see institutional investment houses begin to take profits, this in turn would cause additional downside pressure. As we entered August, Silver did in fact fall back, reaching a low of \$22.29 on the 15th of August; which would subsequently be proven to be the low for the quarter. In the recent period, Silver has moved in and out of oversold territory, which highlights the buying opportunities.

The supply-demand trade will soon push the metal back into the upper part of the recent price range. Given the supply deficit shortfall, the metal will likely continue a steady and solid uptrend as the fundamentals favour precious metals, the potential upside will be amplified if and when the Fed interest rate expectations reverse.

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