



# Richard Cluver Predicts

In our 32nd year of service to the investing public



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**It is a year since ShareFinder first began telegraphing the probability of a series of steep share market declines that would end in August this year.**

Using ShareFinder's artificial intelligence projections as my guide, I predicted that the decline would end on August 14 in South Africa and a week or so later in the US with Britain trailing some months later. So I am happy to announce that precisely that has happened.

As my graph of the ShareFinder Blue Chip Index below illustrates, the decline began on August 30 last year, bottomed on October 30 before recovering to peak on April 23 this year and running down to bottom last week on August 14. And note the red projection line which sees the next peak on December 9 before the market retreats again until March 5 next year and then resumes its recovery.



The result of these moves is that buying opportunities litter the ground in one of those almost once in a lifetime buying opportunities. There are so many deliciously-priced shares that you can almost randomly stick a pin into the newspaper share lists and start buying. Among my personal favourites as a recovery situation is Aspen (pictured on the right) which might still have a way to go with next May the likely best buying date.

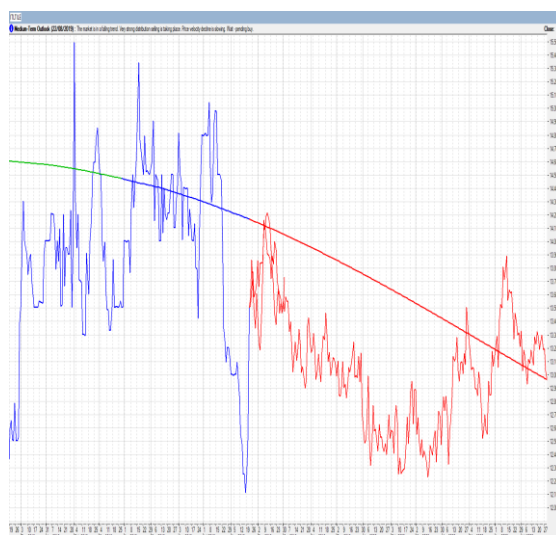


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But there are so many others. On the right I have reproduced an excerpt from ShareFinder's Quality List arranged in descending order of their five-year compound annual average dividend growth rate with Italtile on an understandably comparatively high dividend yield of 2.4 percent which is hardly surprising given how its dividend has grown over the years. Assore is in relative terms, half the price with half the dividend growth rate...and so forth.

In my graph projection below, ShareFinder calculates that Italtile will continue falling until early February:



Assore is seen falling until early February



Name	DY	5YrDiv	5YrGro	Grade
<b>— Grand Old Favourites —</b>				
Group Avg.	4.5	23.82	1.98	590.6
ITALTILE LTD	2.4	62.99	6.42	1 20...
ASSORE LTD	5.8	34.93	-1.14	1 27...
KAP INDUSTRIAL HLDG LTD	3.6	20.20	5.05	314.3
RMB HOLDINGS LTD	4.1	19.28	4.39	501.0
STANDARD BANK GROUP LTD	4.6	13.51	4.65	326.7
INVESTEC LTD.	4.7	10.88	-4.12	357.4
REUNERT ORD	6.4	4.97	-1.37	152.4
<b>— Mid-Cap Companies —</b>				
Group Avg.	11.8	4.82	-3.73	117.2
EMIRA PROPERTY FUND LTD	11.8	4.82	-3.73	117.2
<b>— Tightly Held Mid-Cap Companies —</b>				
Group Avg.	2.7	14.75	4.88	2 711.0
AFRIMAT LTD.	2.2	20.59	13.88	896.4
ZEDER INVESTMENTS LIMITED	2.0	20.10	-3.98	1 38...
HUDACO INDUSTRIES LTD	3.9	3.56	4.74	5 85...
<b>— Blue Chips —</b>				
Group Avg.	4.6	14.52	2.33	1 029.6
SABVEST LTD	1.5	51.17	3.72	5 50...
MONDI PLC.	3.5	43.77	10.27	762.4
JSE LTD	4.4	24.50	3.89	313.5
ADAPTIT HOLDINGS LIMITED	2.5	24.22	-4.58	858.0
AECI LTD.	4.5	21.87	-5.44	396.1
CAPITEC BANK HLDGS LTD	1.3	20.49	38.49	549.6
BRITISH AMERICAN TOBACC...	5.3	19.22	-2.23	3.5
FIRSTRAND LTD	3.9	18.38	6.48	369.4
COMPAGNIE FIN RICHEMONT	0.0	17.85	3.00	345.3
CLICKS GROUP LIMITED	1.6	16.57	24.64	445.2
AVI LTD	4.1	14.00	6.45	392.9
DISCOVERY LTD	1.6	13.21	1.13	417.1
NEDCOR LTD	5.1	11.19	-1.01	277.5
MR PRICE GROUP LTD	3.9	11.09	-2.41	293.9
NASPERS LTD N-SH	0.2	10.87	19.77	14 9...
THE SPAR GROUP LTD	3.4	9.32	7.26	210.3
REMGRO LTD	2.6	9.20	-6.65	199.4
THE FOSCHINI GROUP LTD	4.3	7.59	5.14	187.1
GROWTHPOINT PROP LTD	9.3	7.00	-1.87	85.5
OCTODEC INVEST LTD	12.0	6.90	-4.55	362.7
SANLAM LTD	3.5	6.60	1.94	149.2
PHUMELELA GAME LEISURE	21.6	5.66	-35.31	93.2
WILSON BAYLY HLM-OVC ORD	2.4	5.39	-4.72	228.3
VUKILE PROPERTY FUND LTD	10.1	5.22	1.26	174.8
TIGER BRANDS LTD ORD	3.3	4.17	-6.77	-29.6
ADVTECH LTD.	2.1	4.12	6.55	145.0
NEDBANK LTD NONCUMREF	7.1	2.48	-1.42	97.9

ShareFinder currently rates the best buys as follows, ranked in descending order of dividend growth rates:

Name	Close	3 Month Price Gro...	5 Year Price Gro...	Dividend Growth	Grade	Risk	Total Return
The following shares, combine exceptional fundamental quality with high historic dividend growth rates:							
ITLTILE	13.50	-14.87	6.42	62.99	1 203.5	-31.06	8.85
SABVEST	38.43	-66.87	3.72	51.17	5 506.6	33.23	5.22
MONDIPLC	296.28	-19.31	10.27	43.77	762.4	1.37	13.79
ASSORE	304.91	-59.10	-1.14	34.93	1 278.9	133.75	4.64
JSE	119.30	-49.20	3.89	24.50	313.5	9.27	8.24
ADAPTIT	5.45	-18.64	-4.58	24.22	858.0	32.40	-2.07
AECI	92.85	-10.07	-5.44	21.87	396.1	-31.64	-0.94
AFRIMAT	29.78	-7.11	13.88	20.59	896.4	5.17	16.05
CAPITEC	1 099.99	-50.73	38.49	20.49	549.6	25.31	39.76
KAP	5.17	-69.16	5.05	20.20	314.3	-1.80	8.61
Though the following shares may carry a greater degree of risk, these have achieved the highest historic dividend growth rates:							
TRANSCAP	22.44	44.40	29.04	1 273.19	12 912.9	-8.57	31.04
TRADEH	10.56	-50.94	-8.51	96.25	6 453.3	21.63	-4.34
ASTRAL	152.50	-44.40	1.13	82.36	2 348.6	43.90	9.13
MERAFE	1.10	-32.37	-4.57	74.91	663.2	47.00	-0.21
ALEXANDER	5.28	4.54	-9.20	72.03	750.6	8.15	-4.83
SAFARI	4.97	6.92	-6.93	60.02	677.7	-34.30	3.13
FINBOND	3.50	-46.10	3.48	53.04	1 094.1	40.83	3.83
NUWORLD	41.00	-24.43	16.99	37.27	561.4	-4.77	23.38
MAS	19.40	-26.80	0.63	33.23	7 977.0	-2.81	5.84
PSG	200.50	-53.09	16.26	31.87	368.2	25.08	18.07

## The month ahead:

**New York's SP500:** I correctly predicted the decline would last until mid-August and that probably occurred last Friday with a recovery now under way until early December.

**London's Footsie:** I correctly predicted further declines and I now see a bottom in mid-January.

**Hong Kong's Hangsen:** I correctly predicted that Hong Kong would lead the pack down and continue to see a recovery beginning from the end of this month.

**JSE Industrial Index:** I correctly predicted the decline would continue until mid-August with a recovery beginning today and now I see it recovering until November 7 before running down again until June.

**Top 40 Index:** I correctly predicted a decline until today and now I see a recovery until early December followed by weakness until April.

**ShareFinder Blue Chip Index:** I correctly predicted the decline would end last week and now I see gains until the first week of December followed by declines until early March.

**Gold shares:** I correctly predicted the beginning of a recovery which I still expect to last until mid-December followed by declines until at least July.

**Gold Bullion:** I correctly predicted a brief recovery followed by a decline until late November and I still hold that view.

**The Rand/US Dollar:** I correctly predicted a recovery beginning around now and lasting until mid-December and I continue to hold that view.

**The Rand/Euro:** I correctly predicted that the Rand would continue strengthening relative to the Euro and I continue to expect that to happen until mid October followed by weakness until early December.

**The Predicts accuracy rate on a running average basis over the past 710 weeks has been 85.2%. For the past 12 months it has been 94.38%.**

**Richard Cluver**