



Richard Cluver Predicts

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



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Given the broad realization that President Cyril Ramaphosa's hold on power within the upper echelons of the ANC is so tenuous that he is, for example unable to fire that disgrace of a Minister Bathabile Dlamini until he achieves a convincing win at the next elections, the word on the street is the has been given wriggle room by the ratings agencies until then.

Whether or not that is true will likely be confirmed later today. However, the strengthening of the Rand adding 1.3% against the US dollar yesterday - although it was a little softer this morning, around R13.78 to the US dollar at the time of writing – seems to add some weight to the view.

That said, ShareFinder currently takes a pessimistic view of the Rand, projecting that it will reach its strongest point by mid-week before beginning to dramatically retrace into weakness. My graph below illustrates, however, that the current volatility of the rand is relatively minor compared with what had become the norm during the Zuma years when in contrast with a long-term weakening trend of around 6.4 percent annually, our currency began losing value at an annual average rate of 9.2 percent as delineated by my purple trend line.



In the medium-term, as delineated by the orange projection on the right of the graph, ShareFinder takes a more sanguine view trending towards considerable optimism with the

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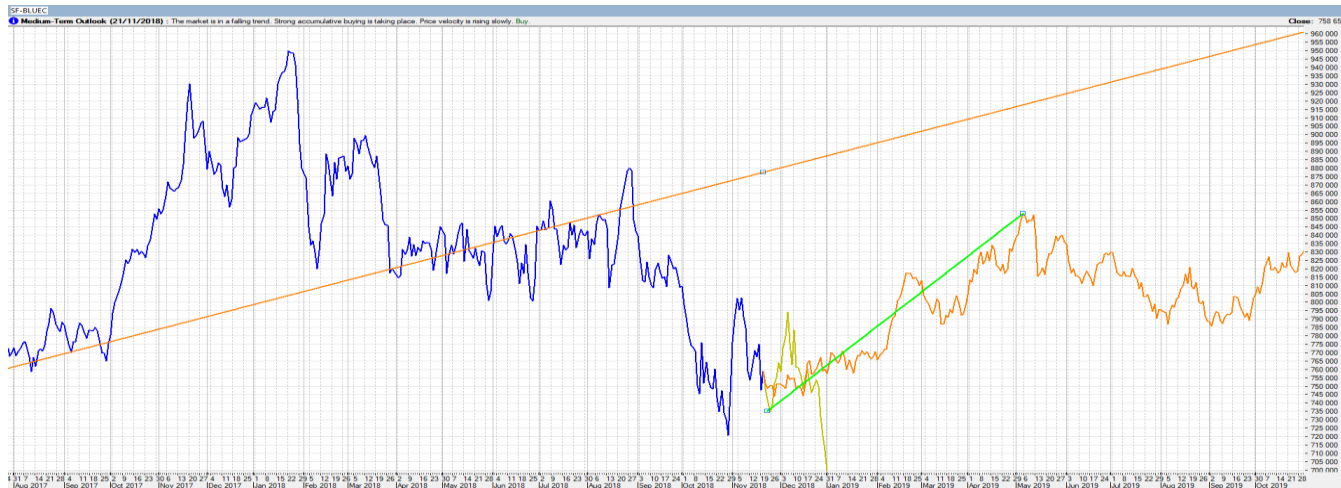
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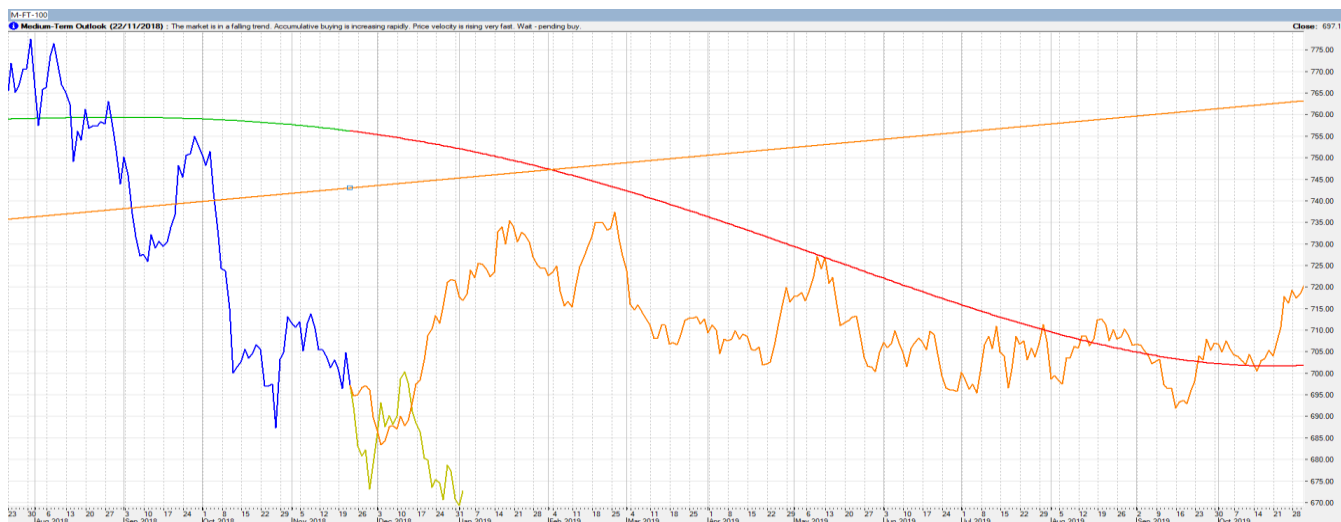
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rand projected to gain at an annual rate of 10 percent as highlighted by my green trend line. Let's sincerely hope that in this projection ShareFinder is maintaining its usual accuracy because that obviously speaks of a much more optimistic future for this country that the Zuma decade.

Turning to JSE Blue Chip shares, ShareFinder is similarly optimistic sensing an upward trend at an annual rate of 14.1 percent over the next 12 months although it does sense short-term weakness between now and November 29 but the following six months, if ShareFinder is correct, could offer us a mini bull market with the index rising at an annualized rate of 40 percent between late November and early May.



ShareFinder is not nearly as optimistic about the British market. Though it senses some euphoria between the end of November and late February, presumably associated with the Brexit debate there, the longer-term view is distinctly negative from February until mid-September as traced out below:



The big one, of course, is Wall Street which ShareFinder projects as falling steadily for most of next year in keeping with analysts' pessimistic view there now that the so called FANGS front runners have been coming off at an alarming rate which (yellow trace) is likely to lead to a

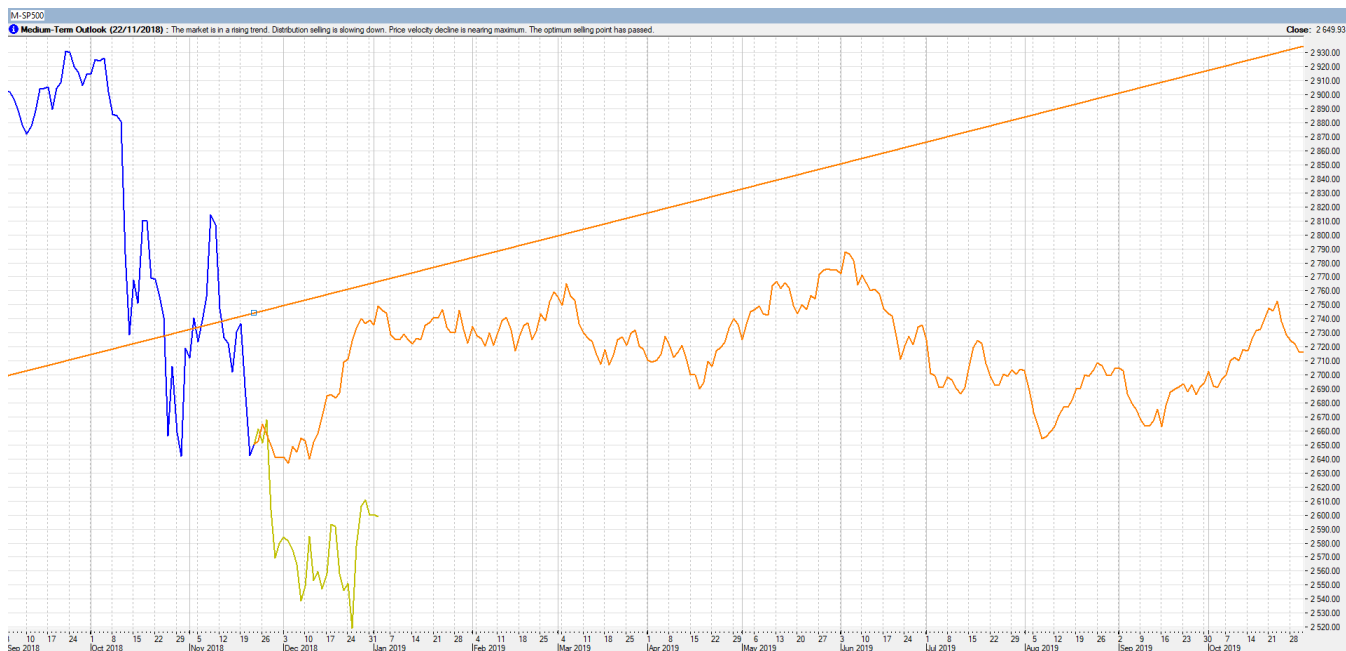
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continuation of the serious pain currently being felt and, ShareFinder predicts, is likely to continue until Christmas before some respite is felt:



The next month:

New York's SP500: I correctly predicted that markets would decline throughout this month and I do not see an upward rebound before the second week of December...

London's Footsie: I correctly predicted that the market would decline throughout this month. I now see a recovery beginning between November 29 and December 4 and lasting until mid-January.

JSE Industrial Index: I correctly predicted gains but I continue to see an imminent down-turn lasting until at least the end of December.

Top 40 Index: I correctly predicted a recovery which I still see lasting at least until early December.

ShareFinder Blue Chip Index: I correctly predicted weakness into mid-December followed by a long recovery.

Gold shares: I correctly predicted the downward trend would continue and I still see it lasting until mid-May.

Gold Bullion: I correctly predicted an up-turn, but I think it will peak today. But then it is likely to be downwards after that...well into the future.

The Rand: I correctly predicted the beginning of a recovery which I still see lasting until around November 28 followed by renewed weakness until late December.

The Predicts accuracy rate on a running average basis over the past 682 weeks has been 84.9%. For the past 12 months it has been 94.33%.

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