



# Richard Cluver Predicts

In our 32nd year of service to the investing public



Volume: 32

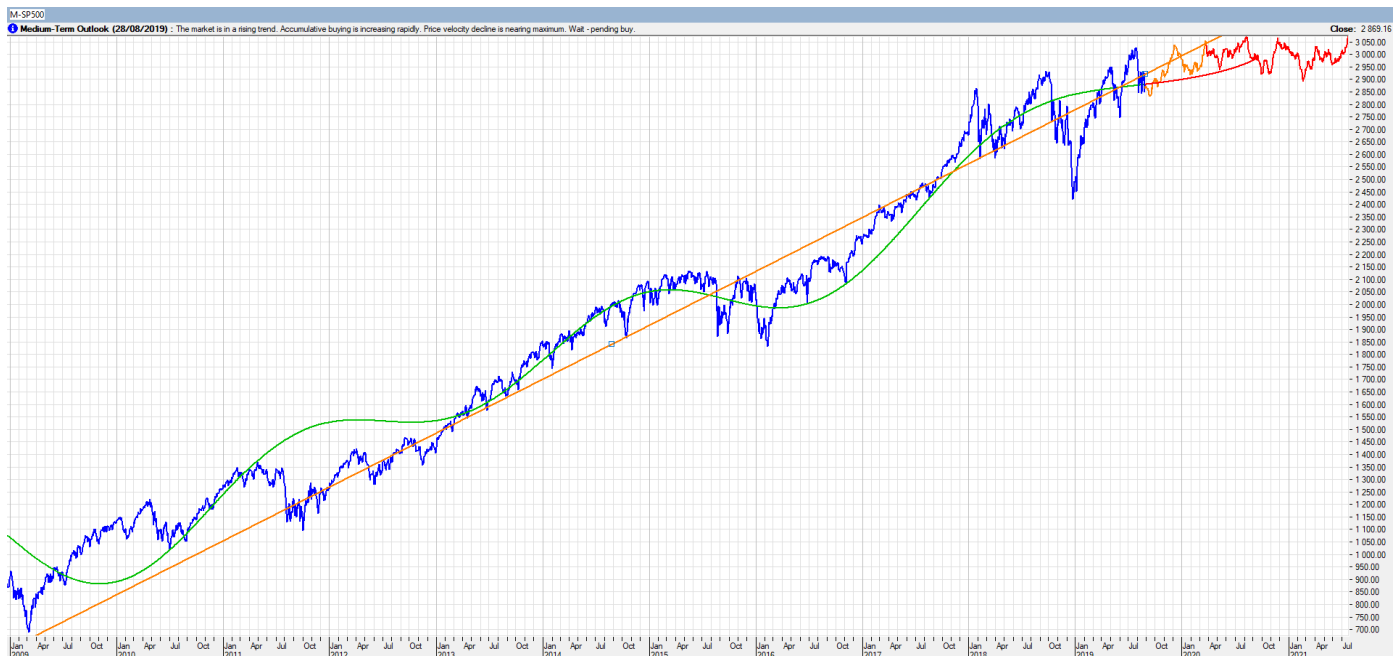
Issue: 36

30 August 2019

**It is truly incredible that the economic fate of the whole world, at least in the short term, rests in the hands of just one man and that his habit of explosively venting his spleen on Facebook and Twitter daily moves markets.**

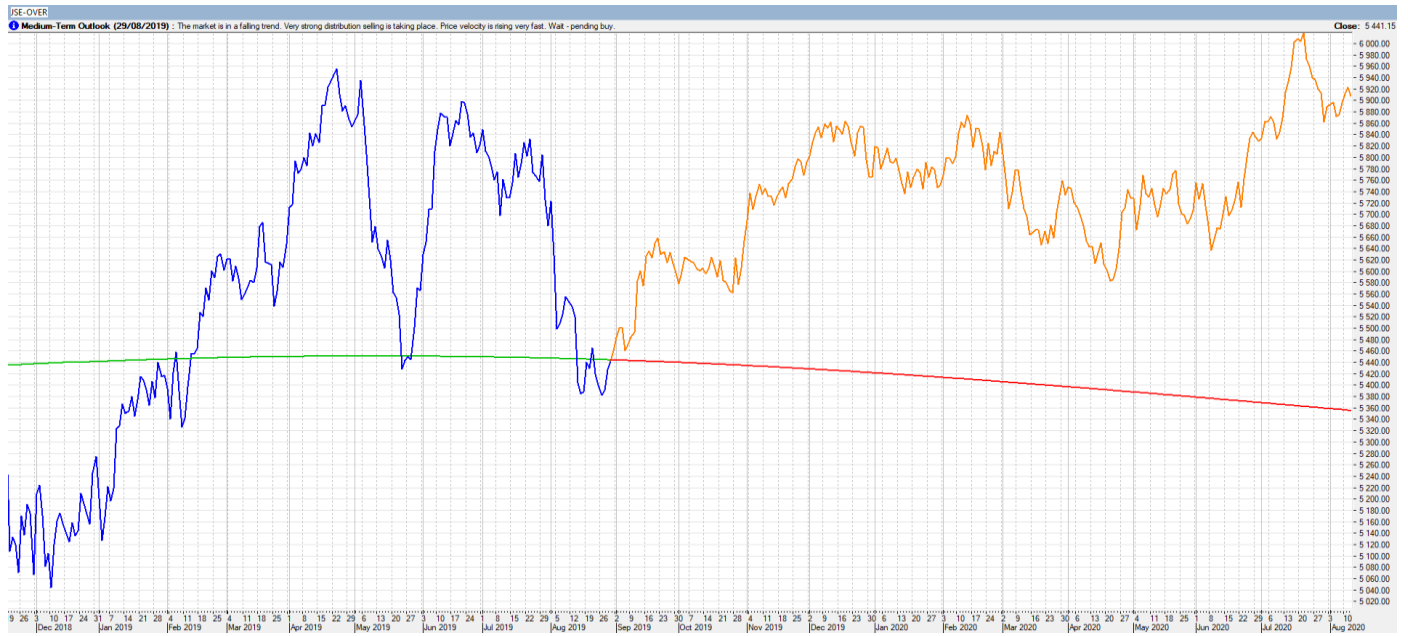
It has got so that the smart people decide whether to go long or short each day depending upon which side of the bed President Trump gets out of bed in the morning. I guess we should be grateful for small mercies that UK Prime Minister Boris Johnson and China's Xi Jinping don't use the same methods of thinking aloud...Thinking?

That markets should be so skittish is, of course par for the course given that we are clearly nearing the end of an economic up-cycle that in the US has given Wall Street its longest ever bull phase. However, if ShareFinder is its usual accurate self there is still a while to go if you consider the programme projection in the graph below:

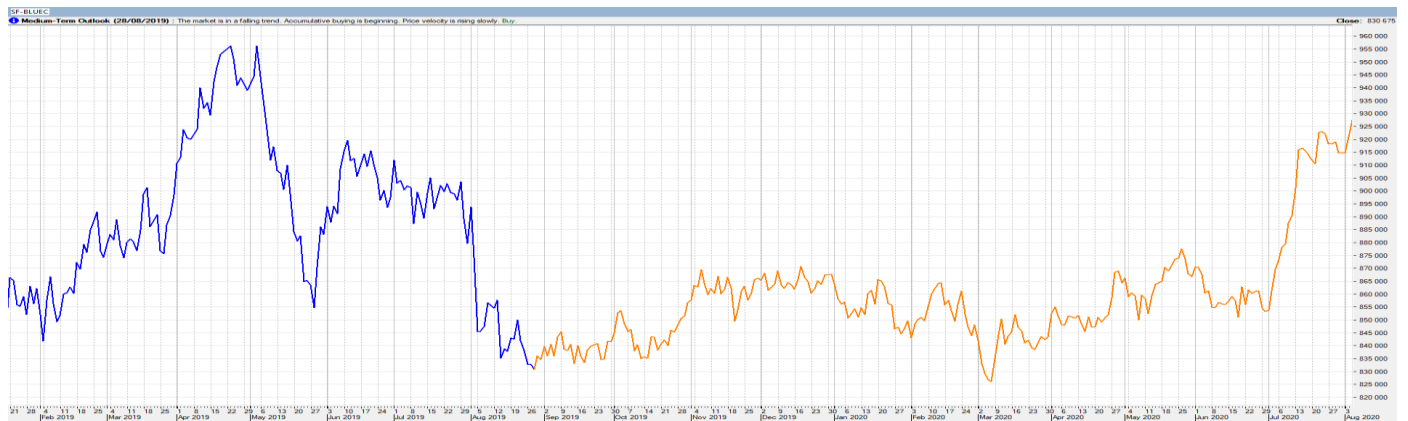


Going back to the comments that fall from presidential “fingertips,” Asian shares rose this morning after news emerged that the US and China were going back to the negotiating table and on ongoing hopes that central banks would deliver on the promise of easier monetary policy next month. Here at home the JSE enjoyed a welcome rally and the rand recovered from levels around R15.47 to the US dollar to below R15.30 at one point yesterday before retreating slightly to R15.32 to the dollar. In turn, gold came off its recent highs and oil prices were slightly lower this morning.

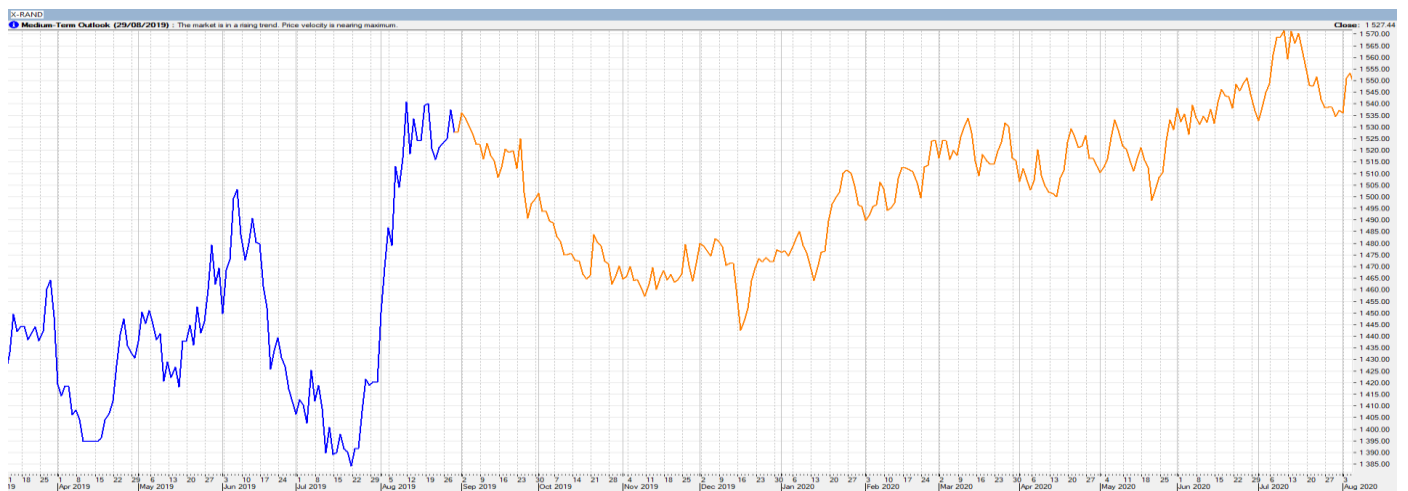
More importantly, as I noted last week, the JSE All Share Index looks increasingly like it will continue to do what ShareFinder said it would over a year ago, tracking upwards from now until the end of the year before back-tracking a little between February and April:



Blue Chips are on the recovery trail as well and are likely to continue on upwards until mid-December before going into a brief recess until early March.



Furthermore, the Rand is likely to continue strengthening against the US Dollar until mid-December though, sadly, the outlook for most of 2020 is likely to be weak:



## **The month ahead:**

**New York's SP500:** I correctly argued that Wall Street was consolidating its bottoming before entering another 12 months of recovery. The next weak phase is likely between mid-December and mid-January.

**London's Footsie:** I correctly predicted further declines. Now I see an interim bottom late in September but it should be over by early October with the final bottom unlikely before late January.

**Hong Kong's Hangsen:** I correctly predicted that a recovery would begin from the end of this month and that process now appears to be under way with the next peak likely around early January.

**JSE Industrial Index:** I correctly predicted a recovery beginning and I see it continuing until November 7 before running down again until mid-April.

**Top 40 Index:** I correctly predicted a recovery which I still see lasting until early December followed by weakness until late April.

**ShareFinder Blue Chip Index:** I correctly predicted that the decline had ended and continue to see gains until the first week of December followed by declines until early March.

**Gold shares:** I correctly predicted 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. Now I see the peak around September 5 with the following decline lasting until late November when a brief recovery appears likely followed by a protracted decline into 2020.

**The Rand/US Dollar:** I correctly predicted a recovery beginning around now and I still see it lasting until mid-December.

**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 when a brief recovery appears likely.

***The Predicts accuracy rate on a running average basis over the past 711 weeks has been 85.22%. For the past 12 months it has been 94.29%.***

**Richard Cluver**