



# Richard Cluver Predicts

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



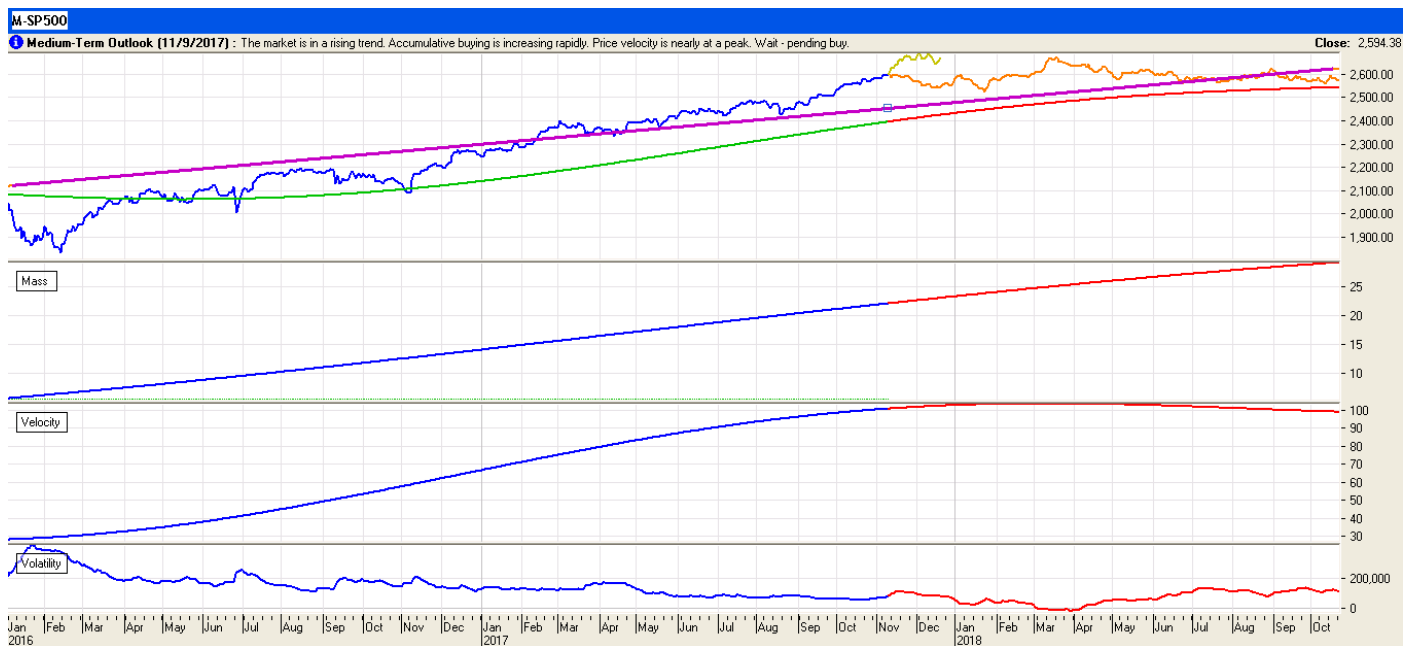
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**Let's begin this Friday as I did last Friday with a look at the Rand, noting that ShareFinder was absolutely correct in its prediction that the Rand would resume its strengthening trend for a brief period before weakening again.**

Sadly, however, recent data has resulted in the programme becoming more pessimistic and now sensing that instead of the additional weakening ending in mid-November, it now sees weakness until December 17 where after it sees a steady recovery until mid-April. I start with a graph composite showing far more detail that I usually do.



To start with the topmost graph, the purple trend line senses a continued weakening of the Rand at an annual 9.6 percent which, taken on its own, is a compelling reason for every investor to ship as much cash as they possibly can overseas into US or UK shares. However, the smoothly-curving green line which becomes red into the future suggests that the ultra-long-term value cycle of the Rand is likely to peak next October ahead of a long slow recovery. Meanwhile the orange medium-term projection line sees the weakest point of the Rand on March 13 while the yellow short-term projection sees the short-term cycle peaking on December 4.

Taking the long view then, we are close to the end of a long-term weakening cycle thought in the short-term the foreign exchange market will flirt with a series of short-term peaks within this time frame.

For confirmation of these predictions we next turn to ShareFinder's technical signals, noting that the Mass Indicator senses a continuation of the weakening cycle throughout the next 12 months

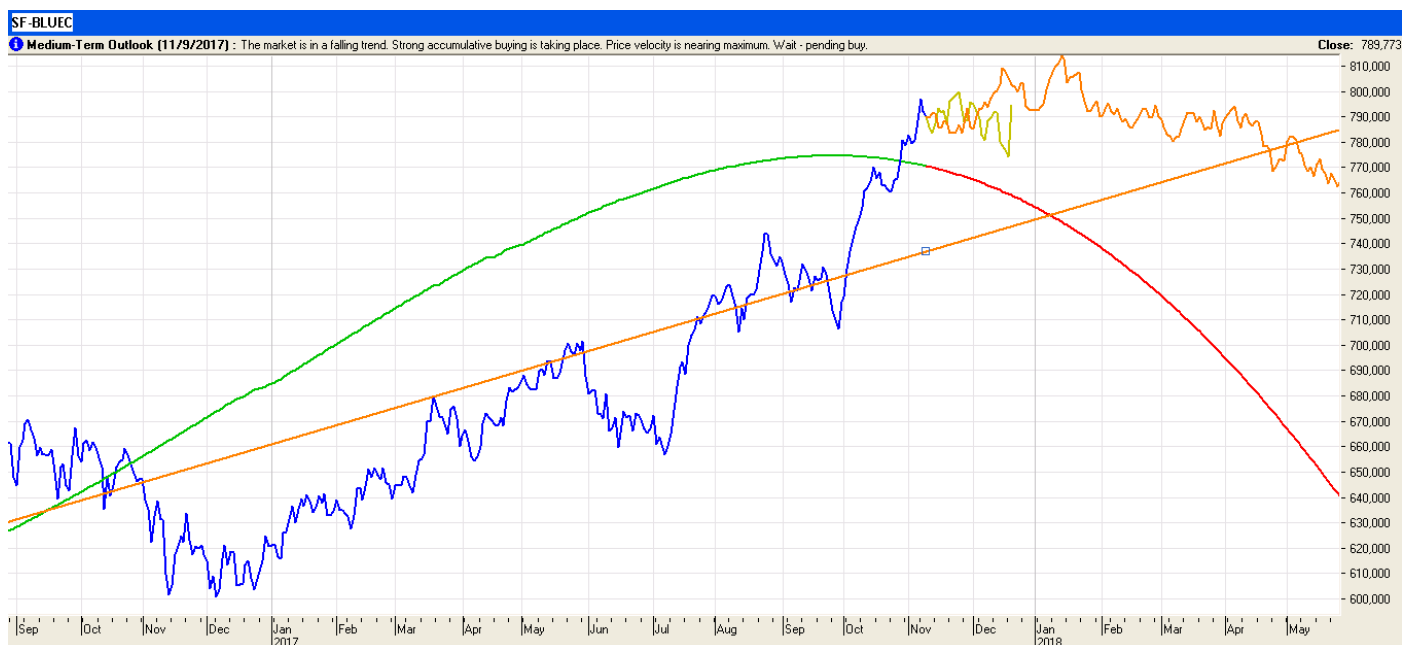
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while price velocity suggests a peak in the first quarter of the new year with price volatility falling steadily until late March when new factors are likely to prompt some new concerns that will prompt the start of a new phase of rising daily price volatility once again.

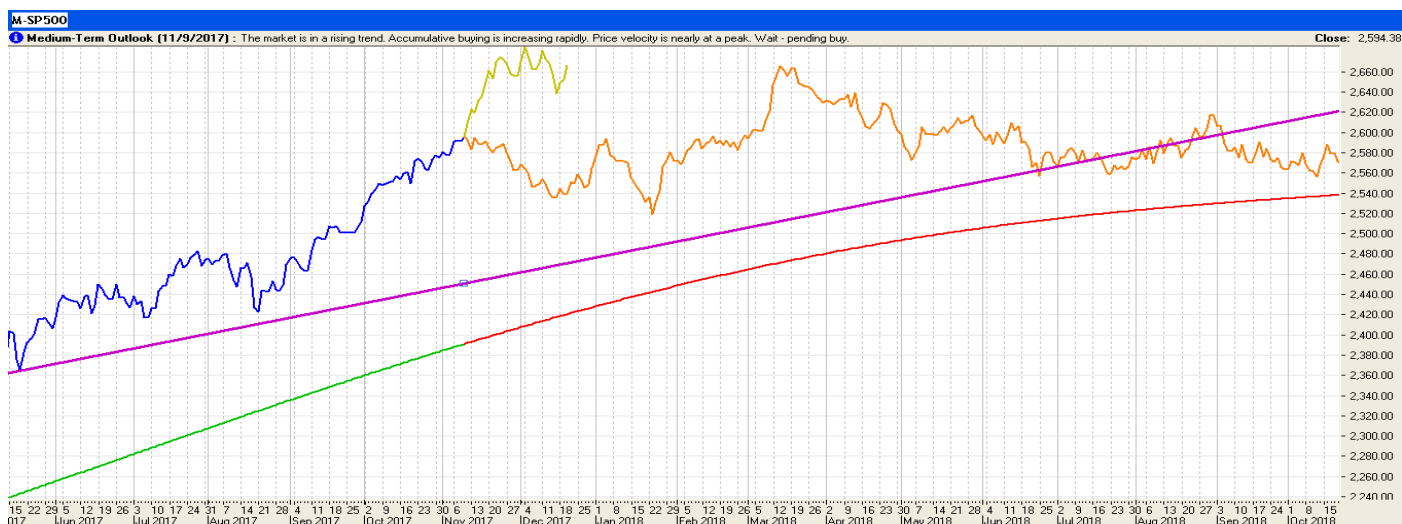
Collectively then they are all sensing the end of a weakening phase with a long-term Rand recovery likely to begin later in the new year.

Hopefully, noting the significance of those dates, the programme's artificial intelligence system knows more about the outcome of the forthcoming ANC December conference than the multitude of political analysts who are currently assailing us with so many predictions that most ordinary folk are at a loss....and in the main very depressed about the lack of movement of our law-enforcement authorities against those so clearly fingered for the rape of our economy.

Happily, ShareFinder is much more optimistic about the JSE sensing that the current Blue-Chip bull phase is likely to continue upwards until mid-January though it continues to be pessimistic about the long-term outlook:



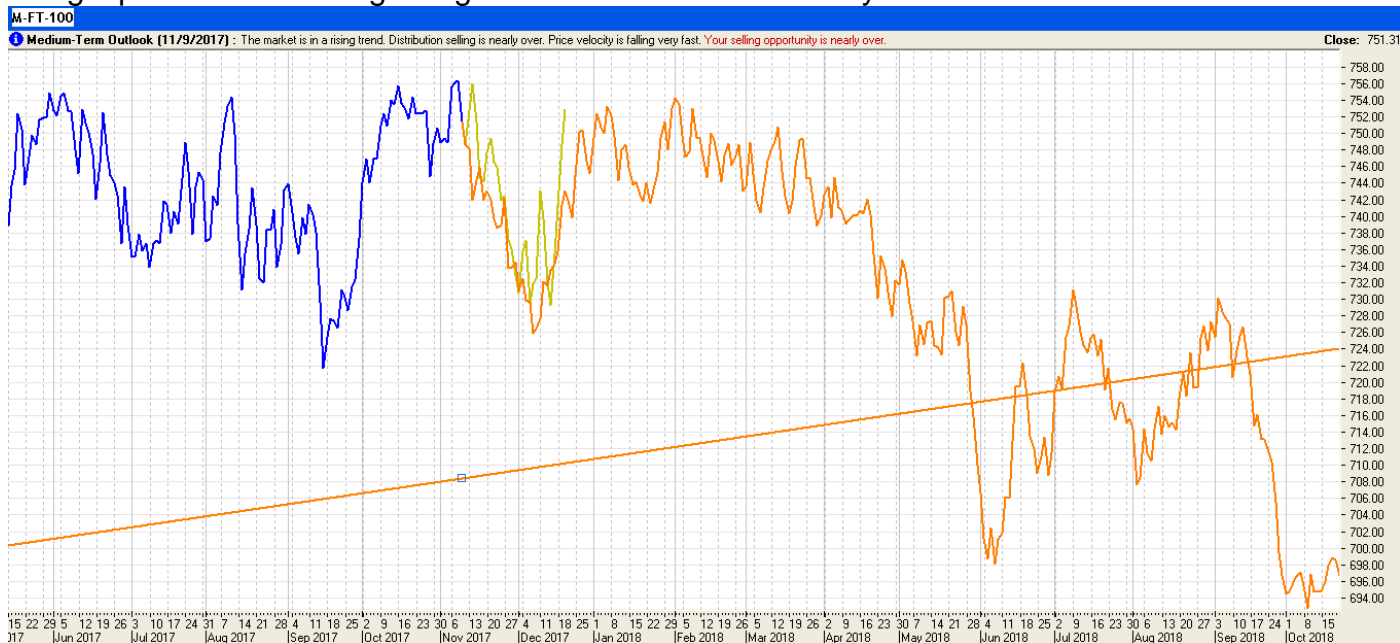
Similarly, Wall Street, which is the engine for all of this bullish share market activity worldwide, is projected to continue rising until mid-March though a short-term peak appears likely around December 4 followed by declines until approximately January 23 and then a last gasp rises until approximately March 14:



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And for good measure note that London might have peaked this week with December providing a last gasp and the bear beginning to bite at the end of January:



## The next month:

**New York's SP500:** I correctly predicted a rise which I still see. Now I see the rise continuing into the first week of December.

**London's Footsie:** I correctly predicted a down-trend which I still see continuing into the first week of December.

**JSE Industrial Index:** I correctly predicted a recovery followed by a sideways to weakening trend for November which is still my prediction.

**Top 40 Index:** I correctly predicted a continuation of the up-trend but I wrongly expected it to last until the third week of this month. Now I see things going down-hill from here until the first week of December.

**ShareFinder Blue Chip Index:** I correctly predicted a brief continuation of the up-trend ahead of some very volatile weakness until late November and possibly until mid-December ahead of another short up-trend.

**Gold shares:** I correctly predicted gains with weakness beginning this week and I see this down trend continuing well into the new week.

**The Rand:** I correctly predicted further gains but wrongly expected them to continue for a few weeks. Fresh volatility is on the cards, however, with news of a ratings agency early reassessment likely to disturb our currency further.

***The Predicts accuracy rate on a running average basis over the past 638 weeks has been 84.29%. For the past 12 months it has been 90%.***

**Richard Cluver**

**PLEASE NOTE THAT WE WILL SHORTLY BE TERMINATING OUR 031 764 7845 PHONE LINE FOLLOWING WHICH CLIENTS SHOULD ONLY USE OUR 031 940 0012 LINE.**

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