



Richard Cluver Predicts

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



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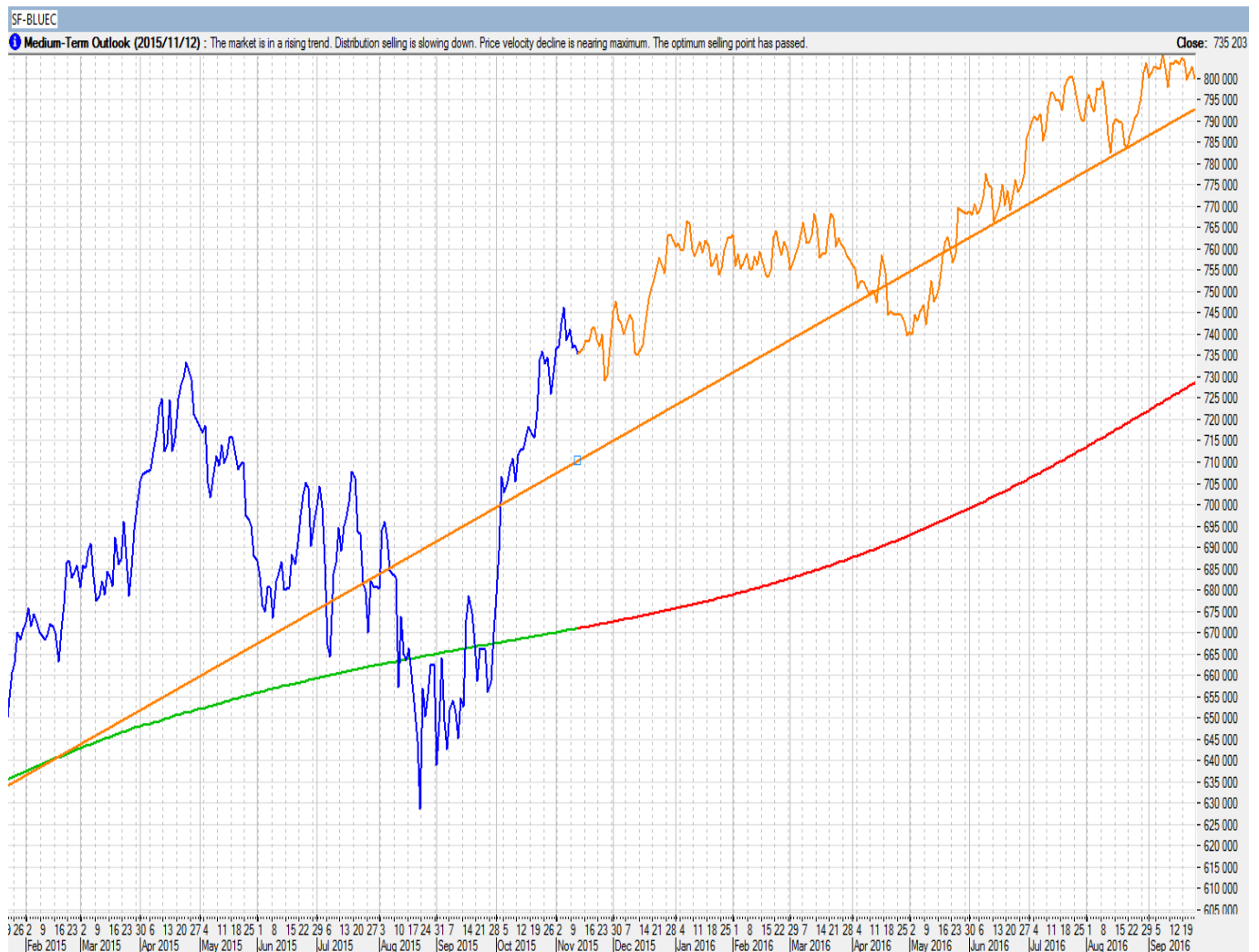
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After making a new high in October that significantly exceeded the April 23 market peak, our Blue Chip Index went on to make yet another high late last week and then, as I had predicted, began a short-term down-trend which could last until the middle of December.

Mid-December is, of course, the latest time when US Federal Reserve Chairman Janet Yellen is expected to announce the first of a series of gradual interest rate hikes intended to restore the US economy to a proper balance of real rates that accurately reflect the supply/demand aspects of the money supply.

The probability of a rate increase sometime soon has long been factored into the world's delicately-balanced securities relationships, but there is always an element of uncertainty which is why our local share market is projecting a brief decline. And, readers please note, this phase of modest weakness is likely to be your last good buying opportunity until late March when another six-week phase of weakness is projected.



Encouragingly, the JSE All Share Index is similarly projecting recovery as soon as the next four weeks of weakness are over which promises a far better market outlook than economists have been holding out for South Africa lately.



Equally encouragingly, the Rand is projected to recover modestly as illustrated by the green trend line on my next graph. ShareFinder predicts that from a current exchange rate of R14.3 to the US Dollar, the Rand will have strengthened to R13.81 by this time next year.



Meanwhile, ShareFinder projects that Wall Street reached its final peak of the current bull market last week and that from here on the best it will do is move sideways.

The next month:

New York's SP500: I correctly predicted the beginning of a decline which I expect to continue for the next year.

London's Footsie: I correctly saw the beginning of declines which I expect to end on November 17 when a strong recovery is likely.

JSE Industrial Index: I correctly predicted declines which I still see lasting until November 16.

Top40 Index: I correctly predicted a decline which I still see lasting until November 16.

The ShareFinder Blue Chip Index: I correctly predicted gains which I see lasting until November 18 followed by a decline until December 16.

Gold: I correctly predicted losses which I now see lasting until Christmas.

The Rand: I correctly predicted a brief recovery until November 16 followed by weakness which I still see lasting until November 27.

The Predicts accuracy rate on a running average basis over the past 567 weeks has been 83.54%. For the past 12 months it has been 93.83%.

Richard Cluver