



Richard Cluver Predicts

In our 28th year of service to the investing public of South Africa



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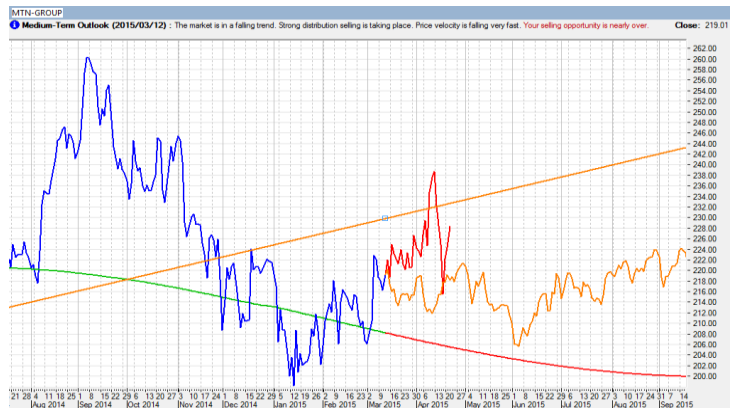
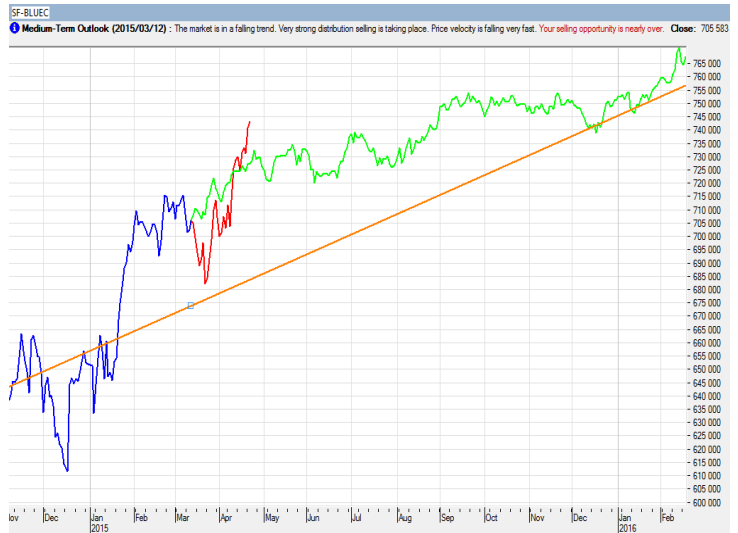
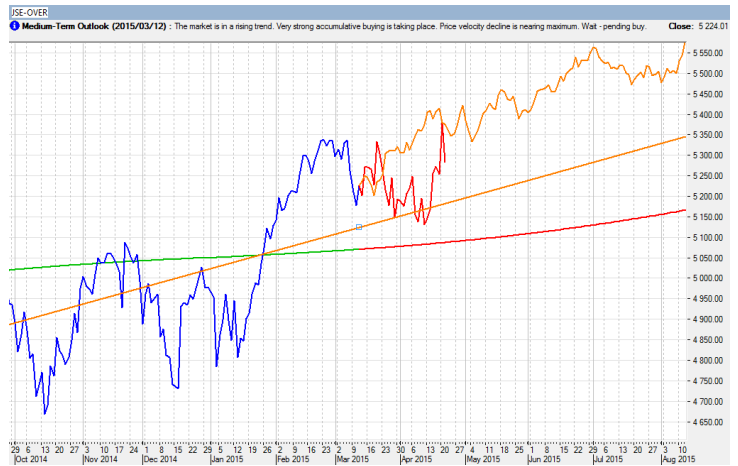
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Well I was correct that a fairly sharp reversal was coming. But I misjudged the timing because it began on Monday March 9 rather than Monday March 16 as I predicted.

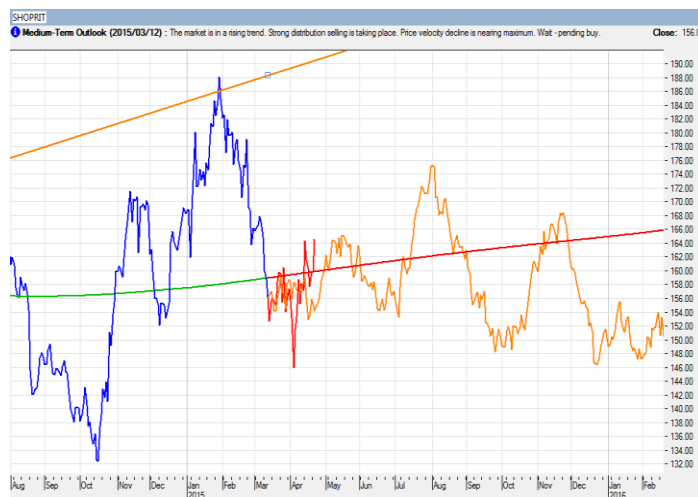
And the good news is that it is over for now in respect of the overall market though another ten days of weakness is likely for the Blue Chips before recovery begins on March 20. For the overall market, the next probable decline should come on or about March 20 which should last until mid-April as depicted in my composite of the JSE Overall Index on the right. And the happy point about this construction is that, notwithstanding the probability of significant market volatility in the weeks ahead, the long and medium-term market trends are likely to be upward throughout the next few months leading to a significant peak around mid-September when the next MAJOR decline is slated to begin.

The good news for those of who follow my Prospects Blue Chip portfolio recommendations is, however, that the projected JSE weakness for September onwards looks like only affecting the Blue Chips inasmuch as a sideways trend is seen until November when a brief sell-off currently appears likely before the next bull phase from mid-December onwards: note my second composite on this page. You should particularly note the powerful short-term recovery slated to begin on March 23 or thereabouts which is likely to add around seven percent to current values.

All shares in the Prospects Portfolio are likely to do well in the coming weeks but the likely best short-term performer is MTN which is continuing to experience significant volatility but could rise as high as R238 by early April as depicted on the right. This up move is, however likely to be contained



within a medium-term downward trend that us unlikely to be over before early June. The likely worst performer is Shoprit which ShareFinder predicts will continue to experience extreme volatility right through to the end of the year as illustrated in the ShareFinder projection on the right. Given this projection, I intend spending some time considering whether this share is worth continuing to hold within the Prospects portfolio. I will return to this in the next issue of Prospects which will be published on March 18.



The next month:

New York's SP500: I correctly predicted that weakness would continue but that recovery was in sight. I now foresee that the up-turn will happen in the coming week and last until the 24th.

London's Footsie: I correctly predicted a sharper decline which I still see lasting until around March 19 before recovery begins.

JSE Industrial Index: I correctly predicted a whip-saw market trending largely downwards. Now I don't see a recovery beginning until the end of the month.

Top40 Index: I correctly predicted that the market would continue to decline and I do not foresee any recovery until the second week of April.

The ShareFinder Blue Chip Index: I correctly predicted a fairly sharp decline which I expect to continue until approximately March 23.

The Rand: I correctly predicted weakness which I now believe is over with recovery likely until the end of the month when the next phase of weakness appears likely.

Golds: I correctly predicted a decline. Now recovery has begun and should last until the last week of the month..

Bonds: I correctly predicted weakness. Now I expect a recovery to begin in the middle of the new week.

The Predicts accuracy rate on a running average basis over the past 539 weeks has been 82.97%. For the past 12 months it has been 91.03%.

Richard Cluver