



Richard Cluver Predicts

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



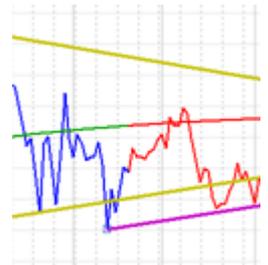
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Lately I have been directing readers to watch how the JSE All Share Index is playing itself out within the confines of a graph pennant structure – one that inevitably leads to a sharp break-out as a phase of current confusion and indecision becomes a clear short-term view of the future.

Readers will recall that last Friday I depicted how ShareFinder's artificial intelligence system created a projection for the All Share Index which suggested that the Index would strengthen until November 8 whereafter it would dive decisively down through the bottom support line of the pennant formation that I have traced out below as I did last week in yellow. Now if you do not still have a copy of last week's prediction, I have reproduced the relevant portion on the right so that you can see that unlike the somewhat volatile recovery that ShareFinder predicted would happen during this immediately passed turbulent week of South African politics, the Index broke downward rather earlier and yesterday was poised to intersect the yellow support line. Now, as detailed below, ShareFinder sees it bouncing back up off the support line today or on Monday but the November 8 turnaround point is still in place as representing the beginning of the slide that will take it down through the line to create a new support level at an index value of 5060 where I have again drawn in a mauve support line.



It is hardly surprising that ShareFinder has had to re-cast its projections for the times we are living through are hardly normal. Who would have believed we would ever have witnessed our government at war with itself; with State President Jacob Zuma and his executive increasingly isolated but still clinging to power and using the Constitution as a blunt instrument with which to beat the rights of individual South Africans into the ground while the Minister of Finance, Pravin Gordhan has emerged as the White Knight defender of what remains of the Good that was the New South Africa?

Recently I posed somewhat lightly whether Pravin Gordhan might not be the best candidate for the new President we were seeking. Now it is beginning to look as if he is the ONLY man still standing in a position of power to rescue us from this crisis with, even our Chief Justice Mogoeng-Mogoeng alluding to it in last night's OR Tambo memorial lecture.

So, Just to put detail on the latest graph, ShareFinder still sees the beginning of the decisive plunge starting on November 8 and now sees that yellow support line being breached on November 11 with support in the shape of my purple line being found on November 18 with recovery from then until

January 13 before the next bear phase takes the market to a new low on April 11. Then it foresees a recovery until June 6 before the next great plunge begins going down to a bottom early in October 2017.

All of which takes me to Wall Street whose latest projection suggests that a bear market is likely there lasting until June next year. However, as I observed last week, there is a short-term possibility of a brief market recovery traced out in light green which could see Wall Street soaring until December 6.



As always, the safest place for investors to place their money is in the ShareFinder Blue Chips whose graph I reproduce below. Do note, however, that even this sector is likely to take SOME strain between the end of January and the end of May.



The next month:

New York's SP500: I correctly predicted a recovery into late November and I continue to see this with a brief retraction between November 4 and November 10.

London's Footsie: I correctly predicted a whip-saw rising trend which I saw lasting until late November. Now I see a retraction between October 31 and November 15 before the recovery continues.

JSE Industrial Index: I correctly predicted a brief decline until the end of the month. Now I see it extending into November 9.

Top 40 Index: I correctly predicted a decline until the end of the month. Now I see a whip-saw recovery until the 7th before the next declining trend.

The ShareFinder Blue Chip Index: I correctly predicted declines. Now I see a brief recovery until November 1 followed by a decline until November 4 before a rising trend sets in.

Golds: I correctly predicted a decline. Now I see a recovery today followed by losses early next week before a longer recovery trend sets in.

The Rand: I correctly predicted gains from Tuesday. Now I see weakness setting in from the end of the month lasting well into November.

The Predicts accuracy rate on a running average basis over the past 600 weeks has been 83.9%. For the past 12 months it has been 90.1%.

Richard Cluver