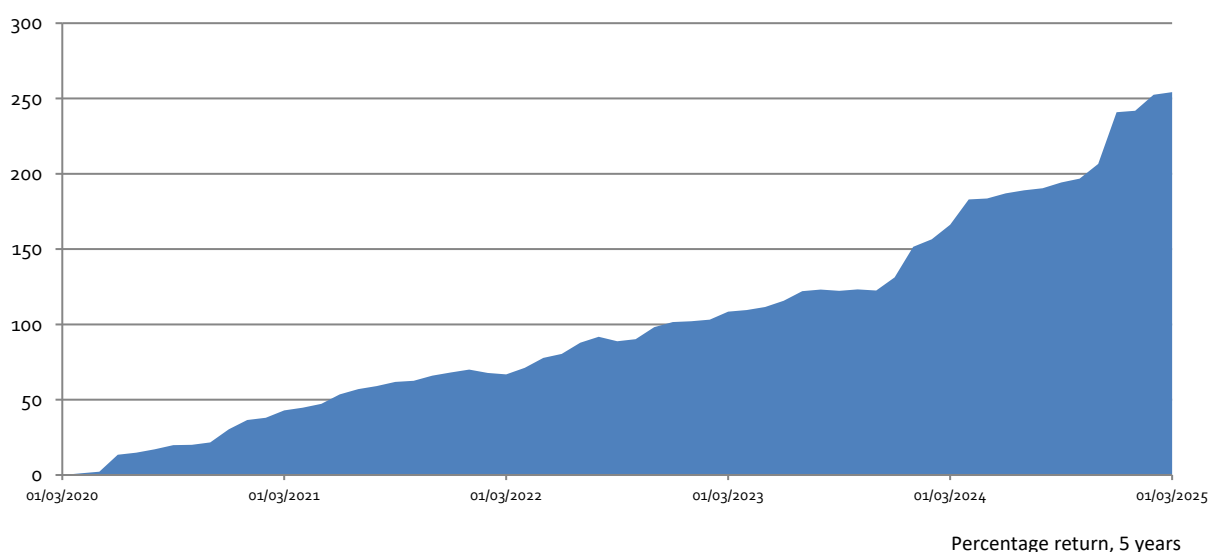




RIO Stock Trading USD gained 0.51% during February. As we moved through the month, I sold the equity position held in Franco-Nevada Corporation stock, returning the profits and capital to safety. The equities held had a combination of promising technical indicators and strong fundamentals. As such, the account was ideally positioned as we entered February, the net result being a profitable month.

As February began, the asset allocation clearly reflected the fact that I had reduced the accounts weighting to US stocks, lowering the exposure to equities because I was concerned that stocks would move lower. It must be said that this investment had a stellar 2024 gaining 35.92% whilst the accounts benchmark, the Dow Jones, gained just 12.88%.



### The Market

All the major indexes are now in either pullback or correction territory from their all-time high closes. The Dow down -5.54%; the S&P 500 down -5.96%; and the Nasdaq down -9.36%.

A pullback in the market can be defined as a decline between -5% and -9.99%, and they happen on average 3-4 times a year. A market correction on the other hand, would be defined as a decline between -10% and -19.99%, and they happen on average about once a year.

As painful as pullbacks and corrections are, they are very common. Every bull market has them. The 25% tariffs placed on Canada and Mexico recently were the catalysts for the selloff. Not to mention the additional 10% that was added to China.

All the big 3 indexes moved close to their 200-day moving average (DMA) since August of last year. The Dow didn't touch their 200-DMA, and is still above it, but did get the closest it has in months. The S&P 500 did touch their DMA and bounced off it, while the Nasdaq went through their DMA yesterday, but rebounded from their worst levels and are now just under it.

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