



Richard Cluver Predicts

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

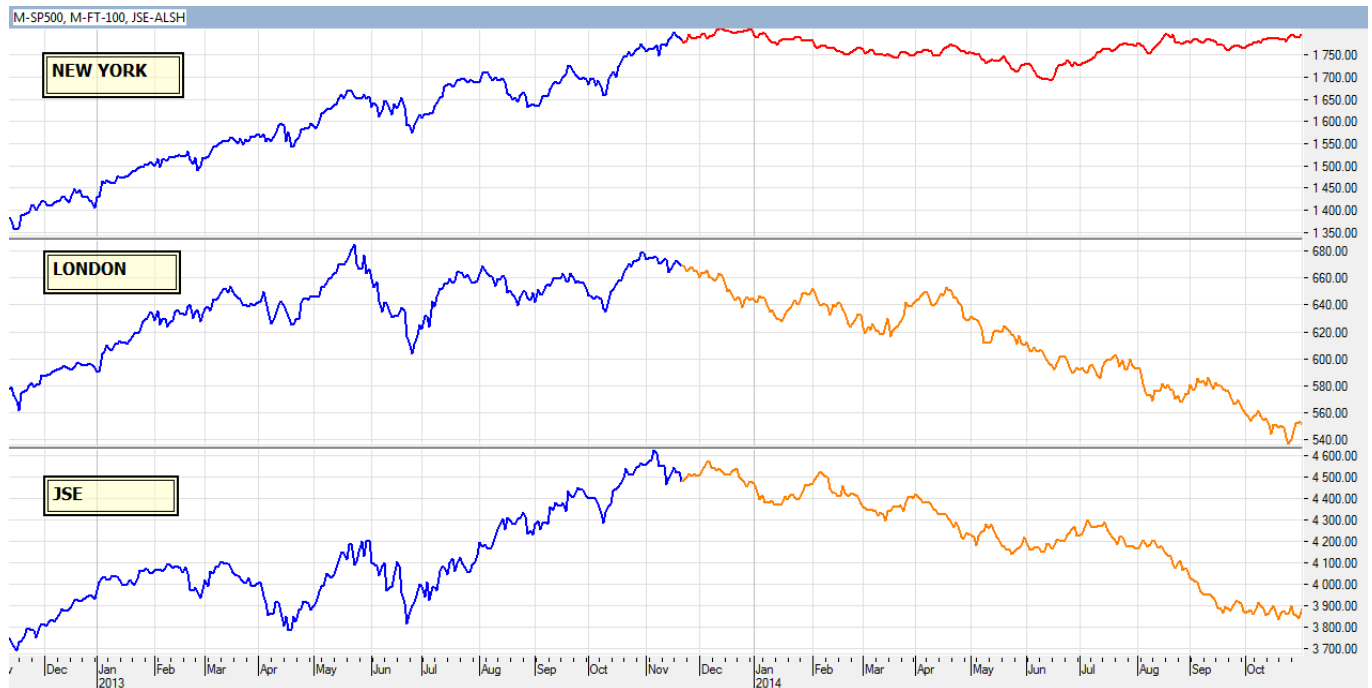


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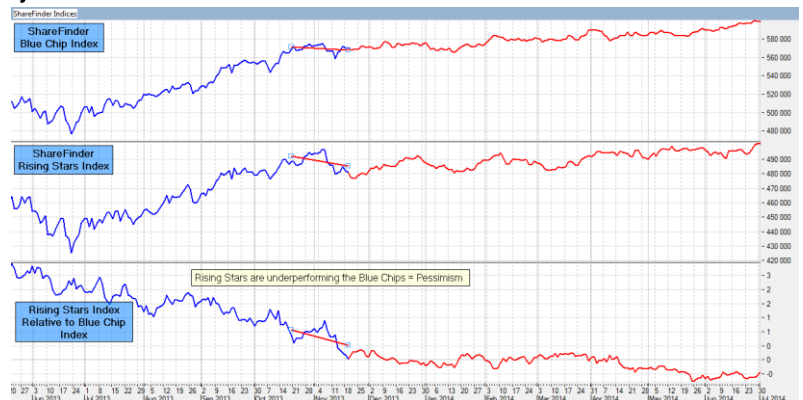
22 November 2013

DOVEISH remarks this week from US Federal outgoing chairman Ben Bernanke reinforcing the tone of his future successor Janet Yellen have been credited with calming Wall Street and ShareFinder's projections have of late begun to reflect a much more sanguine outlook for shares in the coming months.



Noting that earlier this year ShareFinder's projections for Wall Streets Standard and Poors 500 Index indicated mounting cyclic pressure in favour of a comparatively steep bear market, the graph above now reflects a quite modest downturn of no more than around 7% between mid-December and next October. London, however, continues to display a probability of a 21% decline during the same period with our own All Share Index slated to consequently decline by around 17%.

As I have frequently pointed out, the projected decline of the JSE All Share Index is in marked contrast to the Blue Chip Index which continues to reflect strength and, as the relative strength graph at the bottom of my second composite well illustrates, although the riskier category of investment grade shares (The Rising Stars) is also still projected to grow during 2014, in relative terms these shares have been losing ground since April and are projected to continually underperform



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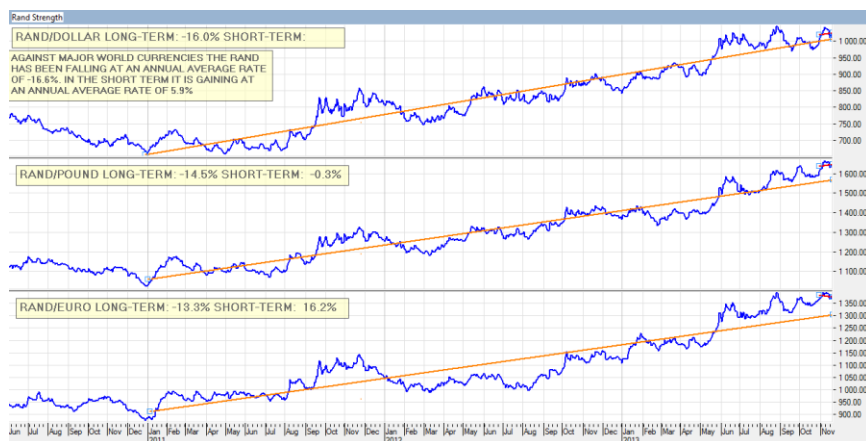
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in the coming year. It is a classic case of investors running towards the security of Blue Chips in the face of a still troubling investment outlook.

There is, however, a modest touch of optimism for local investors inasmuch as the Rand is now taking less strain than hitherto. It is likely a brief strengthening until Christmas, but it is at least a positive note.



The month ahead:

New York's SP500: I correctly predicted brief weakness, and I see this continuing until the first week of December.

London's Footsie: I correctly warned of a slide which I continue to expect will continue well into December.

JSE Industrial Index: I correctly predicted some short-term weakness ahead of a recovery until mid-December.

Top40 Index: I correctly predicted gains which I expect to continue until mid-December before the next bout of weakness.

ShareFinder Blue Chip Index: I correctly predicted a recovery trend which I continue to expect will end on about December 9.

The Rand: I correctly predicted the beginning of a recovery which I now expect to last until Christmas.

Golds: I correctly predicted a decline which I expect to last until mid-December. There is, however, a probability of a very brief recovery starting Wednesday.

Bonds: I correctly predicted a brief recovery but that is now over and weakness is likely until late in December.

The Predicts accuracy rate on a running average basis over the past 481 weeks has been 82.12%. For the past 12 months it has been 89.9%.

Richard Cluver