



# Richard Cluver Predicts

In our 26th year of service to the investing public of South Africa



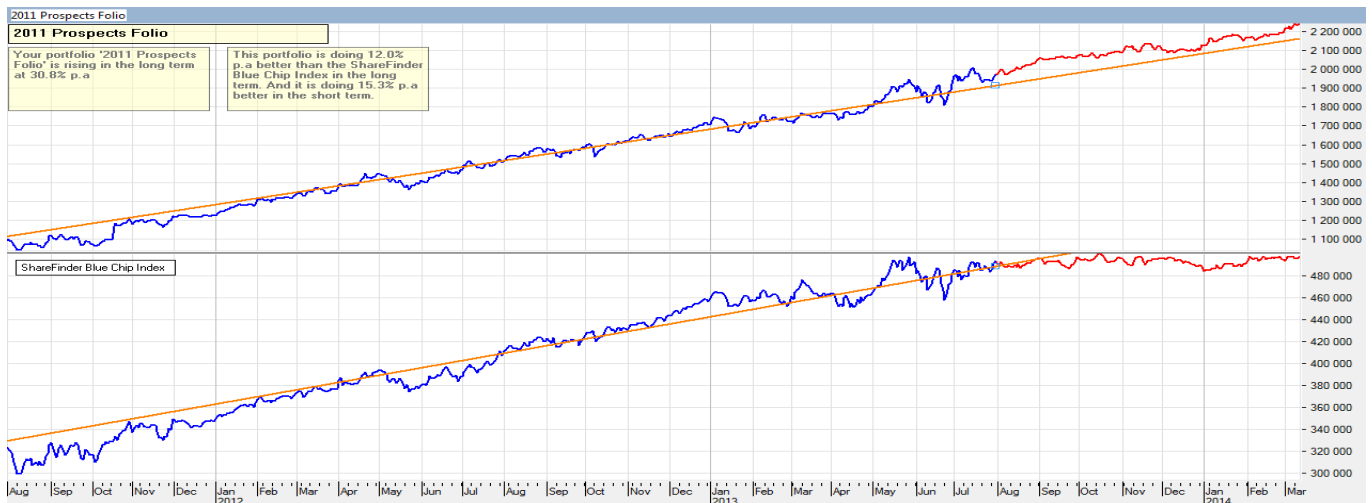
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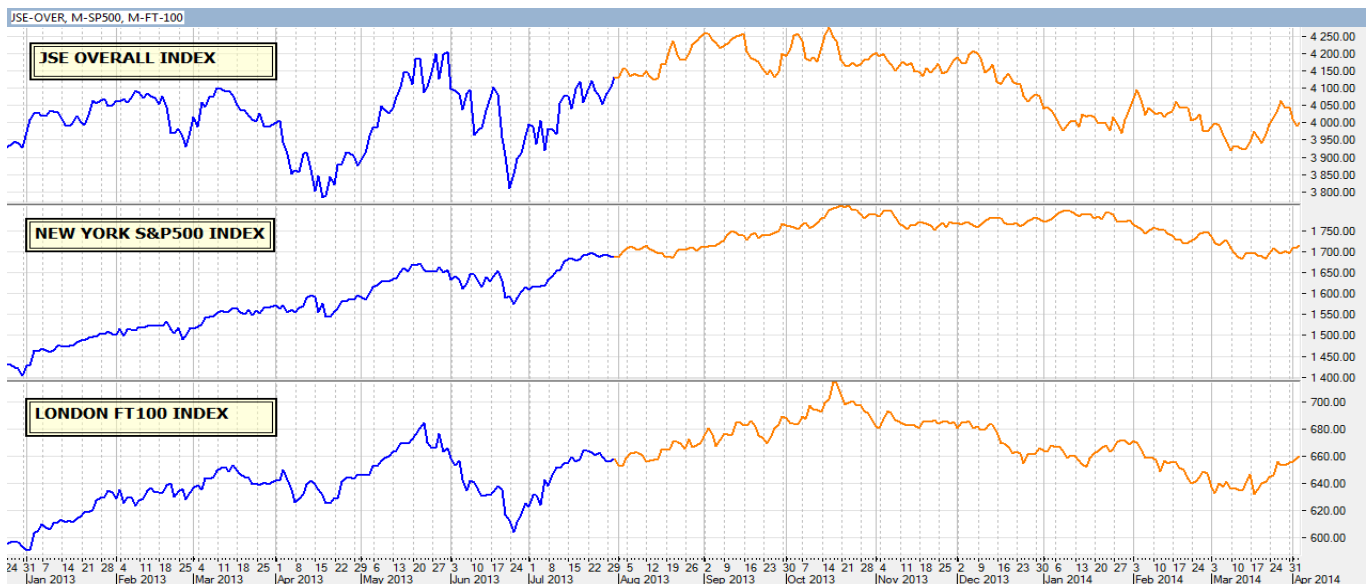
## 02 August 2013

Happily for all of you who have sought to replicate the Prospects investment portfolio, it has continued rising steadily virtually without hesitation to this week reach just R32 000 short of R2-million. Since inception it has been rising at compound 34.5% compared with the 23.3% average of the ShareFinder Blue Chips.

At its current rate of growth it should reach R2.12-million by the end of this year as illustrated in the projection immediately below.

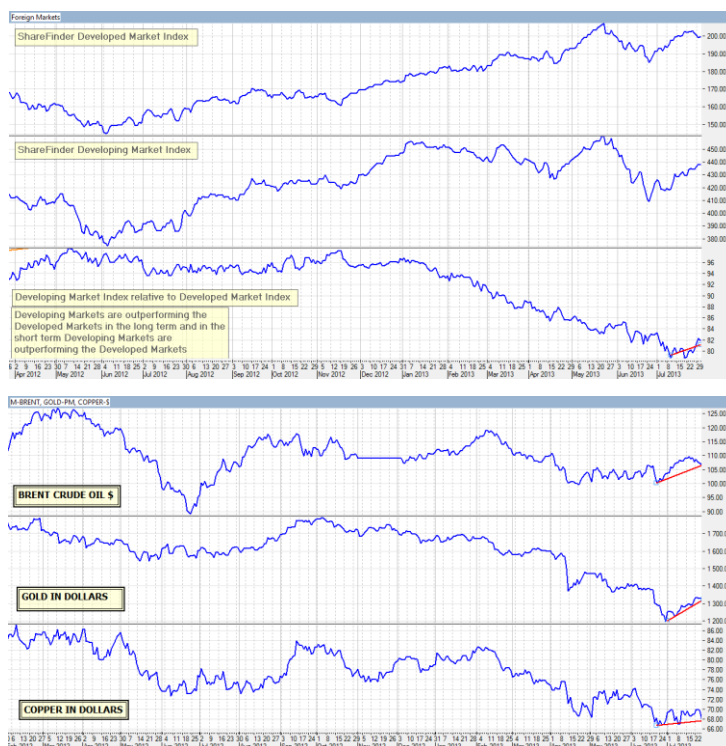


In contrast, the Blue Chip Index is projected to peak in mid-October after which it appears likely to begin falling modestly in value to a low at the end of December, at which stage it is currently projected to have likely fallen by approximately three percent. Meanwhile, the JSE Overall Index, New York's SP500 Index and London's FT100 index are all, as I have several times recently warned, likely to peak in mid October and then go into decline until mid-March as illustrated below:



Meanwhile, the good news is that along with developing confidence that the worldwide economy is gradually beginning to recover from the recession of the past five years, markets are again beginning to favour the developing world as can be seen in my composite on the right. Furthermore, relative to the US Dollar at least, the Rand has begun to gain in strength albeit it is still weakening relative to the Pound Sterling and the Euro.

In a clear sense the world's share markets are not reflecting the reality of a stuttering global economy except inasmuch as the fact that share markets offer one of the only real stores of monetary value in an era when the world's central banks are printing money so fast that nobody can really keep count of the likely long-term impact. However, investors should note that, along with the Rand and markets of the Developing World, key commodities like gold, crude oil and copper have begun a modest recovery. It is of course far too early to get optimistic, but it is at least something to note at this stage.



## The month ahead:

**New York's SP500:** I correctly predicted a continuing decline which I now see extending until August 27.

**London's Footsie:** I correctly predicted a brief up-tick in a decline lasting until the end of August. I expect that up-tick to end today and see the decline lasting until mid-August.

**JSE Industrial Index:** I correctly predicted the beginning of a downward correction but wrongly expected it to last until late August. Though I still see brief weakness, the short-term outlook has now turned positive for the rest of August.

**Top40 Index:** I was premature in predicting a decline for the rest of August, but now I see it beginning.

**ShareFinder Blue Chip Index:** I correctly predicted a downward trend lasting until the end of August.

**The Rand:** I correctly predicted weakness. Now I see a brief recovery until about August 12 before weakness again sets in.

**Golds:** I correctly predicted a sideways trend. Now I see modest weakness until August 16 before the next recovery phase begins.

**Bonds:** I correctly predicted a brief recovery but now I see declines for the rest of the month.

***The Predicts accuracy rate on a running average basis over the past 482 weeks has been 81.82%.***

**Richard Cluver**