



# Richard Cluver Predicts

In our 29th year of service to the investing public of South Africa



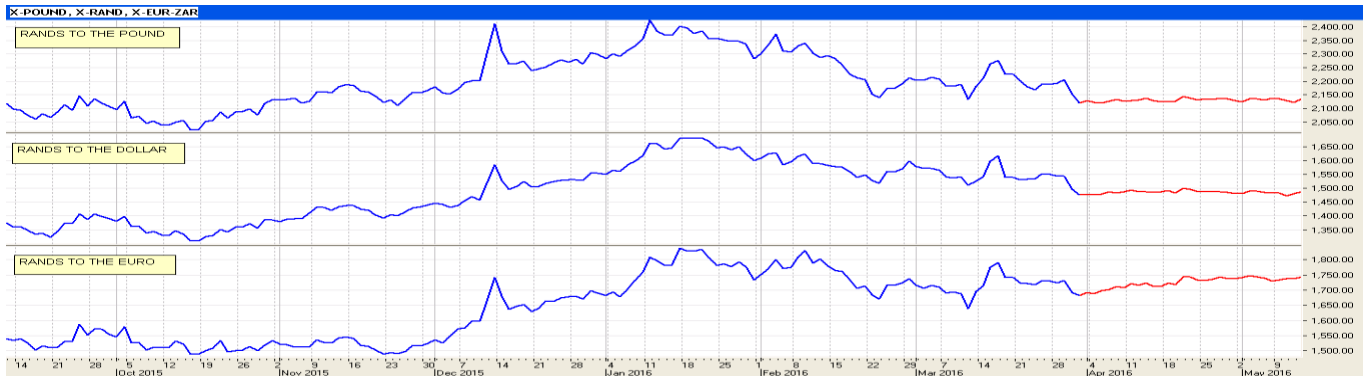
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**South Africa's murky political outlook moved a shade clearer this week with the end of Jacob Zuma and his cronies now an increasing probability and, as ever, the Rand signaled the world's approval that we could be headed in the right direction.**

As my graph composite below makes clear, the Rand has been strengthening steadily since mid-January and is now back to levels last seen in November. However, ShareFinder projects that this euphoria is unlikely to last much longer with the Rand moving into a sideways holding pattern as foreign investors move into a watch and wait attitude. Against the Euro the Rand is projected to weaken in the days ahead but that is more a function of gains being made by the Euro rather than Rand weakness. But against the all important Dollar modest further gains might be expected.



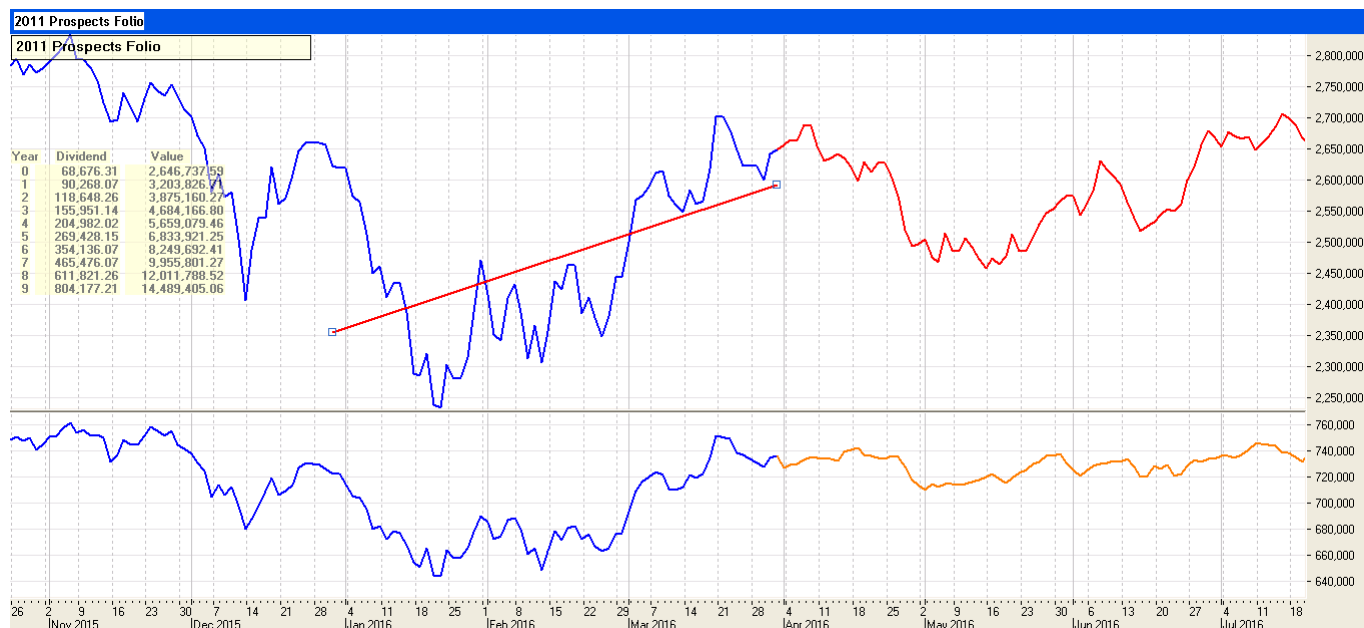
ShareFinder is up-beat about SA Blue Chip shares as well with the index set to surpass its November peak during April and a likely further surge upwards in May:



The only people likely to be unhappy with the latest train of events are those who have been speculating that Rand weakness will boost the profitability of our mines. As my third graph illustrates, gold shares are already on a down trend and are likely to fall steeply in the weeks ahead.



For my final analysis I have depicted the latest position of the Prospects Portfolio which has been gaining ground at an annualized 46.1 percent since mid-January. Now, ShareFinder projects that there will be a month-long decline until the next recovery phase starts in mid-May. Comparatively, I have projected the ShareFinder Blue Chip Index below it showing a similar though less pronounced April decline being anticipated. Here there is a conflict, however because short-term projection senses gains.



## The next month:

**New York's SP500:** I correctly predicted gains for the rest of the month and I continue to see an upward trend with some interim volatility until the end of April.

**London's Footsie:** I correctly predicted an upward trend continuing until the end of the month. Now I see a sideways to modestly rising phase for April.

**JSE Industrial Index:** I correctly predicted a brief and sharp correction which I sense lasting until April 4 before the next recovery begins and lasts until mid-April.

**Top 40 Index:** IU correctly anticipated declines which I see lasting until April 5.

**The ShareFinder Blue Chip Index:** I correctly predicted a bumpy down-trend. Now I see gains for most of April.

**Gold:** I correctly predicted a decline well into April and now I see this extending into May.

**The Rand:** I correctly predicted a continued recovery which I now see lasting until late April.

**The Predicts accuracy rate on a running average basis over the past 583 weeks has been 83.66%. For the past 12 months it has been 91.48%.**

Richard Cluver