

Richard Cluver Predicts

In our 22nd year of service to the investing public of South Africa



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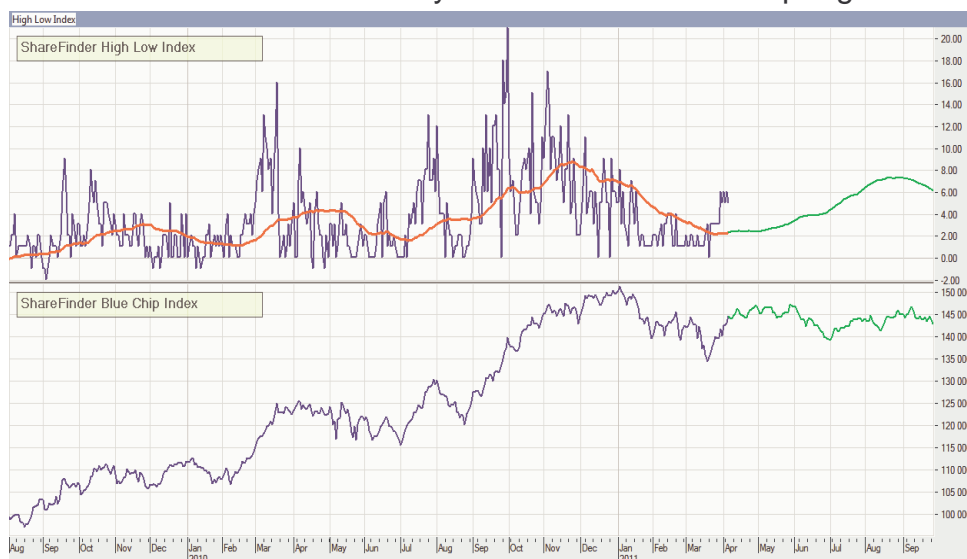
08 April 2011

All over the world yesterday share markets understandably took a tumble as investors took money off the table in anticipation of some turbulence in the wake of both another Japanese earthquake and Portugal's final acceptance that it is effectively insolvent.

Obviously, investors are now waiting for the other shoe to drop, in the shape of a similar collapse of the infinitely larger Spanish economy and the possibility that such an event could tip the entire European Economic Community into extreme distress.

Nevertheless there is no escaping the statistical numbers now popping up all over the world indicating that the winter of economic discontent is almost certainly over. Unemployment rates are dropping and GDP growth figures are turning upwards, and far more importantly, it is growing increasingly obvious that in the minds of ordinary folk a new economic spring is under way.

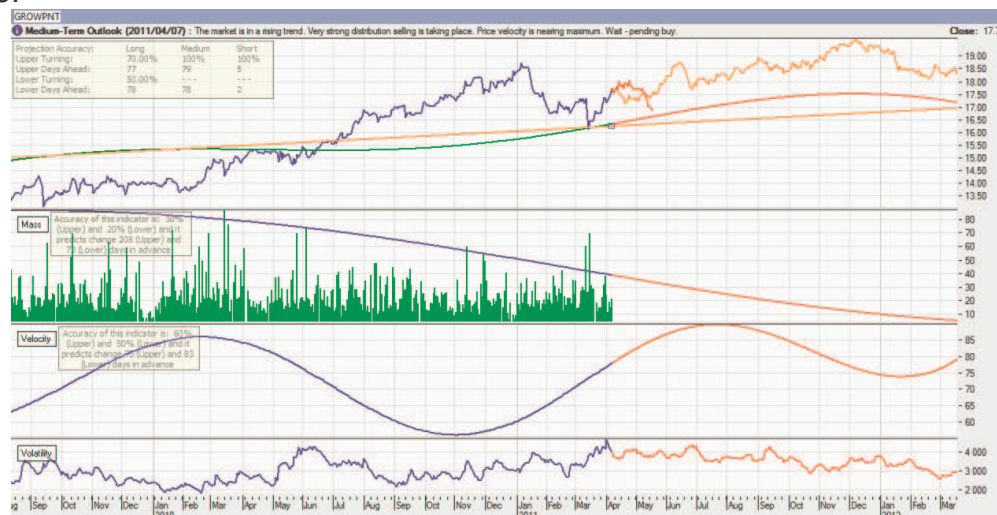
So it is with great interest that I noted this week that ShareFinder's new automatic analysis system began signalling exactly that. Consider the composite on the right which for some months has been projecting that April would be the month when the current bear phase bottomed out. Note now that the High/Low indicator turned sharply upwards last



week and, as it gained strength the green projection line turned upwards this week. It is now predicting that the share market will gain strength steadily until at least August carrying investment grade Chip shares upwards until at least the end of May before the next price consolidation pause occurs.

Most action is likely in the next few weeks to be concentrated in the riskier category of shares that I label the Rising Starts, led by the likes of Capitec, Transpacko, Nictus, Resilient, Growthpoint and Pinnacle.

Of all of these, the most attractive currently is Growthpoint which, I need to advise you, features in one of my personal portfolios. Considering the composite on the right, Growthpoint appears likely to keep on rising strongly until December.



The week ahead:

New York's SP500: I correctly predicted a weaker phase for this month. Now I see the possibility of a recovery on the horizon beginning around April 20.

London's Footsie: I correctly predicted a sideways trend for the month and I continue to see this with the possibility of greater volatility after the middle of the month.

JSE Industrial Index: I have correctly been forecasting a recovery trend tailing off into weakness towards the end of the month and now I see that weakness beginning around April 14.

Top40 Index: I correctly forecast an initial followed by a weakening trend which now appears likely to begin around April 14.

ShareFinder Blue Chip Index: I correctly forecast a recovery and I expect it to continue until later this month with the possibility of a weaker phase beginning around April 20.

The Rand: I have correctly been predicting that the current phase of gains would shortly begin to reverse itself and now it seems likely that that moment is upon us with weakness likely until around the 14th followed by a brief recovery phase until the 21st when fresh weakness appears likely.

Golds: I correctly predicted gains until mid-April. Now I see golds peaking on Monday followed by a phase of weakness lasting until the beginning of May.

Gilts: I have correctly predicted a choppy month that will end weaker than it is beginning with the weaker phase now very likely beginning on Monday.

The Predicts accuracy rate on a running average basis over the past 387 weeks has been 80.07%.