



Richard Cluver Predicts

In our 31st year of service to the investing public of South Africa



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Wall Street shares have been rising steadily for the past week with the result that yesterday the S&P500 Index broke bullishly through the upper limits of a pennant formation that has been in place since the end of last year.

If there is no consequent retraction in today's trading, this is a very positive development which signals the probability of gains for the next month at least and is likely to have positive spin-offs for global markets as a whole. Nevertheless, ShareFinder remains unwavering in its forecast that the Wall Street bull market will end around June 18 and that this will precipitate a plunge that could prove catastrophic for global markets plunging to a low point on July 24 or thereabouts as illustrated by my graph below.



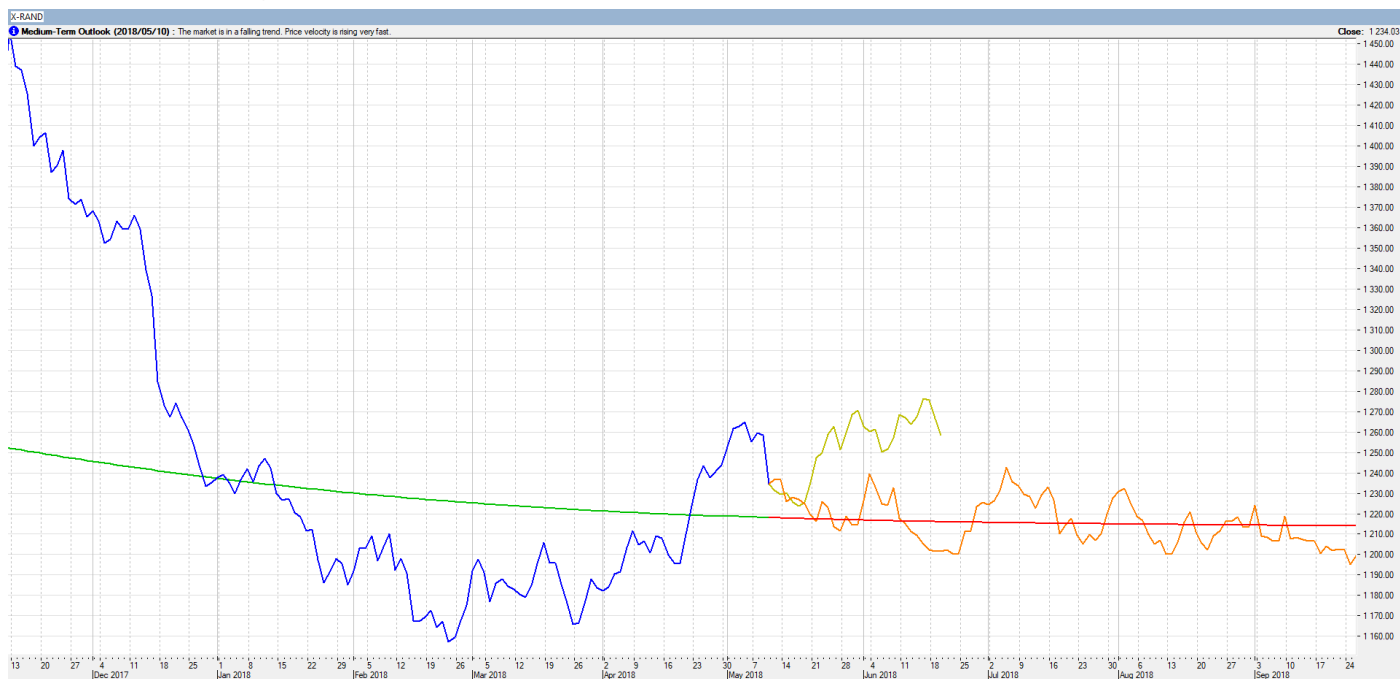
Things are, however, not looking nearly as good for the JSE with the All Share Index trapped between the rails of a descending channel and ShareFinder projecting both in the short and medium-term that the market trend will be negative for the rest of this month at least:



11 May 2018

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The good news for South Africans, however, is that the recent weakening trend of the Rand reversed itself this week and, although a brief weak spell seems probable between May 17 and June 15. The longer-term trend suggests that the Rand will continue to gain strength for most of this year with a high of R11.95 to the US Dollar likely in late September.



Another piece of good news for readers who follow my Prospects portfolio recommendations is that the phase of weakness that has bedevilled South African Blue Chip shares since late January appears to now be over. ShareFinder predicts that a new up-turn is beginning that could see the establishment of a new market high in mid-June:



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Page 2 ©2018 RCIS

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The next month:

New York's SP500: I correctly predicted a further recovery. Now I see gains until June 18 though brief weakness is possible between May 15 and 21.

London's Footsie: I wrongly predicted declines until the second week of June but that down-trend has merely been delayed and daily becomes more probable.

JSE Industrial Index: I wrongly predicted a decline until May 24/30 before the next recovery begins but, like the UIK market, the retraction was delayed and now becomes increasingly imminent.

Top 40 Index: I wrongly predicted a downswing which I expected to last until May 22/29. Here again, the decline was probably simply delayed and a plunge until May 28/29 is now likely.

ShareFinder Blue Chip Index: I correctly predicted weakness. Now I see gains until the 17th.

Gold shares: I correctly predicted declines lasting until mid-May with a brief gain possible from now to the 16th. Thereafter it is likely to be down until the end of the month.

Gold Bullion: I correctly predicted a brief recovery which is likely to be over between now and May 14 followed by declines until late June.

The Rand: I correctly predicted an up-trend with many ups and downs until late November. Brief weakness is, however possible between May 17 and June 15.

The Predicts accuracy rate on a running average basis over the past 657 weeks has been 84.55%. For the past 12 months it has been 91.47%.

Richard Cluver