

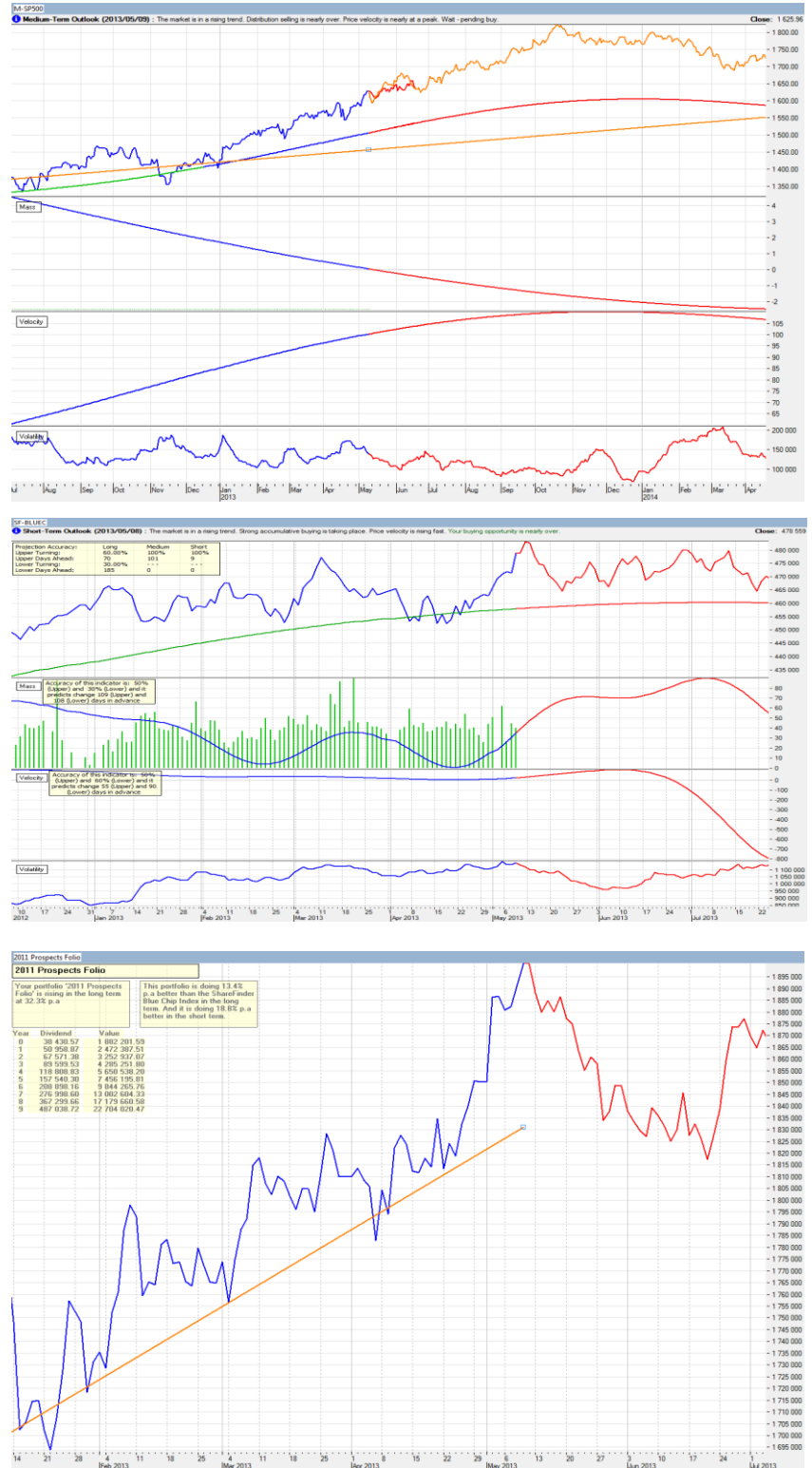


With freshening winds behind them from positive world economic statistics, the Developed World markets continued their upward trajectory this week. And judging by ShareFinder's projection in the graph on the top right, it should remain all systems go on Wall Street until October at least.

And while here at home a brief retraction appears on the cards for Blue Chip shares, the overall outlook appears positive until early July at least as illustrated by my second graph composite.

Similarly, the Prospects Portfolio continues to prosper. Since January it has been climbing at an accelerated pace at a compound annual rate of 46% compared with a long-term rate of 36.2%, yesterday attaining a value of R1.9-million compared with a starting value of R1-million in January 2011. Sadly, however, the immediate outlook for the Prospects portfolio is not as good as the Blue Chips as a whole with weakness projected from now until late June as illustrated in my third graph composite below right:

Overall then it is a time for Blue Chip investors to sit back and watch themselves grow wealthier without any need at present for any decisive action.



The month ahead:

New York's SP500: The recovery I predicted continued. Now I see a brief downturn before the upward trend reasserts itself.

London's Footsie: I correctly predicted an upward burst which I expect to continue for a fortnight

JSE Industrial Index: I correctly warned that the upward trend was ending for now and expect a decline until May 24.

Top40 Index: I wrongly predicted a weaker phase and I foresee the upward trend continuing until May 17.

ShareFinder Blue Chip Index: I correctly predicted a recovery phase that I expected to shortly end. Now I foresee a three-day weakness beginning on Monday before a choppy recovery resumes.

The Rand: I correctly predicted brief weakness but from mid-week I expect the Rand to rise in value again

Golds: I correctly predicted a decline which I continue to expect for most of May and early June.

Bonds: I correctly predicted brief weakness before the recovery continues until early June.

The Predicts accuracy rate on a running average basis over the past 477 weeks has been 81.72%.

Richard Cluver