



Richard Cluver Predicts

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



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Wishing all our readers everything they would wish themselves over the festive season: peace, love and prosperity. Please note that our offices will be closed from Tuesday December 23 to Monday January 5.

Yesterday's upward burst in the world's share markets might have put paid, for now, to a recent buying opportunity for and so I hope that readers have used the past few weeks to top up their portfolios.

The composite on the right illustrates what ShareFinder believes will be the outcome of yesterday's events upon share prices for the next few weeks. Note that yesterday's boost lifted the value of the Prospects portfolio to a new all time high of R2 535 207 and it appears likely to rise again today before easing back in the Christmas week to offer a last time buying opportunity early next week.

Turning to the most underpriced quality shares in the Blue Chip list which I have been targeting in my writings lately, MTN, Coronation and Compuclearing, I will now add Liberty Holdings, Italtile and Old Mutual to the slightly riskier but top growth category of currently underpriced opportunities.

If you have failed to obtain MTN in the last few weeks, judging from my projection on the right, the next opportunity is likely to be in mid-March when a possible R211 is indicated.

Coronation, pictured in my third composite on the right, could fall below R100 in mid to late January with a second low of around R105 in mid-March.

Compuclearing has been all over the place in recent months but, as my first composite overleaf indicates, it is likely

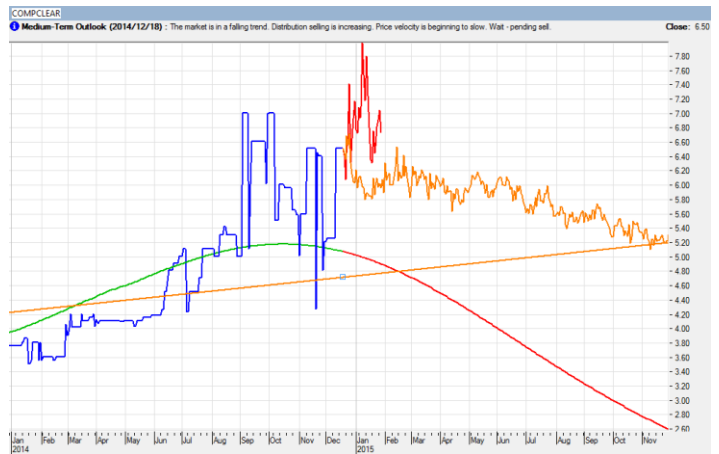
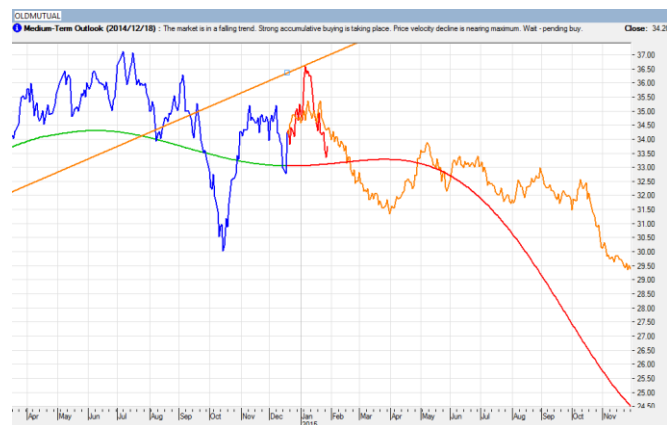


to be in a downward track for most of the new year so, for now, this is a counter to simply observe.

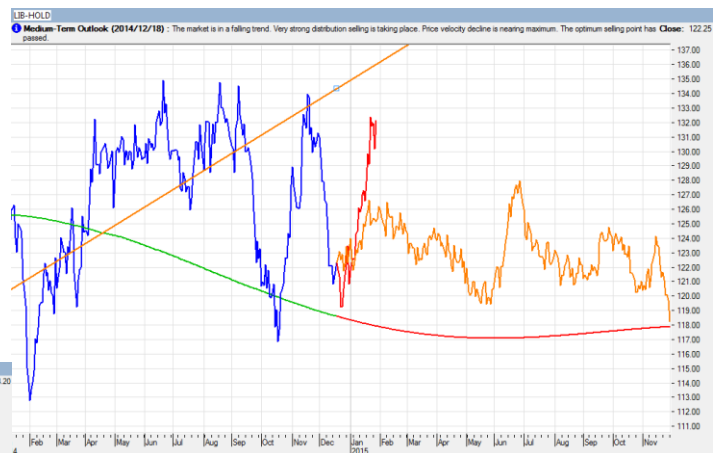
A similar outlook applies to Italtile for the new year with a downward spiral projected for most of 2015 as pictured in the composite immediately below .



Old Mutual PLC, pictured below left, has been falling since it peaked at R37 last July and is due to make a fresh peak at about the same level during the first week of January before beginning a new series of declines. Again, this is simply one to watch for now.



Liberty Holdings, pictured below right, has similarly been dramatically volatile since September. It is set to make a new low immediately before Christmas and it would be worth putting in a bid at R120



The next month:

New York's SP500: Yesterday's upward burst was surprising. Nevertheless I correctly predicted a continuing decline and I expect that to resume until early January.

London's Footsie: I correctly predicted an erratic decline of which yesterday's upward surge was an aberration. Now I see declines until the end of the year with a recovery beginning in the New Year.

JSE Industrial Index: I correctly predicted a decline of which yesterday's upward surge was an aberration. Now I see declines until the end of the year with a recovery beginning in the New Year.

Top40 Index: I correctly predicted declines but expected the up-turn to start a few days later than yesterday. Now I see a brief pull-back until Christmas with a recovery beginning thereafter.

The ShareFinder Blue Chip Index: I correctly predicted a continuation of the decline which I expected to continue until Christmas. So yesterday's sharp recovery was a surprise. Now I see declines until Christmas with the next recovery beginning thereafter.

The Rand: I correctly predicted a recovery which I expect to continue until the first week of January before the next bout of weakness sets in.

Gold: I correctly predicted a recovery. Now I foresee weakness which should end just before Christmas with a recovery heading into the New Year.

Bonds: I correctly predicted a continuation of the weakness which I foresee lasting until the first week of January.

The Predicts accuracy rate on a running average basis over the past 529 weeks has been 82.74%. For the past 12 months it has been 90.71%.

Richard Cluver