



# Richard Cluver Predicts

In our 32nd year of service to the investing public



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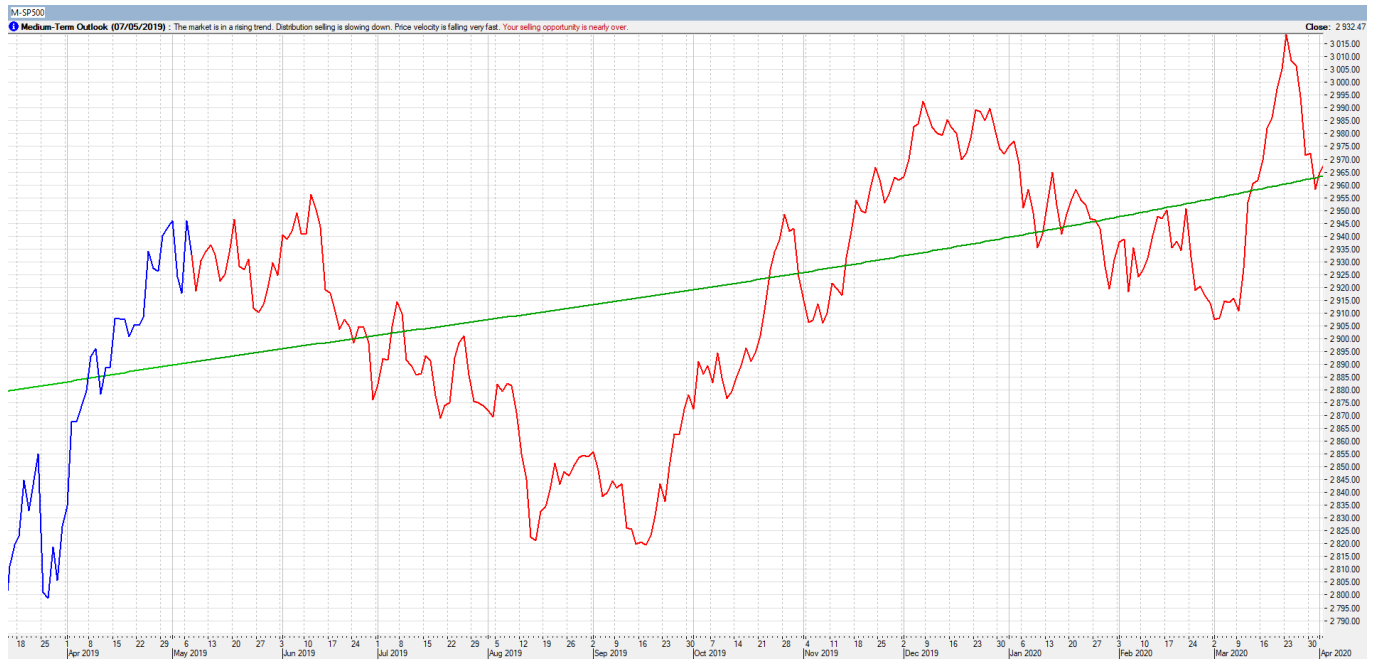
The relatively sharp sell off of the JSE All Share Index on Tuesday ahead of the general election preceded by a generally weakening trend since April 23 was proof positive that investors believed that the election outcome might be a troubling one.

For what seasoned investors clearly understand is that uncertainty is not good for markets and so, until this week's political developments are clearly understood the likely market trend will be downwards as ShareFinder has long projected in the graph below:

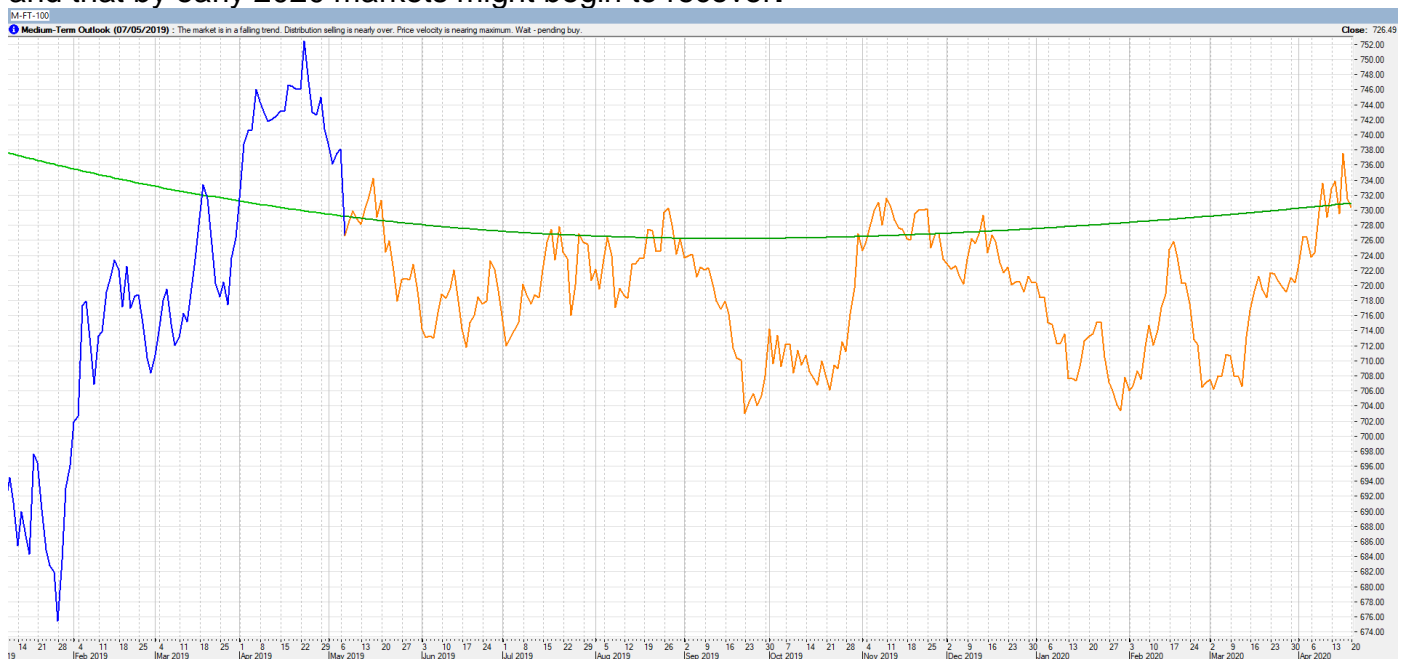


The current global worry is predominantly heightened trade war tensions between the US and China exacerbated with sanctions issued in the Middle-East and, of course, the ongoing uncertainty over the British Brexit process where a massive Tory defeat at the polls makes it certain that the Theresa May government has run out of options. Do note, however, that the green line of the long-term ShareFinder projection emphasises that the Far East is experiencing just temporary weakness within a long-term up-cycle.

Similarly, though the short-term trend is for further declines to happen in US markets, probably until September, a long-term up-cycle pictured in green, is clearly in place in the graph of the S&P500 Index below:



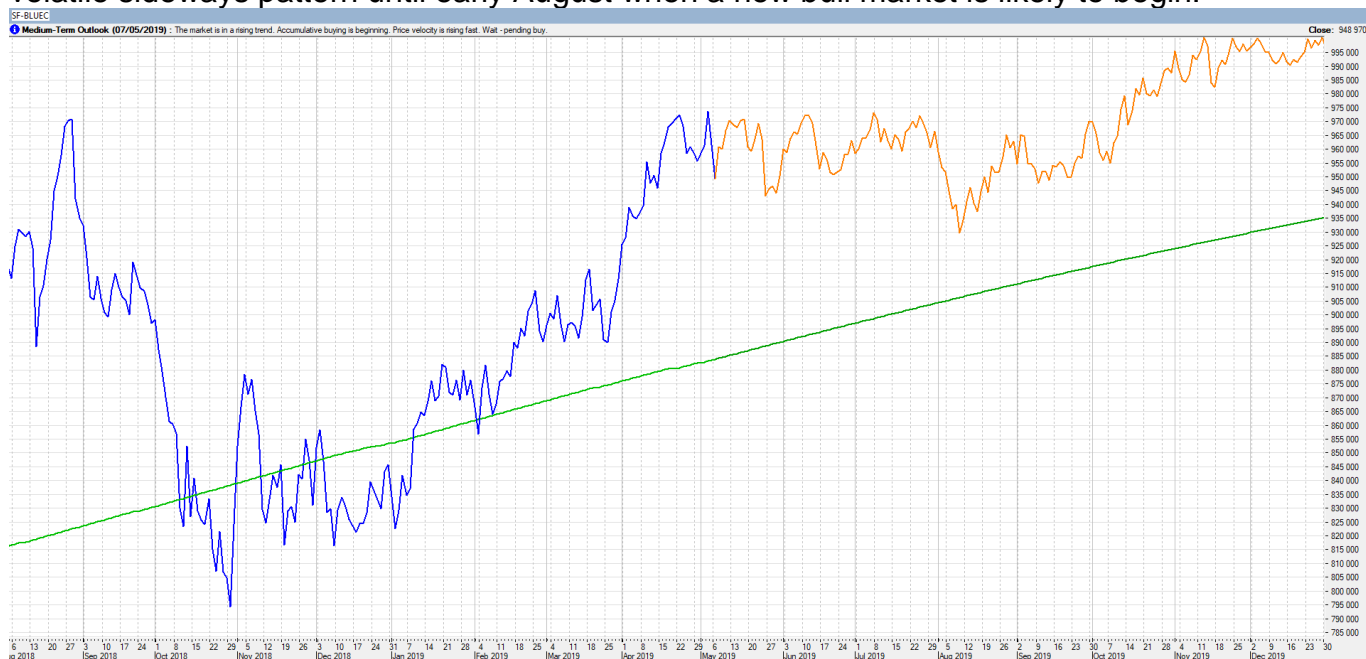
Even London is demonstrating that in the long-term (green trace) that the end of misery is in sight and that by early 2020 markets might begin to recover:



Amid all of this the good news for South African investors is that the overall trend of the Rand continues to strengthen and is likely to continue for the rest of this year at an overall rate of 12 percent a year:



And the really good news is that the ShareFinder Blue Chips are unlikely to suffer at all during this period of general market weakness. As my next graph shows, the worst we can expect will be a volatile sideways pattern until early August when a new bull market is likely to begin:



## The month ahead:

**New York's SP500:** I correctly warned that the market was beginning to roll over from a peak and I continue to expect it will trend weaker until late May before making one last upsurge until June 11 before going into decline until mid-August with a probable double bottom in mid-September before a recovery begins till the end of the year.

**London's Footsie:** I correctly predicted the beginning of a decline which I saw lasting until the end of April and I continue to foresee a final recovery to peak around May 16<sup>th</sup> before sliding until mid-September with a second bottom around the end of January.

**Hong Kong's Hangsen:** I correctly predicted that Hong Kong will lead the pack down having already peaked and this has proved correct with the market likely to continue down until the end of June.

**JSE Industrial Index:** I correctly predicted the first of two final peaks with a sharp decline in between and the second peak likely on June 12 before a volatile slide to a bottom on August 8 and I continue to back those dates.

**Top 40 Index:** I correctly predicted a twin-peak final end to this market with the first happening on April 23<sup>rd</sup> and the final happening a week earlier than I predicted. Now the outlook is for a decline until August 16.

**ShareFinder Blue Chip Index:** I correctly predicted a volatile sideways trend which is likely to establish a ceiling around the 9700 level with a brief sting in the tail between July 26 and August 9 before a fresh bull market is established.

**Gold shares:** I correctly predicted the decline that began on February 20 would last until May 28 before beginning a long recovery until a peak in December and my prediction remains unchanged.

**Gold Bullion:** I correctly predicted a long declining trend that I continue to predict will last until the first quarter of 2020.

**The Rand/US Dollar:** I correctly predicted a recovery which I continue to see lasting at least until September with a final peak likely to occur around mid-December.

**The Rand/Euro:** I expect the Rand to continue strengthening relative to the Euro until May 24 followed by a weakening trend until late October.

***The Predicts accuracy rate on a running average basis over the past 706 weeks has been 85.09%. For the past 12 months it has been 93.44%.***

**Richard Cluver**