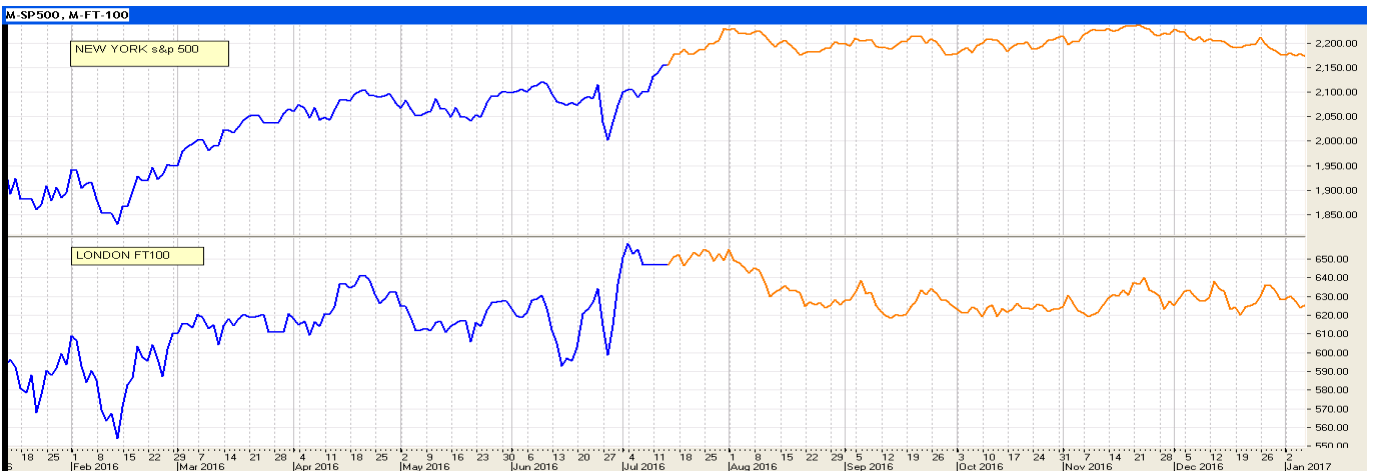# 15 July 2016

Today is a critical one for the Prospects Portfolio as it attempts to breech a powerful resistance line that has been in place since last November. But if ShareFinder is correct it will once again fail to do so.

In the graph below my green trend line links multiple attempts by the portfolio to break above this line. But ShareFinder's artificial intelligence calculations project that the upward surge will only come once this years' politically critical municipal elections are behind us.
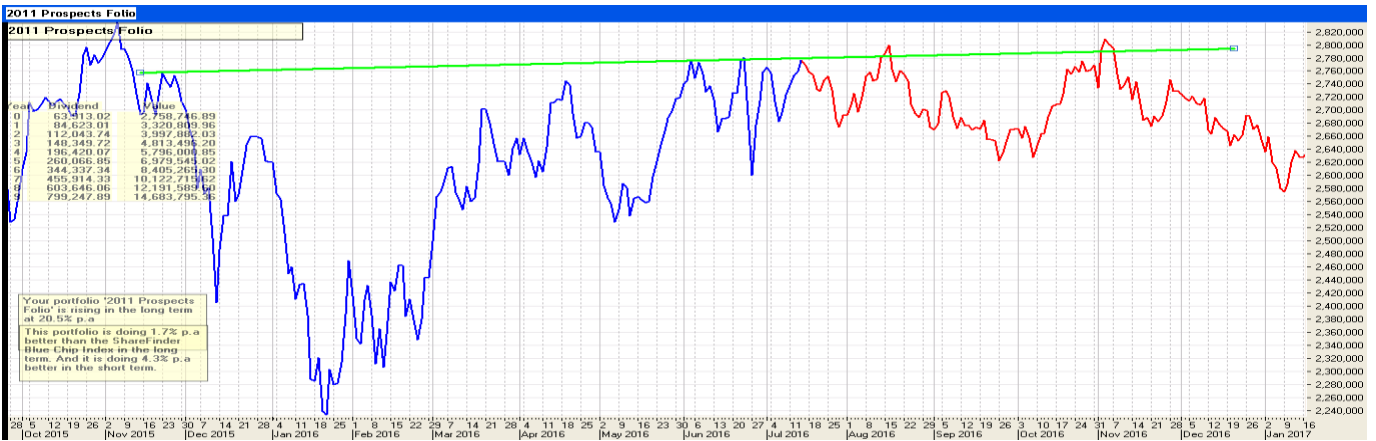

Setting the world's markets alight has been the strong performance of the New York Stock Exchange which has inevitably spread a ray of cheer over most other markets. New York's S&P500 Index pictured below appears at this stage likely to continue rising at least until the end of July when a much-needed breather is being signaled.

The exception, of course, is London which is still reeling from the totally unexpected and financially disastrous Brexit referendum and, judging by ShareFinder's projections, is likely to continue falling at least until mid-September

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Returning to the local market, there are a number of quality shares that are significantly cheap at this stage and appear likely to gain strongly in the event that the market breaks through this critical barrier today. They are Coronation, Richemont, MTN, Trencor, and AECI. Of these, the two most favoured by ShareFinder to gain (topmost graph) in the short term are Coronation and MTN

(second graph)
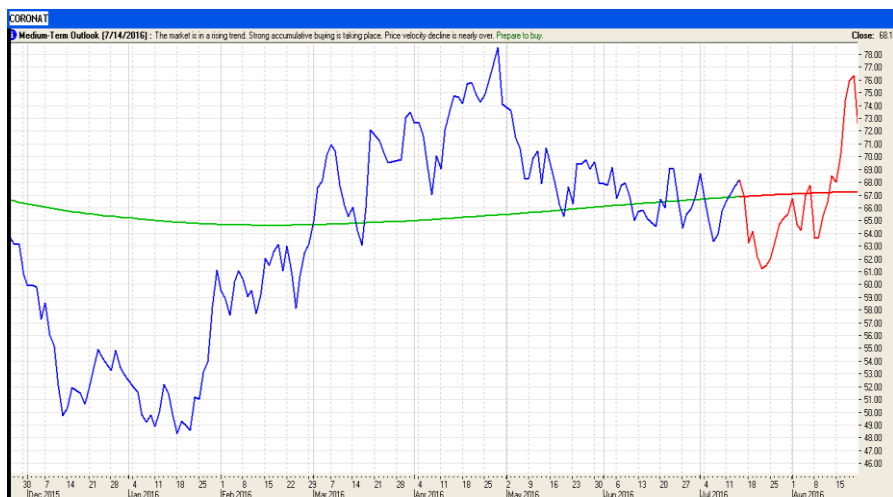
The next month:

New York's SP500: I wrongly predicted brief weakness. Now I see gains until the end of the month.

London's Footsie: I correctly predicted another weakening phase which I expect will continue until at least the first week of August.

JSE Industrial Index: I correctly predicted a very brief recovery before a fresh decline begins lasting, on today's projection, to July 20 when a strong recovery is projected.

Top 40 Index: I correctly anticipated a fresh recovery beginning today and lasting for the next eight trading days. Now I see a decline until July 25.

The ShareFinder Blue Chip Index: The decline I predicted was a little late in coming but I see it beginning now and lasting until July 25.

Golds: I correctly predicted declines followed by a brief recovery which should begin today and last until the 18th when the next decline is due.

The Rand: I correctly predicted continued gains, but they are probably over for now for the foreseeable future..

The Predicts accuracy rate on a running average basis over the past 588 weeks has been 83.75%. For the past 12 months it has been 91.79%.

Richard Cluver

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