



# Richard Cluver Predicts

In our 30th year of service to the investing public of South Africa



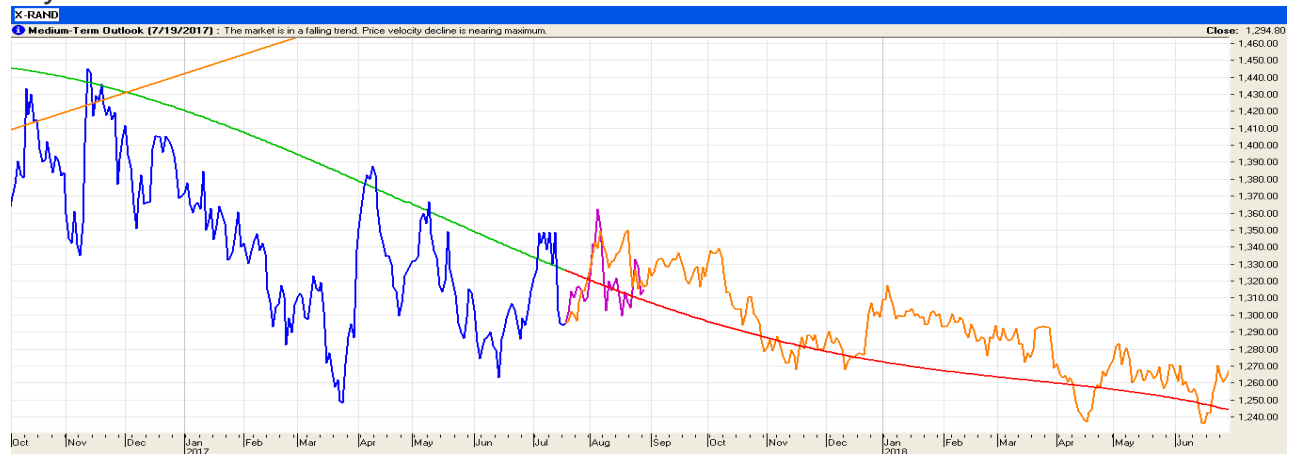
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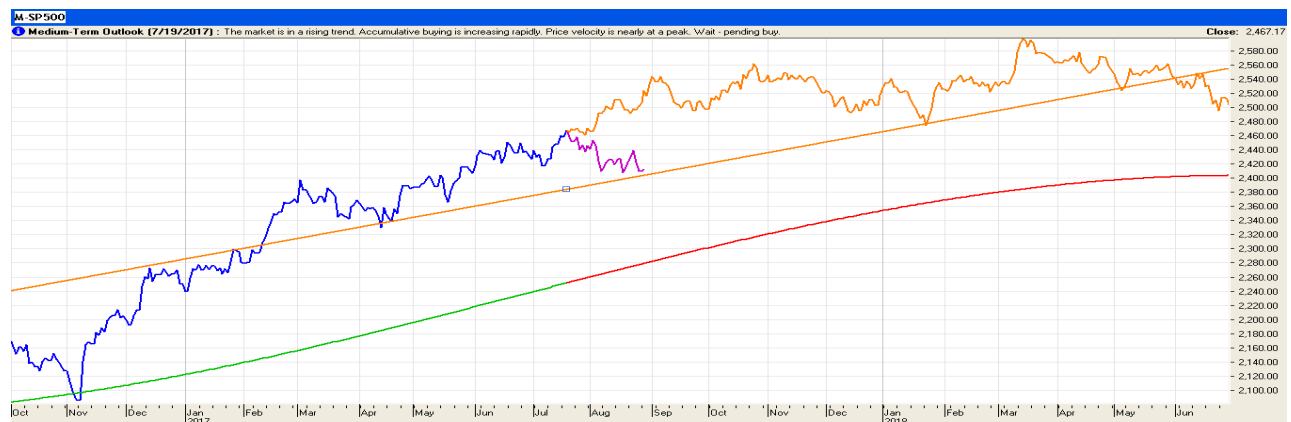
Issue: 17

Since I began this column last Friday with the Rand, it makes sense to return to the subject today noting that fresh data has significantly improved the short-term outlook for our currency. Nevertheless ShareFinder senses that the Rand will weaken over the next fortnight before resuming its strengthening trend.

In the graph composite below you can see how the mauve (short term) orange (medium term) and red (long term) are all in general agreement that a strengthening trend is in place that is likely to continue well into the new year. *N.b. a falling graph denotes fewer Rands needed to buy dollars*

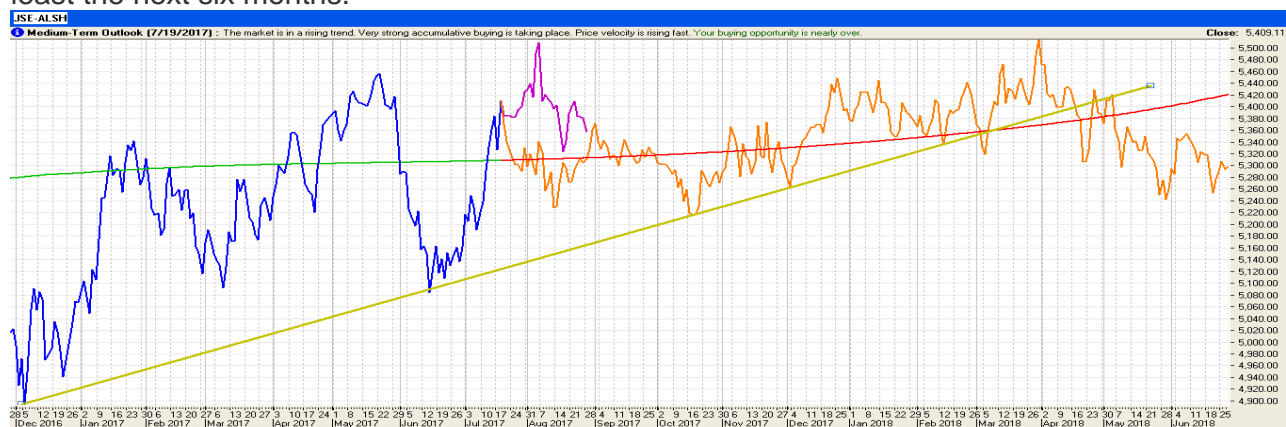


Meanwhile the outlook for Wall Street remains positive although the short-term (mauve) projection senses weakness until the end of August while the orange (medium-term) and red (long term) projections see a continuation of the 10 percent compound annual rate of increase.

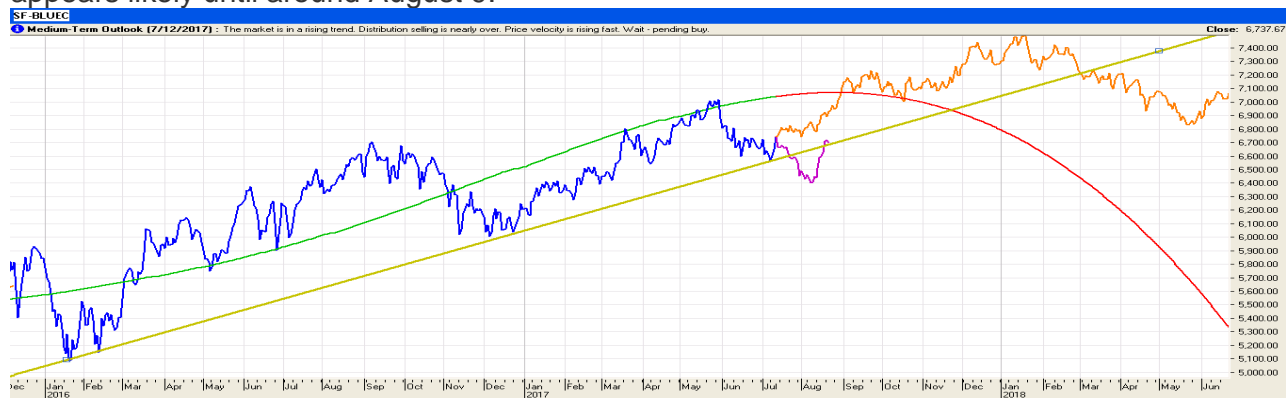


"Richard Cluver Predicts"

Both trends are, of course, good news for the JSE which is projected to continue on up for at least the next six months.



And for the next seven months at least, the ShareFinder Blue Chips appear set to continue their 17.6 percent compound upward trend though in the short-term (mauve projection) weakness appears likely until around August 9:



## The next month:

**New York's SP500:** I was premature in calling a phase of weakness lasting well into August which only began yesterday and should last until mid week before the next up-phase begins..

**London's Footsie:** I correctly forecast a new recovery and I see it continuing erratically until late in August with brief weakness today.

**JSE Industrial Index:** I was also premature a brief retraction which is likely to begin today and last for the rest of the month before the next erratic recovery throughout August.

**Top 40 Index:** I correctly predicted that the recovery would continue into August and I still see some weakness beginning towards the end of the first week of August.

**The ShareFinder Blue Chip Index:** I correctly predicted the beginning of a recovery but I still see weakness beginning around August 7 and lasting into the second week of August.

**Golds:** I correctly predicted a brief upward reaction lasting to the end of July. Now I sense weakness beginning in the first week of August.

**The Rand:** I correctly predicted the end of weakness but that moment is already over and fresh weakness appears likely until the third week of August before recovery resumes.

***The Predicts accuracy rate on a running average basis over the past 625 weeks has been 84.16%. For the past 12 months it has been 90.71%.***

**Richard Cluver**