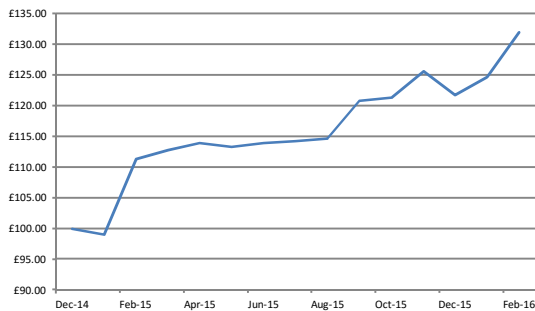
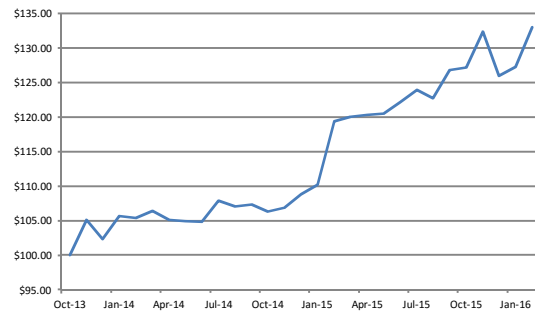




RIO ARC BULLION ACCOUNT (GBP)



RIO ARC BULLION ACCOUNT (USD)



We entered the market in 2016 positioned to gain and we did just that as both ARC accounts recorded significant returns this month. 5.85% for those invested in the ARC Bullion Sterling Account and 4.52% for those invested in its sister account, the ARC USD!

The gains produced during January 2016 were the highest in terms of monthly returns produced by either ARC Account in the past twelve months. Both of these accounts then recording the highest monthly gain in January, while stock markets around the world recorded the worst performance in record keeping history.

My forecast is simply that I am almost certain that the Accounts will continue to outperform physical gold in bar form throughout the rest of this year. Statistics show that during 2015, across both accounts, only two trades closed negatively and one closed even, that sounds reasonable but better perhaps when you consider the amount of trades executed and closed profitably. As I write, I expect to see gold move higher and am poised to take profits and reposition. The bullion management strategy currently employed by RIO ARC remains the same since inception. Although the micro management style adopted is labor intensive, its constantly proven its worth, as records show. Many of those members invested in these accounts are very pleased, probably because they continue to produce the desired results of a reasonable gain within a constantly revised controlled risk parameter.

Early January 2016 gold news

It was most definitely a case of 'buy bullion' as prices rallied to 2-month highs in Asian and London trades, gaining as we entered 2016, while China's stock market plunged for the second time, following a move sending the Yuan exchange rate to the Dollar down to what became a new 5-year low.

Chinese regulators shut the stock market after just 29 minutes of trading due to the massive fall in equity values which triggered the 7% down limit circuit breaker, this trigger was imposed during last summer's stock market turmoil.

Against this background prices to acquire gold in Shanghai rose 1.7% against the falling Yuan on the strongest trading volume since August 15, with premiums over comparable London quotes rising to \$4 per ounce, the wholesale benchmark for physical delivery. This is important as it was some 60% stronger than the average incentive offered to Chinese gold importers in the past 12 months.

The gold price hit \$1,100 per oz for the first time in 9 weeks, more importantly it happened overnight. The current market turmoil "reminds me of the crisis we had in 2008," Bloomberg quotes billionaire former hedge-fund manager George Soros. So there are those who agree with me then.

Gold demand - December 2015

Statistics reveal that global investment demand in gold has seen a significant increase during the last quarter of 2015. Bar and coin purchases were up by a third on Q3 2014, with Western markets in particular showing a strong rally.

The upward trend could also be seen in the USA , where bar and coin demand reached its highest total in five years.

As for the European market, it has also seen strong levels of demand in the investment sector as ongoing concerns surrounding the Greek debt crisis and uncertainty in Eastern Europe, the result of a number of factors including continuing tensions between Russia and Ukraine, translated into an increased demand of 35%.

In China, the investment demand rose by 70%, as demand was initially stimulated by the weaker gold price.

As for another very important market for gold, India, has also seen the investment sector witness the first increase since Q3 2014, up 6% year-on-year. All in all a good year for gold, and excellent for those invested in The RIO ARC Bullion Accounts.

Whilst world stock markets remain in turmoil with further bad news on the horizon, the value of gold will certainly see further upside.

William Gray
The RIO Club