

Richard Cluver Predicts

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



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With both Britain and the US teetering on the brink of another recession, President Obama's much anticipated \$447-billion plan to jolt the US economy into recovery will be tested by the markets today.

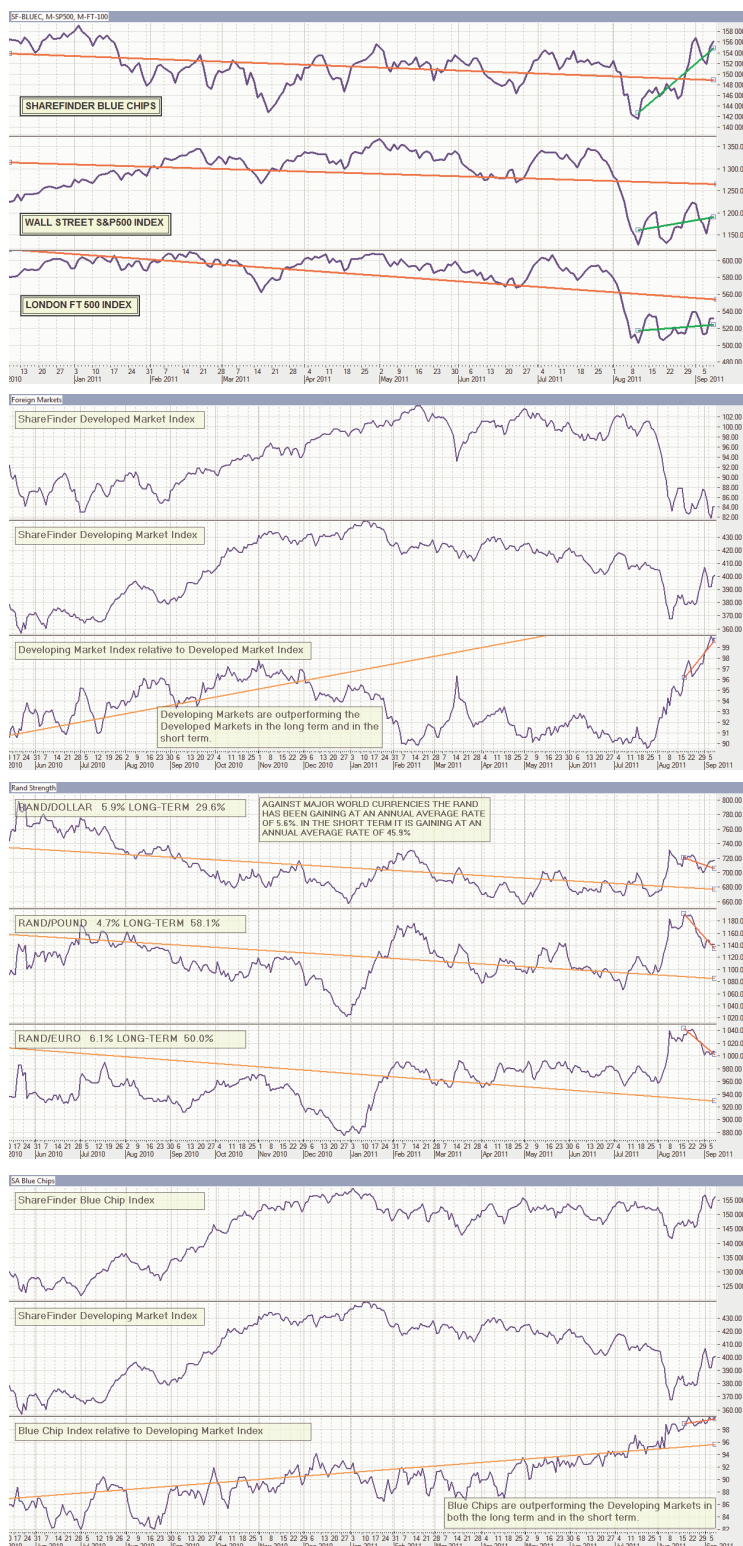
After long and dreary months of steady declines, followed by sharp drops at the beginning of August, all the world's major markets have been looking to the US to offer a lead out of the mess that is holding the global economy in a vice-like grip. And in anticipation that the US President would offer some major incentives for growth, markets have been picking up quite strongly as highlighted by

the green trend lines in my topmost composite on the right. Many observers will, however, judge the Obama plan to be nothing more than a "retread" of old ideas aimed at winning the president a second term of office. And if such sentiment gains even average support, markets will lapse again into a negative trend for, in the world we are currently living in, everything is about sentiment.

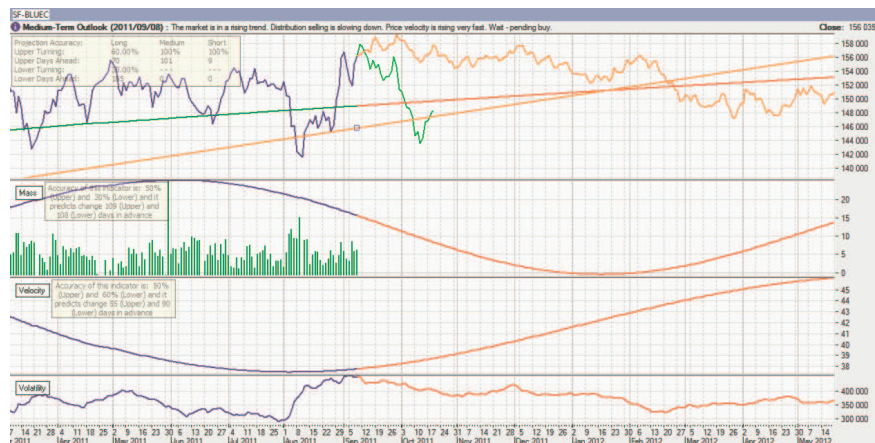
So let us look at why I think South Africa is looking like a good place to be investing your money in right now. Note in my second composite that the share markets of the Developing World are strongly outperforming those of the Developed World. Furthermore, in both the long and the short-term, the Rand is strongly outperforming the world's major currencies.

Now when we compare the performance of the ShareFinder Blue Chip Index with those of markets in the Developing World, ours are again leading the pack as illustrated by my fourth composite.

All of that said, ShareFinder's projections suggest that, at best, we can expect our blue chips to keep on climbing until the end of this month before resuming their downward trend with the long-term Blue Chip Index projection predicted to keep on trending downwards until the end of



March next year. The final composite on the right senses, however, a gradual decline in market volatility between now and mid-February which is in keeping with the Fourier projections, suggesting a world gradually beginning to sense light at the end of the tunnel.



The month ahead:

New York's SP500: I correctly predicted the beginning of a recovery trend which I continue to see lasting until around September 23.

London's Footsie: I correctly forecast the beginning of a recovery which I expect to run until around September 26 before the next decline begins.

JSE Industrial Index: I correctly forecast the beginning of a recovery which I continue to expect will shortly run out of steam...perhaps even mid-week.

Top40 Index: I correctly forecast a brief recovery but I expect it to run out of steam very soon.

ShareFinder Blue Chip Index: I correctly forecast an up-trend but I expect it to run out of steam very soon.

The Rand: I correctly predicted short-term weakness and now I see short-term gains but the overall trend will be sideways.

Golds: I correctly forecast gains continuing with considerable volatility for some weeks. Now, however, a downturn is looming and likely to begin around September 22.

Gilts: I correctly predicted a resumption of the strengthening trend. And I expect it to continue well into October.

The Predicts accuracy rate on a running average basis over the past 401 weeks has been 80.49%.

Richard Cluver