



# Richard Cluver Predicts

In our 27th year of service to the investing public of South Africa



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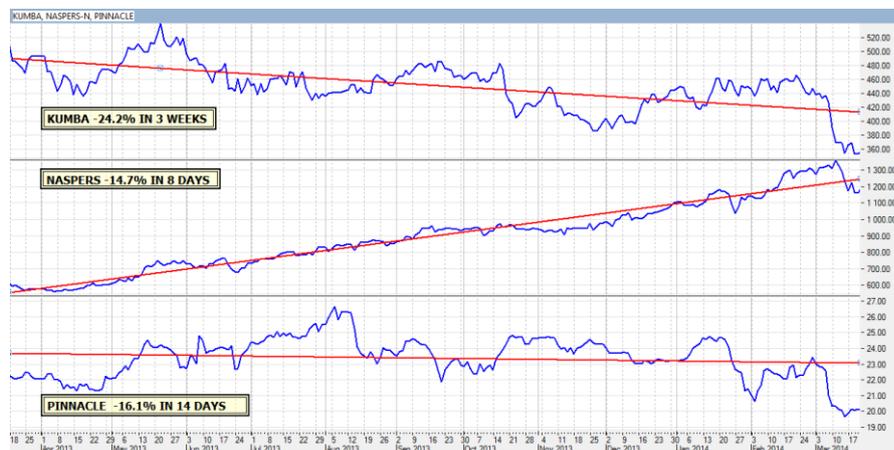
Assuming you read my lead article in *The Investor* this past week you will be conscious that I believe the end to the current bull market is now extremely close...that it could indeed happen in the middle of April when some, possibly even minor, systemic shock will prove to be the tipping point that precipitates a headlong downward slide.

Thus I start today with ShareFinder's current projection for New York's widest measure of stock exchange activity, the S&P500 Index displayed over the past 18 years in order to put it into perspective. Note that this bull market took share prices far higher than the two previous occasions and that ShareFinder's projections suggest that the subsequent fall could be proportionally worse than any previous one of the past quarter century.

Happily our own All Share Index is projected to fare a lot better than New York with a probable loss overall of some 12 percent compared with a loss which could cost North Americans up to two thirds of their investments. Of course these are merely what ShareFinder thinks but you can put a 91% accuracy probability upon that because that is the figure that we publish every week at the bottom of this article after we have recorded our latest prediction accuracy rates.



As to increasing proof that the end is nigh, lately we have been witness to some disturbing market tremors which are precisely the things that we look for in order to sense that market direction change is coming. Accordingly I direct readers to three shares which all appear in our Quality List which have been tremendously shaken over the past month.



In each case there has been an event that has shaken the market somewhat, but for shares of this quality to have fallen to the extent that they did is clear evidence of a jittery market. In both Kumba and Pinnacle's cases the share prices had been weakening since the middle of last year and so the aftershocks were not too surprising. But Naspers is arguably the most sought-after share on the JSE and so the tremor there was a serious wake-up call to the market.

## The month ahead:

**New York's SP500:** I correctly predicted weakness which I expect to last until early in the new week before a recovery until April 18.

**London's Footsie:** I correctly predicted that prices would bounce along the bottom ahead of a recovery trend likely to begin around now and continue till mid-April.

**JSE Industrial Index:** For the past fortnight I have predicted declines that have not occurred. Nevertheless I continue to see declines which I expect to start today and last until the 9<sup>th</sup>.

**Top40 Index:** I correctly predicted a recovery and I see it lasting until the end of this week followed by a volatile decline until April 24.

**ShareFinder Blue Chip Index:** I correctly predicted the beginning of a recovering trend which I now expect to last until mid-April.

**Rand:** I correctly predicted gains that I expect to continue into mid-April.

**Golds:** I correctly predicted a decline which I continue to see lasting to the end of April.

**Bonds:** I correctly predicted weakness which I now see lasting until the end of April.

***The Predicts accuracy rate on a running average basis over the past 499 weeks has been 82.34%. For the past 12 months it has been 90.4%.***

Richard Cluver