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

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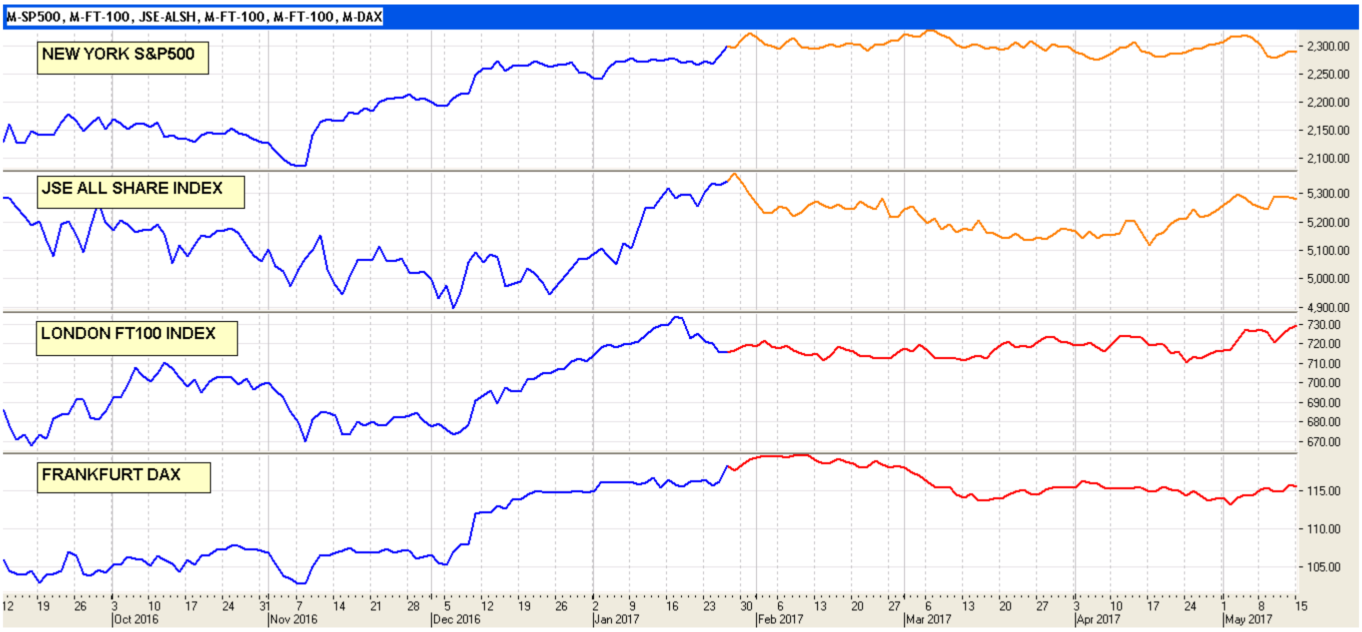
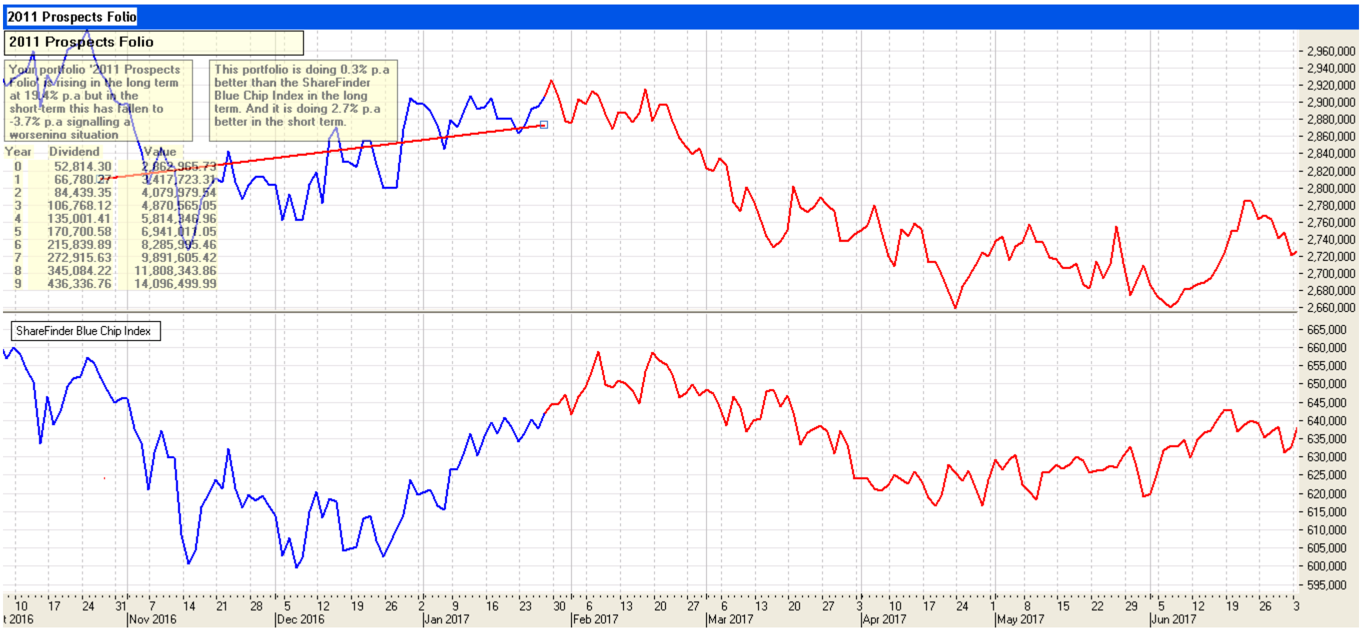
We have had a week of Donald Trump at the helm of the world's most powerful economy and markets remain perplexed. As economic commentators have always observed, markets hate uncertainty and with Trump everyone is uncertain.

Certainly there has been a flurry of activity the like of which has never been seen before so soon after a Presidential inauguration but nobody seems very certain whether the results will be beneficial or disastrous for the US in the first instance and for world markets as a whole. Opinions are as sharply divided as are the views about whether or not the stream of presidential decrees will result in actual change. But what is certain is that US Government departments do not know which way to turn and many are at loggerheads. Nevertheless markets have in general continued to react reasonably favourably in the circumstances.

My graph composite below shows how all the west's major markets, with the exception of London which is a special case following Prime Minister Theresa May's "Hard Brexit" announcement, have been rising quite steadily. But, if ShareFinder is right, all that is about to change. For several months now ShareFinder's artificial intelligence projection system has predicted that market weakness would begin in February and now it projects that today will mark the last high point for the next several months. So if you had any plans to take money off the table, today is possibly your last day to act. ShareFinder does not expect the JSE to turn upwards again until late April!



As my next composite shows, ShareFinder also senses that today is likely to be the last good day for the Prospects Portfolio until the third week of April while Blue Chips have a week or two more before they also start to give way.



For what it is worth, ShareFinder projects that the worst performers in the Prospects portfolio in the next few months are likely to be EOH and Capitec. I have reproduced ShareFinder's projection for EOH on the right. On a dividend yield of 1.09% the shares are certainly expensive but that is undoubtedly warranted by the very significant dividend and earnings growth rates the company has achieved. Furthermore, a search of company announcements in the past 12 months discloses nothing untoward. Nevertheless I have learned to trust ShareFinder's projections and will keep a close eye on EOH in the days ahead.

The next month:

New York's SP500: I correctly predicted the start of a modest recovery. Now I see that continuing until mid February with a brief downward correction then followed by further gains.

London's Footsie: I correctly predicted the beginning of a decline which I still expect to continue until February 21.

JSE Industrial Index: I correctly predicted a volatile whip-saw downward trend which I expect to last until February 14 though there could be a brief interim up-turn around February 3.

Top 40 Index: I correctly predicted a brief recovery which I expect to continue in a whip-saw fashion until the 13th.

The ShareFinder Blue Chip Index: I correctly predicted gains which I expect to continue in a whip-saw fashion throughout February.

Golds: I correctly predicted a modest recovery continuing until around January 20 followed by a brief down trend starting Monday until month-end. Now I see a very erratic continuing recovery until the last week of February.

The Rand: I correctly predicted the end of the recovery and now I see an increasingly volatile period of increasing weakness at least until February 20 when some respite might occur.

The Predicts accuracy rate on a running average basis over the past 614 weeks has been 84.08%. For the past 12 months it has been 91.43%.

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