



# Richard Cluver Predicts

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



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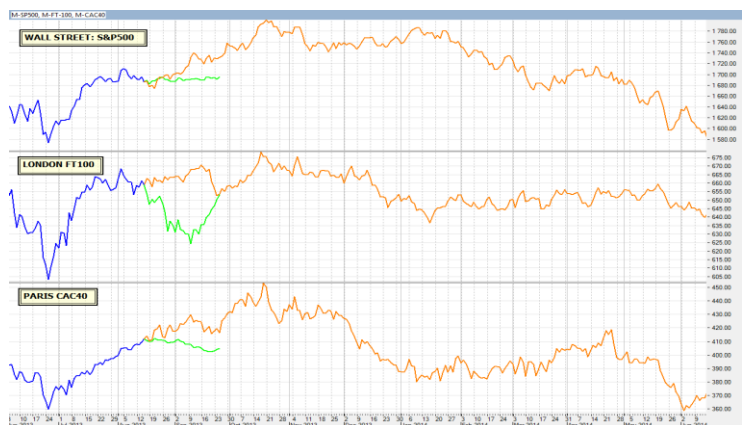
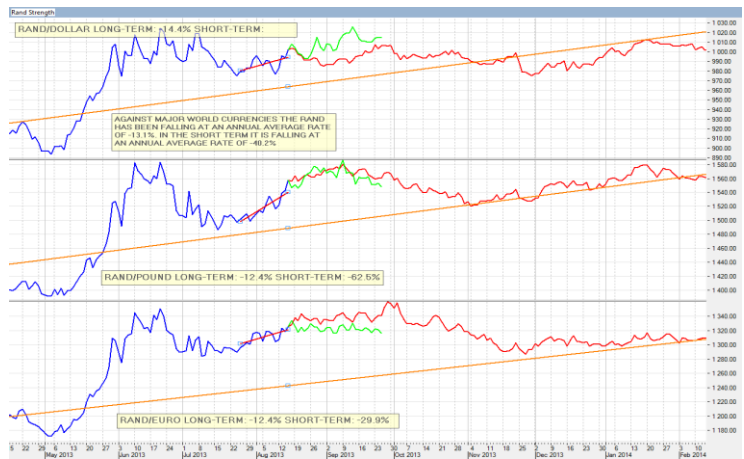
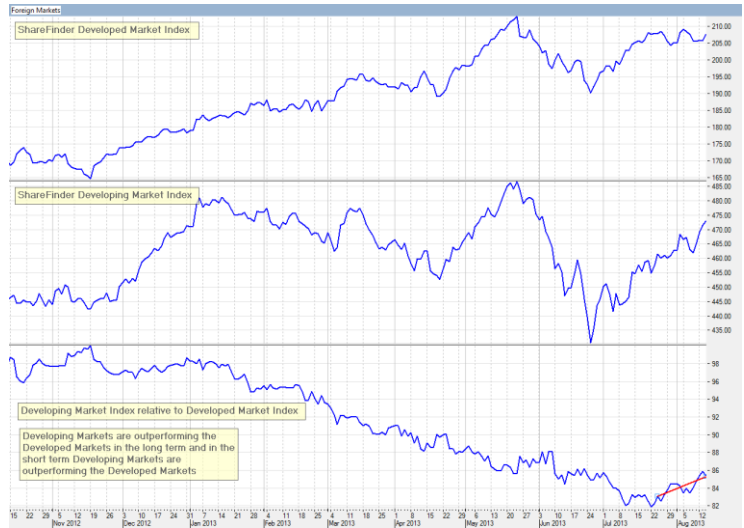
**Slowly, ever so slowly - and perhaps mingled with a dawning perception that the Wall Street recovery might have been overoptimistic - the tide is beginning to turn back in favour of the developing world.**

As I have previously pointed out, it is still too early to regard it as a firm trend. But with each week that the movement continues it looks more and more certain. As the composite on the right makes clear, the May-June correction was more severe in respect of Developing World markets than it was in the Developed World and since June 25 the Developing World has been recovering with similar vigor.

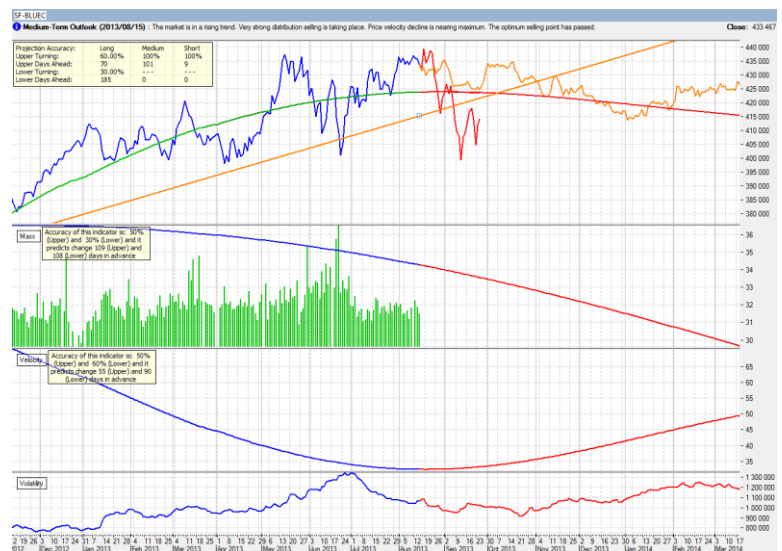
The Rand, the Australian Dollar and the currencies of most mineral-producing countries continue to take strain as a consequence of balance of trade constraints. However cycle projections suggest that this could be the next trend to reverse. My second composite tracks the Rand relative to the US Dollar, the British Pound and the Euro suggesting that relative to the Dollar a brief recovery could be beginning now with a more pronounced trend likely from late September. Sadly, at this stage it looks like a fairly brief event brought about by the fact that the recent decline has probably been somewhat overdone.

The currency turnabout appears likely, moreover, to be associated with an onset of weakness in the world's principal share markets currently scheduled to begin on October 17 in London, Paris on October 18 followed by Wall Street on October 21 and possibly likely to last as long as eight months as illustrated by my third composite.

Turning to our own Blue Chips,



ShareFinder's composite analysis on the right suggests that our shares might already have peaked this week, although a brief last upward spurt might occur on Monday followed by a decline lasting until the start of 2014 after which a slow recovery appears on the cards. So if you are thinking of buying – with the exception of mining shares – you would now be wise to wait until the new year.



## The month ahead:

**New York's SP500:** I correctly predicted a decline which I predicted would extend until August 27 and I continue to expect a recovery from that date....but it is likely to be short-lived.

**London's Footsie:** I correctly predicted a decline which I now see lasting until September 10.

**JSE Industrial Index:** I correctly predicted continuing short-term weakness turning positive in the near term. Now I see a decline lasting until September 12.

**Top40 Index:** I correctly predicted a decline which I now see continuing to September 12.

**ShareFinder Blue Chip Index:** I correctly predicted a brief recovery which I expect to end on Monday followed by declines until September 12.

**The Rand:** I correctly predicted further weakness which I expect to last until the first week of September.

**Golds:** I wrongly predicted weakness but I expect the current gains to be short-lived ending around August 21

**Bonds:** I correctly predicted declines which I expect to continue until the first week of September.

**The Predicts accuracy rate on a running average basis over the past 484 weeks has been 81.91%.**

**Richard Cluver**