

Richard Cluver Predicts

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



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Gold breached the \$1500 an ounce price for the first time yesterday. Sadly, however, notwithstanding the fact that the Rand price of the yellow metal has been rising almost as steeply as the dollar price, there is no practical way that the South African investor can profit from investing in gold shares.

The composite on the right illustrates how, over the past five years gold has been increasing in dollar terms at an annual rate of 21.2% compound. And over the same period, when measured in Rands, the price has been gaining at 19.9% compound. Sadly, however, the price of the average gold share listed on the JSE has fallen by 1.5% a year.

My second composite illustrates that of the principal gold mining companies operating in this country, only Anglo Gold has made any gains and that company has achieved only a 6.41% total gain over the past four years.

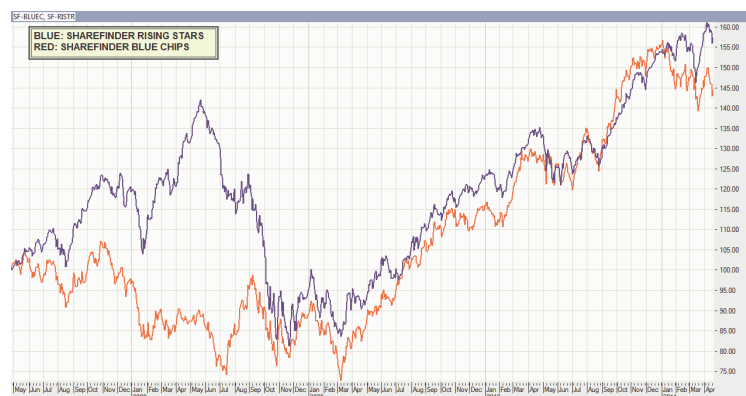
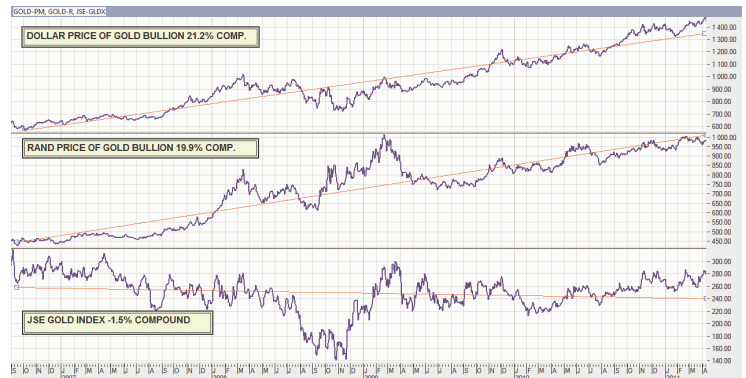
Over the same period, the ShareFinder Blue Chips have on average gained 45.7% and the ShareFinder Rising Stars have gained 58.5%, amply illustrating my oft-made point that the safest and best way to invest is in investment grade shares which have delivered constantly-rising earnings and dividends for a minimum of six years.

The week ahead:

New York's SP500: New York's broadest measure of share price movement, the SP500 ended its downward trend on April 19, one day before I predicted it would. And I expect it to continue upward until the end of May. However I expect an interim phase of weakness beginning next week and ending around May 10.

London's Footsie: I correctly predicted declines until early May.

JSE Industrial Index: The weaker trend which I correctly forecast is likely to continue until the second week of May with a brief recovery current.



Top40 Index: The weaker trend which I correctly forecast is likely to continue until the second week of May with a brief recovery current.

ShareFinder Blue Chip Index: The weaker phase which I correctly forecast is likely to continue until around May 8 with a brief up and down in between.

The Rand: The weaker phase that I correctly predicted still appears likely to continue until around May 18.

Golds: I correctly predicted golds would rise to a peak around the end of April followed by weakness extending well into May.

Gilts: I correctly predicted a weaker phase. Now I foresee gains until around May 11.

The Predicts accuracy rate on a running average basis over the past 389 weeks has been 80.17%.