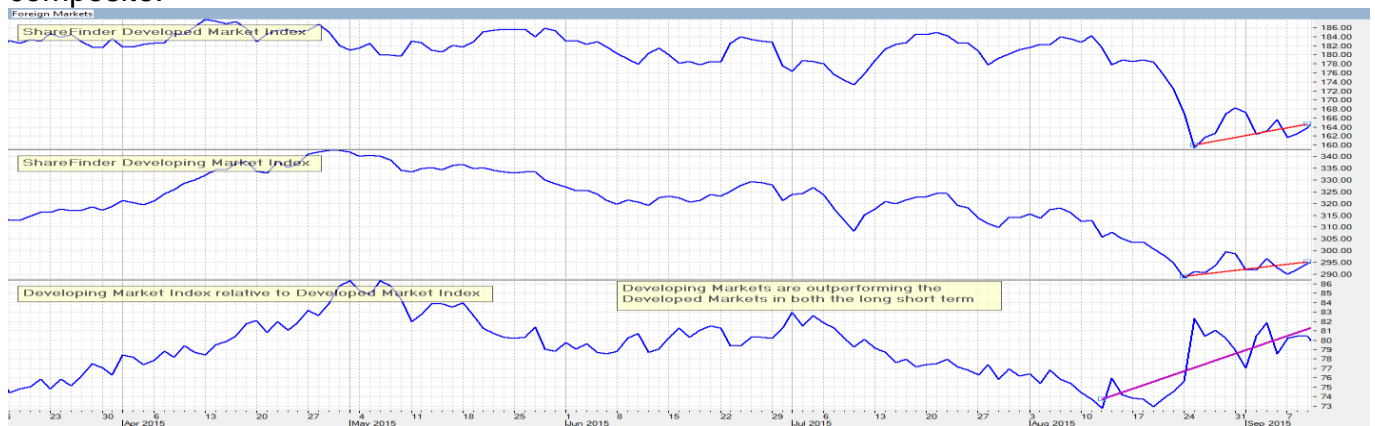




Could the bear market be over for now? Given the gloom and doom that is all-pervading in the world economy it seems very unlikely.

However, as my graph composite below clearly shows, share markets of both the Developed and the Developing World have been in recovery mode for the past two and a half weeks. Furthermore, in relative strength terms, the share markets of the Developing World are significantly outpacing their older equivalent and, bearing in mind that the Developing World is dominated by resource production, it is particularly interesting that they have been making the strongest gains for a full month as highlighted by my purple trend line in the third graph of the composite:

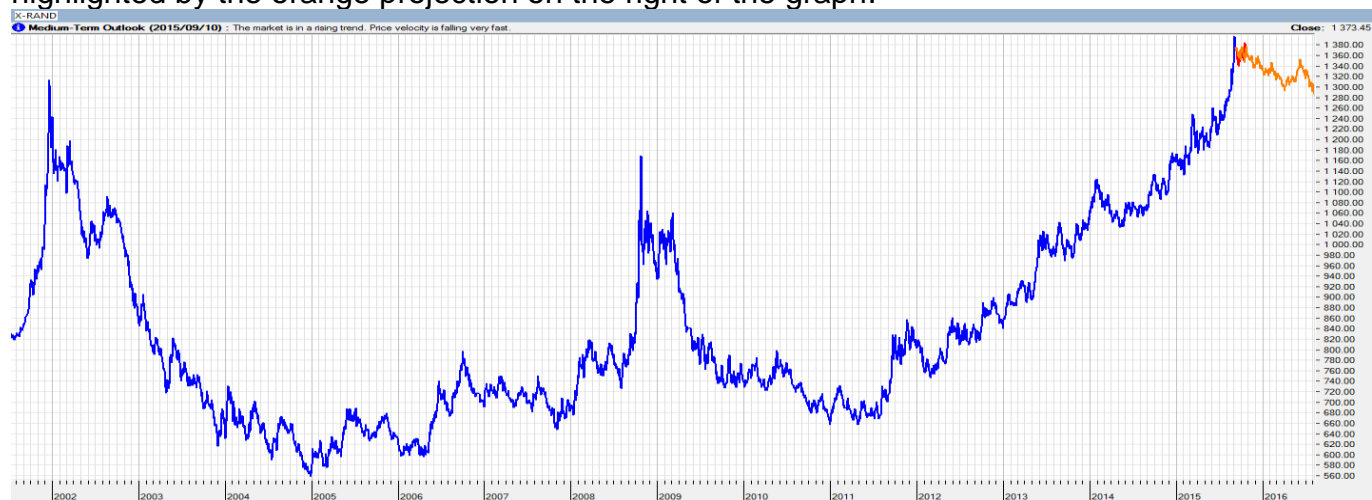


Add to this observation a series of very positive developments in the local platinum mining sector this week and we have to conclude that we might just be seeing something like the first swallow of spring in a figurative as well as a literal sense. My graph below of the JSE platinum index makes it clear that a recovery trend has been under way since the end of July and, although ShareFinder projects that a last sharp dip still lies ahead from September 24 to October 29, it nevertheless senses a fairly strong and continuing recovery thereafter lasting around six months.



Meanwhile, there is some reinforcement of this optimism in the shape of the beginning of a recovery of the Rand from its extremely oversold position which saw it touch R13.9915 to the US\$ on Tuesday; the weakest it has ever been!

Here it is important to note that on each of the two previous occasions when the Rand experienced sharp weakness, the retreat to normality was very rapid, and there is no reason to expect that history will not repeat itself again on this occasion. Indeed, ShareFinder has for some weeks been predicting the beginning of a Rand recovery lasting well into 2016 as highlighted by the orange projection on the right of the graph.



The next month:

New York's SP500: I correctly predicted somewhat erratic gains. Now I expect declines today followed by a recovery until Wednesday and then another decline until the 23rd.

London's Footsie: I wrongly saw further declines. However the current brief recovery is likely to end today followed by declines until the 24th before the next recovery begins.

JSE Industrial Index: I correctly predicted the beginning of an erratic recovery which I correctly predicted would end on the 8th. Now I see whip-saw declines until the 25th.

Top40 Index: I correctly saw the end of the recent recovery would happen this mid-week and now I see erratic declines until the 25th.

The ShareFinder Blue Chip Index: I got last week's prediction completely wrong predicting a recovery which would probably end on Monday with the trend erratically downwards from then. Instead a recovery began on Monday and it now appears likely to continue until the 17 before the next dip begins.

Golds: I correctly called a fresh up-trend lasting most of September. Now I see gains until October 5.

The Rand: I correctly predicted that the Rand would begin recovering this week and I expect it to continue gaining until September 23.

The Predicts accuracy rate on a running average basis over the past 559 weeks has been 83.35%. For the past 12 months it has been 93.18%.

Richard Cluver