



# Richard Cluver Predicts

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



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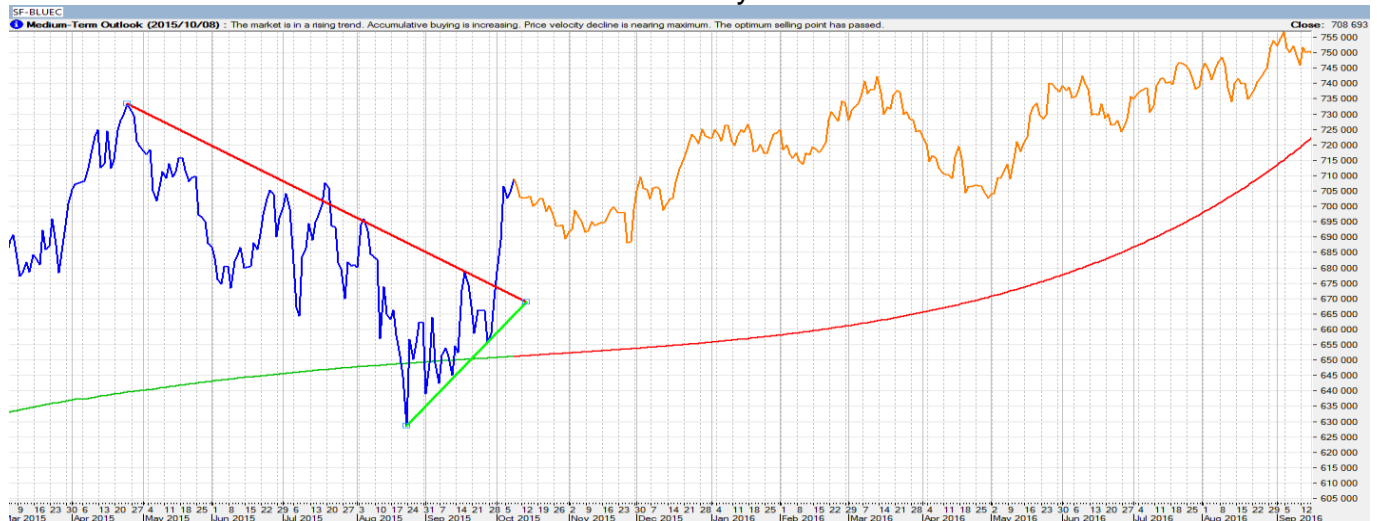
## 09 October 2015

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**First an apology to all of you who missed last Friday's column. I was called away suddenly to attend a funeral on the Highveld. Sadly I am attending more funerals than weddings these days which must be telling me something!**

But onto the good news, the tentative market recovery that I have been heralding for the past months is now firmly entrenched and so it is clear that the time has arrived to once again begin nibbling at blue chip shares that have in many cases been rendered mouth-wateringly cheap by the recent correction.

My graph below shows how a break out from a pennant formation this week signalled the probable end of the correction phase inasmuch as the Blue Chip Index is concerned while the orange trace of ShareFinder's artificial intelligence projection system traces out the likely direction of blue chips for the next 12 months. Here it is important to note the prediction of market declines from now until the end of November which will offer you your last major buying phase until the second quarter of next year. My Prospects newsletter will be out next Wednesday and, assuming you have been accumulating cash in the interim, I would urge you to wait until then in order to decide which shares to buy.



Meanwhile, here is a list of potential buys. Note the imminent timing of Coronation on October 21:

Name	Close	3 Month Pric...	5 Year Price Gr...	Dividend Gr...	Grade	Risk	Total Ret...	Likely Date
The following shares, combine exceptional fundamental quality with high historic dividend growth rates:								
INVICTA	60.80	-42.89	12.11	126.08	8 814.2	12.46	14.56	08/08/2016
CORONAT	65.50	-48.49	38.16	59.52	1 480.7	17.83	45.19	21/09/2016
RICHEMONT	114.43	86.88	26.49	48.25	594.4	-14.15	27.78	16/11/2015
MTN-GROUP	185.50	-43.86	7.21	45.37	993.0	-34.39	13.07	07/07/2016
CAPITEC	558.00	189.65	27.03	35.22	705.6	-8.88	28.50	14/06/2016
EOH	158.00	-3.25	62.48	31.01	922.4	28.71	63.28	17/02/2016
FAMBRANDS	128.68	45.27	27.98	29.72	560.7	-17.02	29.30	04/11/2015
MRPRICE	208.00	-41.20	31.15	28.09	555.3	5.00	33.52	26/01/2016
TRENCOR	55.97	-37.08	6.51	24.60	469.0	-20.41	10.69	02/08/2016
TRNPACO	22.50	106.13	15.21	23.98	494.6	-31.93	19.29	07/01/2016

## **The next month:**

**New York's SP500:** I correctly predicted gains. Now I see an erratic declining trend until the end of the month.

**London's Footsie:** I correctly saw gains. Now I see declines until the end of the month.

**JSE Industrial Index:** I correctly predicted gains and now I see these continuing until the end of the month..

**Top40 Index:** I correctly predicted gains. However I now see declines well into November.

**The ShareFinder Blue Chip Index:** The recovery began sooner than I predicted but I expect it to end early in the new week heralding an erratic weakening trend into November..

**Golds:** I correctly predicted an up-trend resuming for most of October and now I see it lasting until the end of the month.

**The Rand:** I correctly predicted an improvement but that is over now and I see weakness into the third week of October.

***The Predicts accuracy rate on a running average basis over the past 562 weeks has been 83.45%. For the past 12 months it has been 93.63%.***

**Richard Cluver**