

Rid Investment LLC FZ. 01/02/2022

Report January 2022.

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Report

In January 2022, the global financial markets were characterized by substantial volatility due to a combination of central bank policies, economic data releases, and geopolitical tensions. This volatility provided numerous opportunities for strategic investment adjustments and gains across various markets.

The US dollar continued to be a significant focus in the forex market, driven by the Federal Reserve's increasingly hawkish stance. Anticipations of interest rate hikes were reinforced by the Fed's firm approach to addressing rising inflation, which had reached its highest levels in decades. This led to notable movements in major currency pairs. The EUR/USD pair fluctuated as the euro responded to mixed economic signals from the Eurozone and a relatively cautious European Central Bank. In contrast, the GBP/USD pair was influenced by UK inflation data and the Bank of England's policy decisions, offering numerous trading opportunities amidst the volatility.

In the commodities market, gold and silver maintained high prices, driven by their appeal as safe-haven assets amid ongoing geopolitical uncertainties and persistent inflationary pressures. Gold saw strong demand as investors sought protection against inflation, while silver benefitted from these dynamics and additional industrial demand. Copper prices were influenced by robust demand, supply chain disruptions, and environmental policies in China that constrained domestic production, creating favorable trading conditions for these commodities.

Equity markets, particularly in the United States, exhibited mixed performance. The S&P 500 index showed resilience due to strong corporate earnings reports and optimistic economic growth prospects. However, market sentiment was tempered by concerns over the potential impact of interest rate hikes on growth and valuations. The technology sector faced some pressure as investors reassessed growth expectations in a higher interest rate environment.

Given these market conditions, we adjusted our allocation strategies across our five investment accounts to optimize returns. For Account 1, we increased the forex allocation to 50%, focusing on EUR/USD and GBP/USD trades that benefitted from the prevailing economic conditions. This account also maintained significant exposure to the S&P 500 and commodities like gold and silver, which performed well amidst market volatility.

Account 2 shifted its focus more towards commodities, increasing the allocation to 60%. This allowed the account to capitalize on the strong performance of gold, silver, and copper. The forex allocation was reduced to 20%, with strategic trades in EUR/USD and AUD/CAD contributing positively. The remaining 20% was invested in indices, primarily in the S&P 500, which continued to benefit from positive economic growth prospects.

Account 3 adopted a balanced approach with 30% allocated to forex, 30% to indices, and 40% to commodities. This diversified strategy ensured robust performance across all sectors, with forex trades in EUR/USD and GBP/USD providing substantial returns, complemented by gains in the S&P 500 and commodities.

Account 4, heavily focused on commodities with a 70% allocation, maximized returns from trades in gold, silver, and copper. The forex allocation was increased to 20%, focusing on pairs like EUR/USD and GBP/USD, while 10% in indices added to the overall gains.

Finally, Account 5 maintained a balanced allocation of 30% forex, 30% indices, and 40% commodities. This strategy allowed for significant returns across all asset classes, with forex trades including EUR/USD, GBP/USD, and AUD/CAD, leveraging movements driven by economic data

and central bank policies. The indices allocation in the S&P 500 and the commodities allocation in gold, silver, and copper also contributed to the account's success.

Overall, our strategic adjustments in January 2022, in response to evolving market conditions, resulted in a notable profit. Our ability to adapt allocation percentages across forex, indices, and commodities ensured effective navigation of the volatile market landscape, capitalizing on emerging opportunities and optimizing returns across our diversified portfolio.