



Richard Cluver Predicts

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



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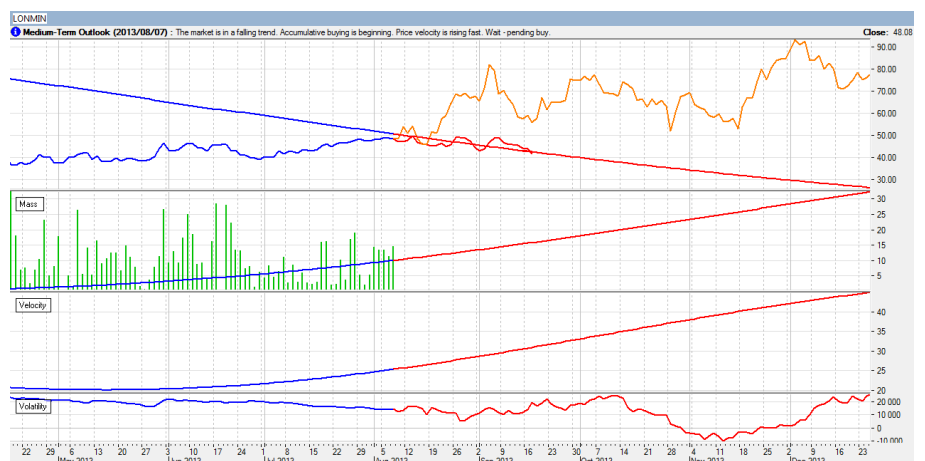
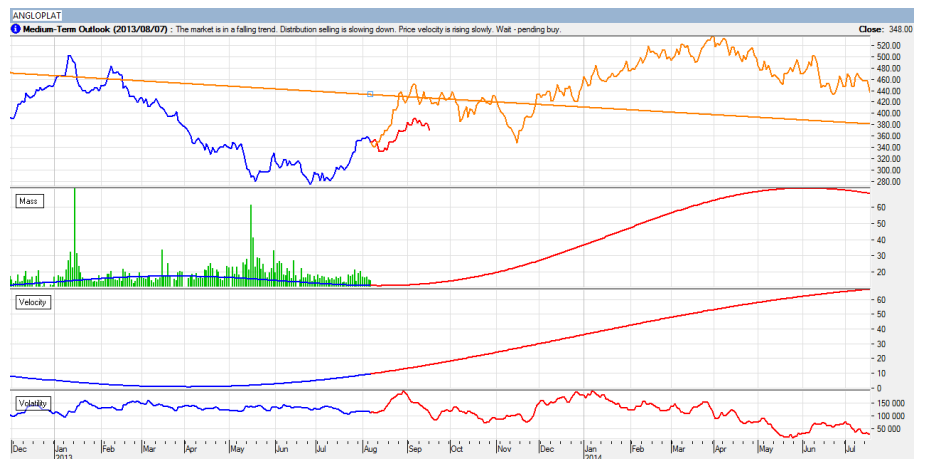
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Last week I drew attention to the fact that the commodities cycle was beginning to show signs of bottoming out which obviously begs the question whether it is not time to consider buying depressed shares in the platinum and other base metal companies?

Normally I would never invest in shares of the platinum sector because they are altogether too price cyclical for long-term investment portfolios, but platinum miners have taken such a severe pounding that they are hard to ignore. Certainly the tide has begun to change with the latest Johnson Matthey platinum report recording that the physical market was in deficit by 375 000 ounces in 2012 following the significant decline in South African production while demand from the two biggest consumption sectors has been rising. Demand for car catalyts rose 1.7% and jewellery demand by 12%. Industrial demand, which accounts for just a fifth of annual consumption, was the only sector to fall, losing 21%.

With Rand weakness aiding them, the fortunes of local platinum producers are clearly improving as indicated in my first chart which tracks the rand price of the metal. Furthermore, shares like Anglo Plats demonstrate clear signs of having bottomed. Since their low of R274 in June, the shares have risen by 30% to R358. Deeply



troubled Lonmin is similarly up by 31% and Northam is up 21 percent in the past few months. ShareFinder's technical projections are positive for all of these companies, suggesting that they are worth a "flutter" at this stage with bigger gains likely in the months ahead.

The month ahead:

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

London's Footsie: I correctly predicted the end of the market improvement and foresee the current decline lasting until August 21.

JSE Industrial Index: I correctly predicted continuing short-term weakness turning positive in the near term. Now I see gains until August 21.

Top40 Index: I correctly predicted a decline which I see continuing for the rest of August.

ShareFinder Blue Chip Index: I correctly predicted a downward trend which I expect to end today with a recovery lasting until the end of August.

The Rand: I correctly predicted a brief recovery which will end this week followed by further weakness into the first week of September.

Golds: I correctly predicted weakness which is likely to extend into September.

Bonds: I correctly predicted declines for the rest of the month.

The Predicts accuracy rate on a running average basis over the past 483 weeks has been 81.86%.

Richard Cluver