



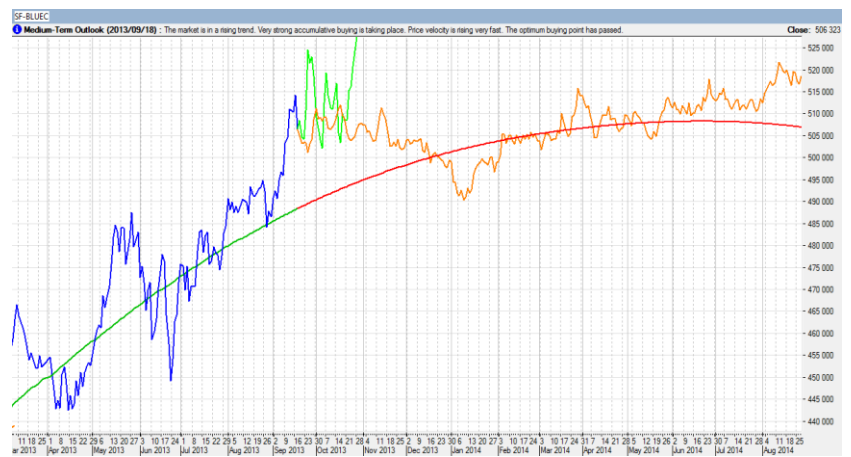
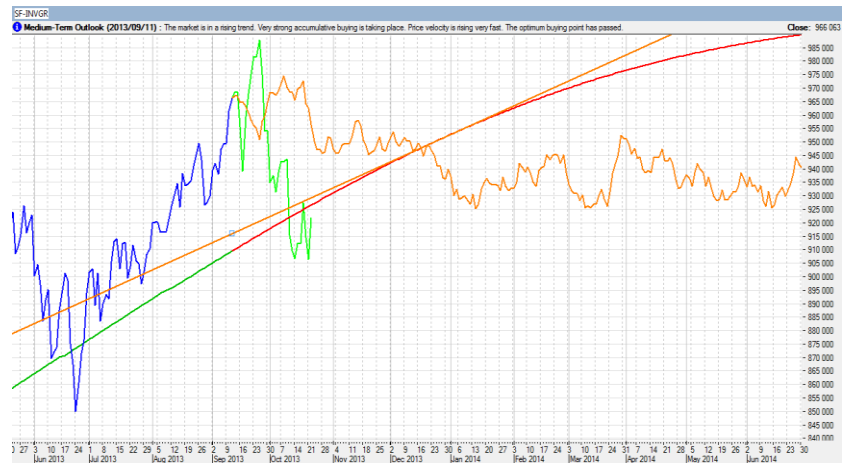
This is the last Friday column that I will write until November 1. I am off to Alaska and the Caribbean...in part as proof that if you follow my methodology and invest in the bluest of blue chips, you can afford to take long holiday breaks in the face of impending market corrections.

So let us take a last long look at ShareFinder's predictions for the next few months and make a final calculated decision about whether or not there are shares in our portfolio which should be disposed of as the market runs upward in what should be its last upward surge before the correction.

Now the bad news is that I have been warning all along of a likely downward break on Wall Street in October. But now, after Wednesday's local market shudder, it is beginning to look as if the first downward break might happen right here on the JSE beginning next Wednesday when, as illustrated by the pale green trace in the graph on the right of the ShareFinder Investment Grade Index, the market could fall quite sharply.

My second graph highlights the fact that there are likely to be some fairly wild gyrations among local Blue Chips as well with a final peak occurring around October 29 before our safest of all shares begin a fairly modest slide that should be over by the second week of January with the worst declines being around six percent. So if your exposure is only to top quality Blue Chips you should regard the next four months as nothing more than a season of buying opportunities.

For the rest of the world, however, "Richard Cluver Predicts"
20 September 2013
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things are not quite as sanguine. My third graph on the previous page tracks New York's Standard & Poors 500 Index which, as it has for many months, continues to signal the probability of a downward break on October 21 which, over the following ten months is likely to see the average Wall Street share decline by around 13 percent making this event a correction in an overall bull market

rather than the onset of a major bear market.

The Wall Street event is likely to be preceded by a downward break in London the previous Friday (October 18). London, it should be noted from the graph on the right, is already in a technical bear phase which actually began with a market peak on May 23. The overall decline between last May and next August is likely to be a more serious 18%.

In our 2011 Prospects Portfolio, two shares appear a little vulnerable but I would not consider disposing of them: the one projected to perform the worst is, surprisingly, Shoprit which I have illustrated in my second graph on the right. Already in a bear phase which began in January, the likely loss from here on is projected to be around 11 percent before this share bottoms around the beginning of May.

Clicks (third graph) is another already in the grip of the bear which is the other likely to take the greatest strain in the Prospects Portfolio with a projected downside of nine percent from its present level. Again I see no reason to sell because both of these counters are likely to recover strongly in the future.

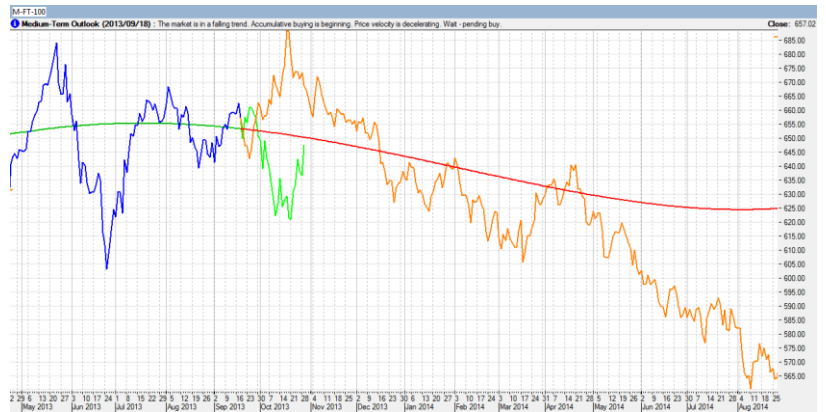
The month ahead:

New York's SP500: I correctly predicted continued gains within an upward whip-saw which I see continuing until between October 17 and 21 before a substantial correction appears likely.

London's Footsie: The signs from London are very confused making it unwise to make a short-term projection but from October 18 there is a very strong probability of the onset of a significant decline.

JSE Industrial Index: I correctly predicted a brief bout of mid-week weakness. Now I see the recovery I previously predicted continuing until September 27 marking the beginning of a decline for most of October.

Top40 Index: I correctly predicted weakness and the overall trend between now and the end of October is likely to modestly downward with two upward rallies in between.



ShareFinder Blue Chip Index: I correctly predicted a brief decline which I expect to continue until September 23 before a last rally takes the market upwards until September 25 and a long decline begins.

The Rand: I correctly predicted gains which I now see continuing until October 21.

Golds: I correctly predicted declines which I foresee continuing until October 23.

Bonds: I correctly predicted a recovery trend which I foresee lasting until the end of October.

The Predicts accuracy rate on a running average basis over the past 488 weeks has been 82.05%.

Richard Cluver