



Richard Cluver Predicts

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



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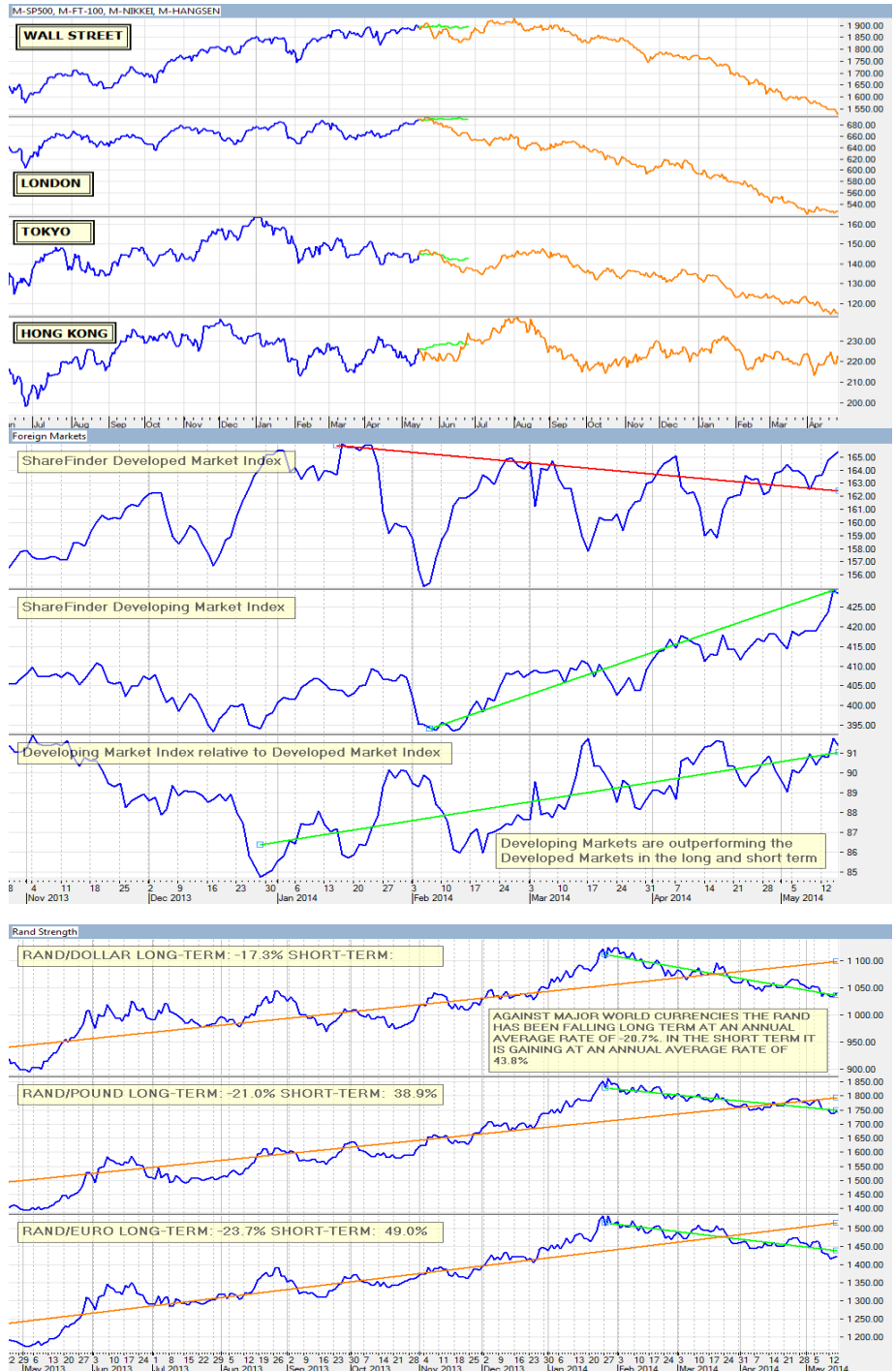
Fresh economic data indicating that Europe is still making very heavy weather of it has been enough to put Wall Street under strain this week amid growing analysts' observations that most global stock markets are now significantly overpriced.

As is made clear by my charts on the right, led by Hong Kong which turned south in late November followed by Tokyo which began falling in January, together with projections that both New York and London will shortly also begin falling makes this very much a "Sell in May and go away" season.

Happily, however, Developed World jitters have seen money flowing away from those markets towards the Developing World markets which has accounted for, among others, the remarkable recent strength of the JSE as illustrated by my second composite.

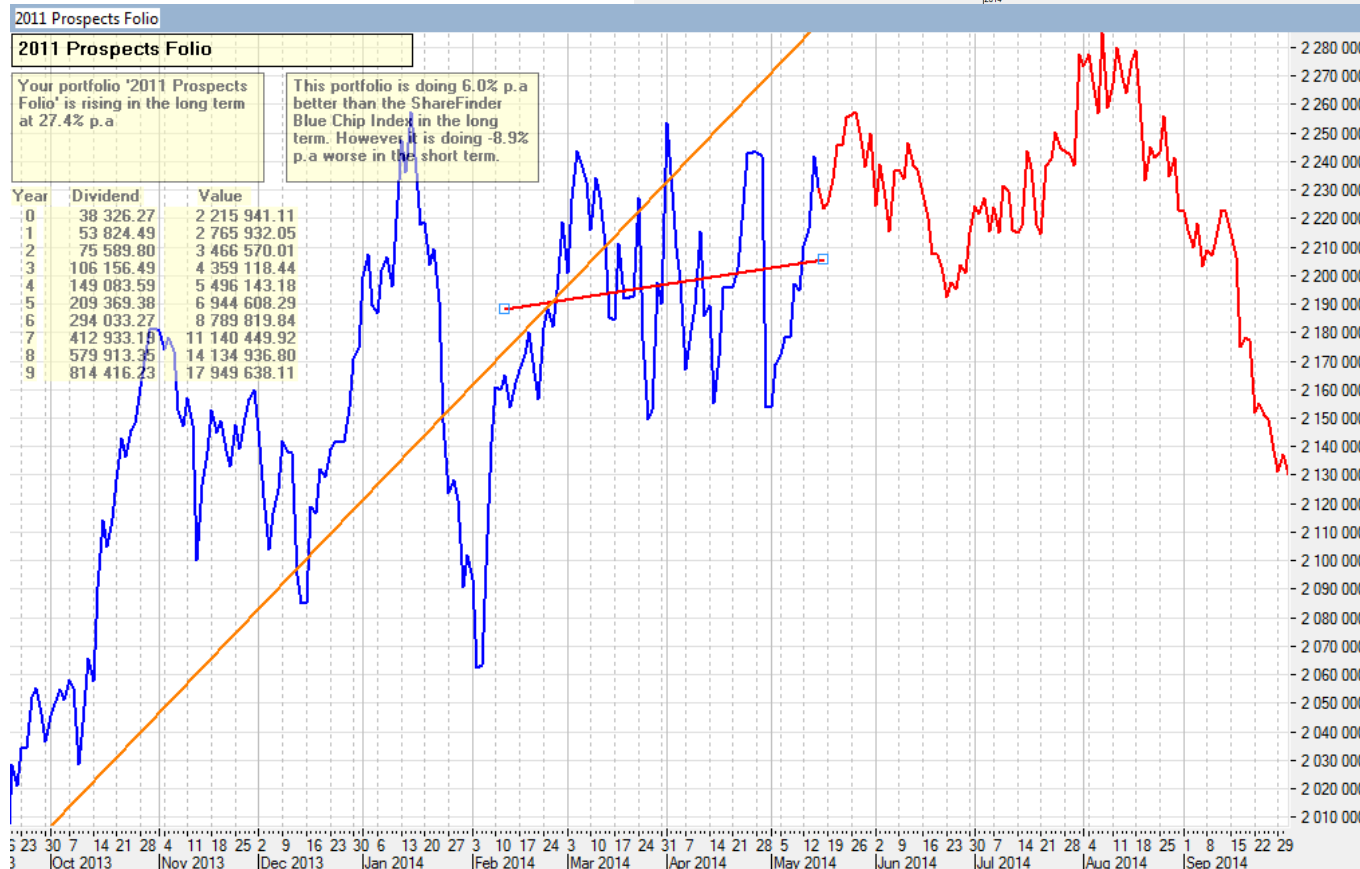
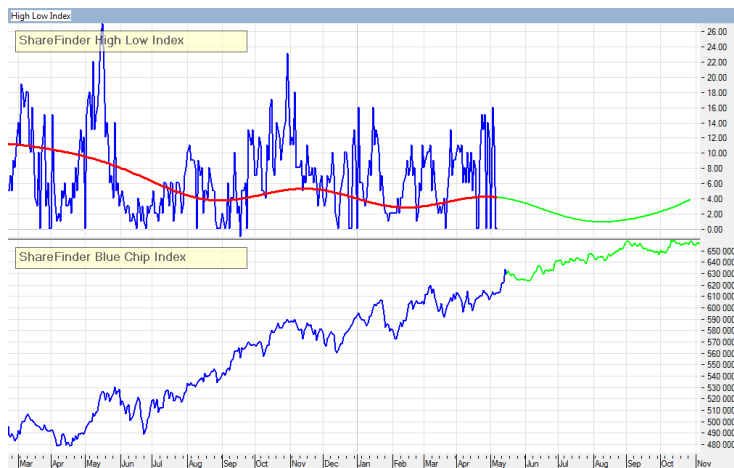
Happily too, the Rand has overcome its recent phase of weakness ahead of the elections and is again gaining strength with the result that the average gain since the end of January has been at a compound annual average rate of 43.8% as illustrated in my third composite. (Note that a falling currency graph denotes strength since it requires fewer Rands to buy the respective currencies in this example)

ShareFinder's projections however suggest that our



local market strength is over for a while though in the longer term we can expect further gains as illustrated by the twin projections on the right.

For now, it appears likely that the Prospects Portfolio will continue its strength until it peaks in value on or about August 6 as illustrated by my final projection.



The month ahead:

New York's SP500: I correctly predicted a recovery which I thought would last until mid-May before the next downward run. Now that decline has begun and is likely to last until the end of the month.

London's Footsie: I correctly predicted a continuation of the recovery which I thought would rise to a peak on May 12 followed by a decline for most of May. The decline began on May 15 and is now likely to last until around June 9.

JSE Industrial Index: I wrongly predicted the beginning of a decline which, with a few upward bumps along the way, could last until the end of May. Now I see the rise continuing until around May 26 before the decline begins.

Top40 Index: I correctly predicted the imminent end of the recovery with declines lasting well into June.

ShareFinder Blue Chip Index: I correctly predicted the beginning of a brief recovery which could be over by May 16. From then on I see declines until around June 6.

Rand: I correctly predicted a recovery which I saw lasting until late May. Now I see that ending around May 22.

Golds: I correctly predicted a recovery which I still see lasting to the end of May.

Bonds: I correctly predicted gains which I now see continuing into the first week of June.

The Predicts accuracy rate on a running average basis over the past 505 weeks has been 82.4%. For the past 12 months it has been 89.94%.

Richard Cluver



YMCA Trail Challenge

Living Earth Farm, Ballito

21km Run, 10km Run/Walk, 5km Run/Walk

**Bring your family and friends
to experience the awesome new
trails on the 16th June 2014.**

Jockey hampers worth R1000 to the men's
and ladies winners, 21km and 10km.

Cash prizes for the 5km event winners.

Lucky draw prizes.

All finishers will receive a coffee and brekkie
muffin.

Enter online with **ROAG** to avoid
a late entry fee.

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All proceeds go to the YMCA.

