



Richard Cluver Predicts

In our 23rd year of service to the investing public of South Africa

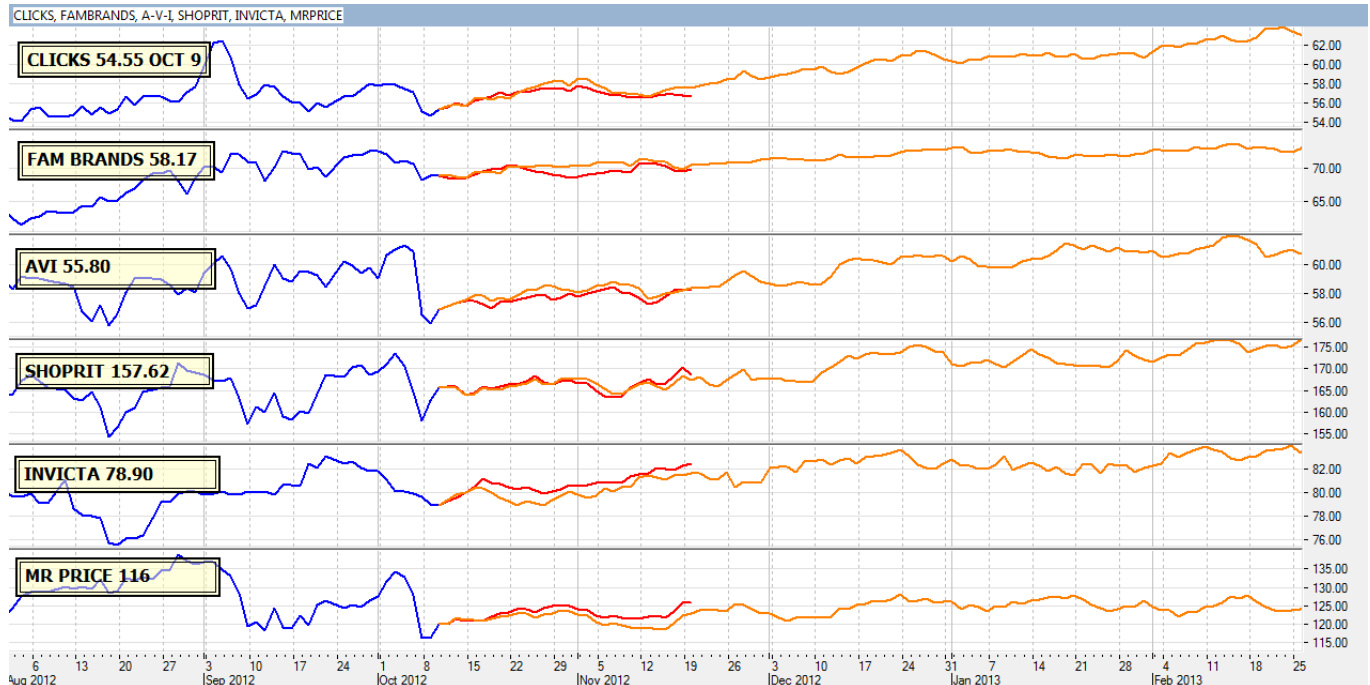


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I hope readers took note of my recent suggestion that they prepare to buy Clicks at 56.68, Famous Brands at R71.80 and AVI at R59.38, Shoprit at R165.90 and Invicta at R80.69 .

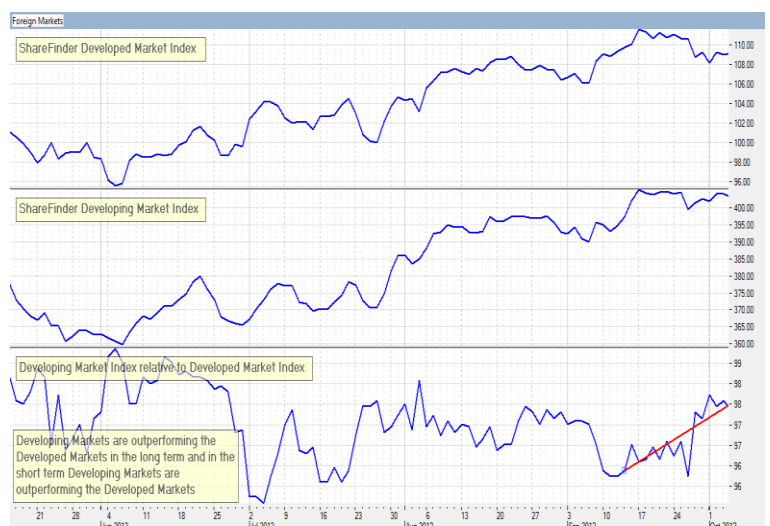


The graph composite above indicates that I was correct in calling the buying moment though quite conservative in my projected prices and for that I apologise if you put in buying orders at those prices.

I was similarly wrong in assuming that the price recovery that had begun last week in respect of Mr Price represented the last short-term buying opportunity. However, if you were on your toes on Monday and Tuesday you would have been able to buy Mr Price as I did at an attractive R116.35.

I have included projections on all of these shares which, with an average accuracy rate of 80%, suggests that all should be on the way up for the rest of the year. For the record I always ask my broker to buy at a given price "or better" and similarly when selling I give a minimum selling price. It is a habit that has served me very well over the years.

Meanwhile, notwithstanding the gyrations of the market this past week, it is gratifying to note that ShareFinder's



Developing Market Index has been outperforming the Developed Markets lately.

Furthermore, notwithstanding the worrying trend of the Rand in both the long and more particularly the short-term as evidenced in my composite on the right, our Blue Chip shares continue to outperform both the Developing and Developed Market indices, making them among the most prized shares in the world at this time.

As illustrated by my second composite on this page, South African Blue Chip shares have been rising at a compound annual average rate of 35.3% compared with an average rate of 21.6% compound for the average share market of the Developing world.

In these worrying economic times South African Blue Chips accordingly remain a safe haven for your money. Furthermore, in the current world mood and currency uncertainty, it would be wise to avoid local shares of lesser credentials. Accordingly, the best offerings this week are Clicks and Capitec which ShareFinder currently rates as fairly priced.

However, the star turn currently is Naspers which has been barreling upwards in price at 23 percent compound over the past five years and, lately has accelerated to a 3-month average rate of 107 percent. It appears likely to offer a buying opportunity at around R524 on or about November 5.

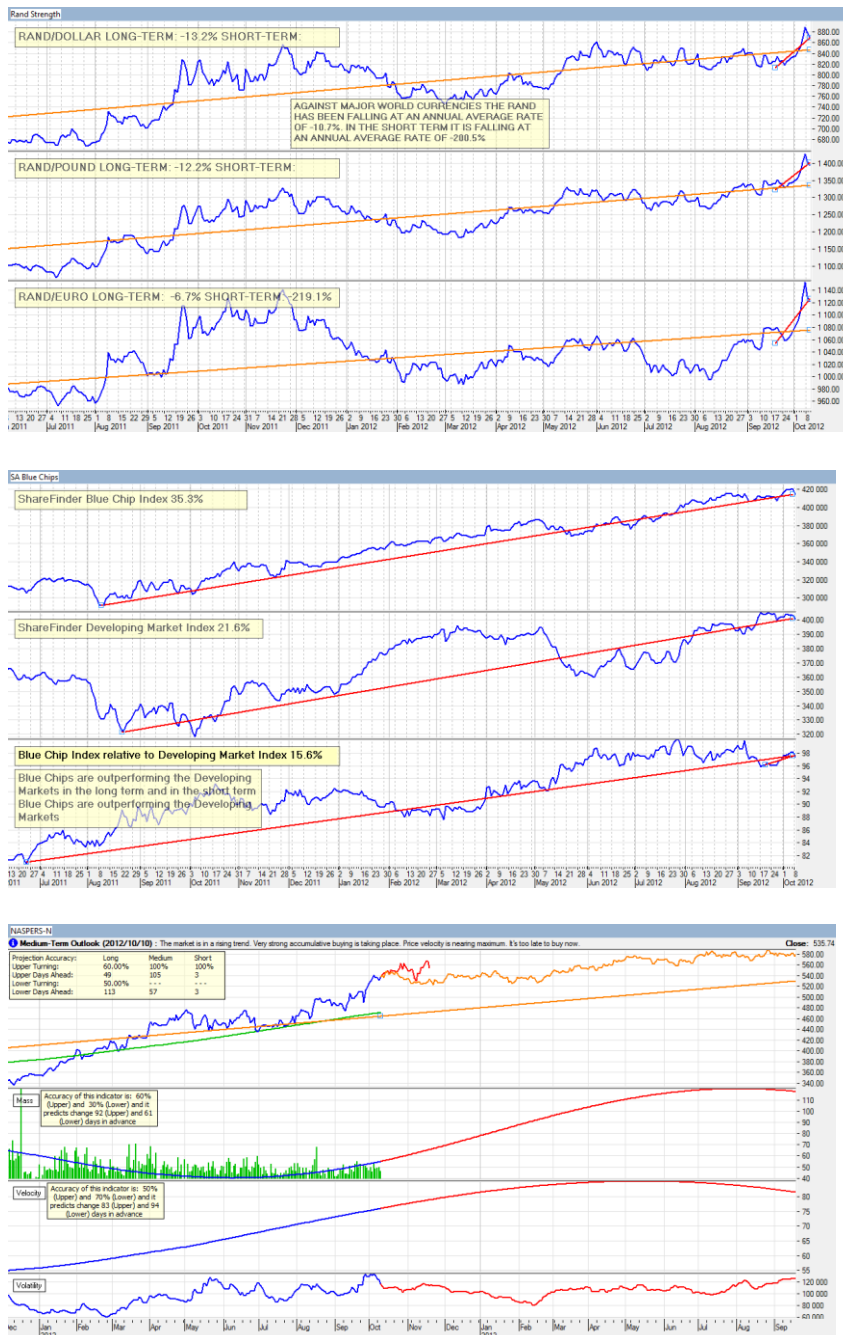
The month ahead:

New York's SP500: I correctly predicted the next decline and now, happily, I sense the beginning of a somewhat volatile but steady recovery trend lasting into November.

London's Footsie: I correctly predicted a volatile sideways trend and now I see a downward trend until late October.

JSE Industrial Index: I correctly predicted a decline. Now I see an upward trend until until mid-November.

Top40 Index: I correctly predicted a volatile recovery and I see that continuing until mid-November at least.



ShareFinder Blue Chip Index: I correctly predicted a weaker phase. Now I see a period of modest recovery until next Wednesday followed by a mild downward trend until mid-November.

The Rand: I correctly predicted a recovery which I expect will continue until the end of October.

Golds: I correctly predicted declines which I now see extending into early November.

Bonds: I correctly predicted a brief phase of weakness. Now I foresee gains continuing until early November.

The Predicts accuracy rate on a running average basis over the past 453 weeks has been 81.28%.

Richard Cluver