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If, judging by his recent TV appearances, President Ramaphosa is beginning to take on the appearance of a frightened meerkat frozen into inactivity by the headlight beam of an oncoming express train, * I have to hold out some grudging sympathy for him but continued capitulation to teacher trade unions, taxi owners and just about everyone else who says boo does make one wonder who is in charge?

(With apologies to the Zulu idiom which classically illustrates the three clicks)

Lesser men would quail in the face of the crisis South Africa now faces for the government is technically bankrupt and, without the support of key alliance partners who have been laid low by illness, Ramaphosa now faces a decision that could very likely see the destruction of the ANC's tripartite alliance and even signal the death knell of the party itself.

Given that the buck always ends with the State President, none of the options currently facing Ramaphosa can have a good outcome. In the wake of the pandemic, Government debt has ballooned to such proportions that savage cuts now need to be made to government spending.

Putting that bluntly, nothing less than halving civil service pay will get Ramaphosa out of the fiscal bind he is in. That will inevitably bring him into direct confrontation with Cosatu; the union that put him into power. The only likely alternative open to him (which could arguably buy him a little time) is the foolhardy option that Zimbabwe chose of printing money; the option that is espoused by the Zupta groupings led by ANC Secretary General Ace Magashule which will inevitably unleash runaway inflation and the destruction of the Rand.

For those readers who would care to participate, I will be laying out the details of the crisis that faces us in a webinar this coming Wednesday evening and, more importantly, I will discuss what readers can do to guarantee their assets and incomes. I will be the guest speaker in a Zoom webinar hosted by The Friends of Kloof Library, an organization dedicated to raising funds to provide books and teaching materials in KZN.

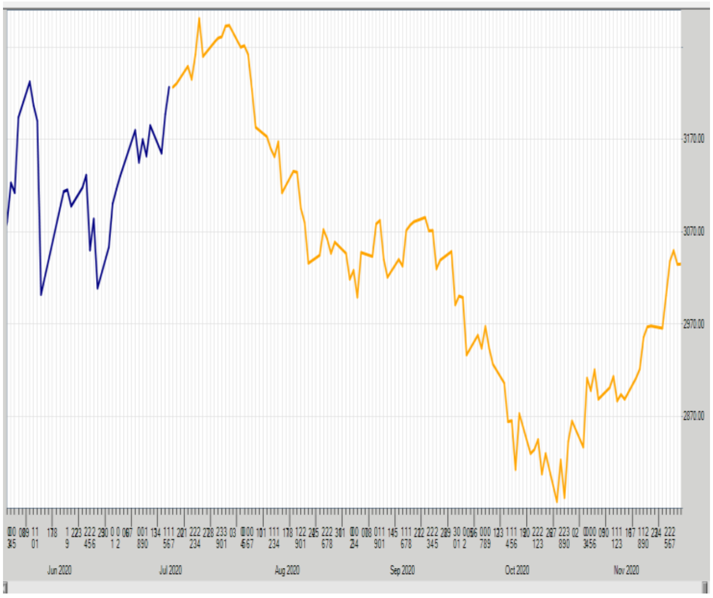
To make it manageable it has to be limited to a maximum of 500 viewers on a first-come-first-served basis so you will need to book early.

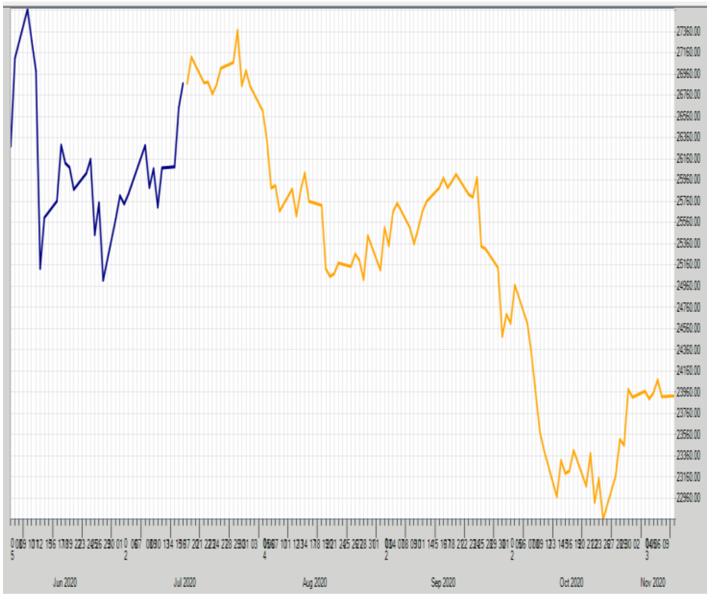
We plan to e-mail everyone on our database on Monday to provide you with the link so please watch out for that if you want to make sure of a place in front of the screen.

If you would care to also make a small donation to this worthy cause, the Zapper on the right makes that possible.

Meanwhile, my global parent **ShareFinder International** plans for the first commercial version of ShareFinder 6 to go live next week. Many readers have been able to use SF6 in beta format for the past year or two but now you can get the real thing with daily updated data and full functionality. Critically, because of the massively-enhanced forecast accuracy of this new module, I am thus able to publish the following graph of Wall Street's most representative index, the S&P500 which predicts that global markets will peak **today** ahead of the **SECOND** crash of 2020.

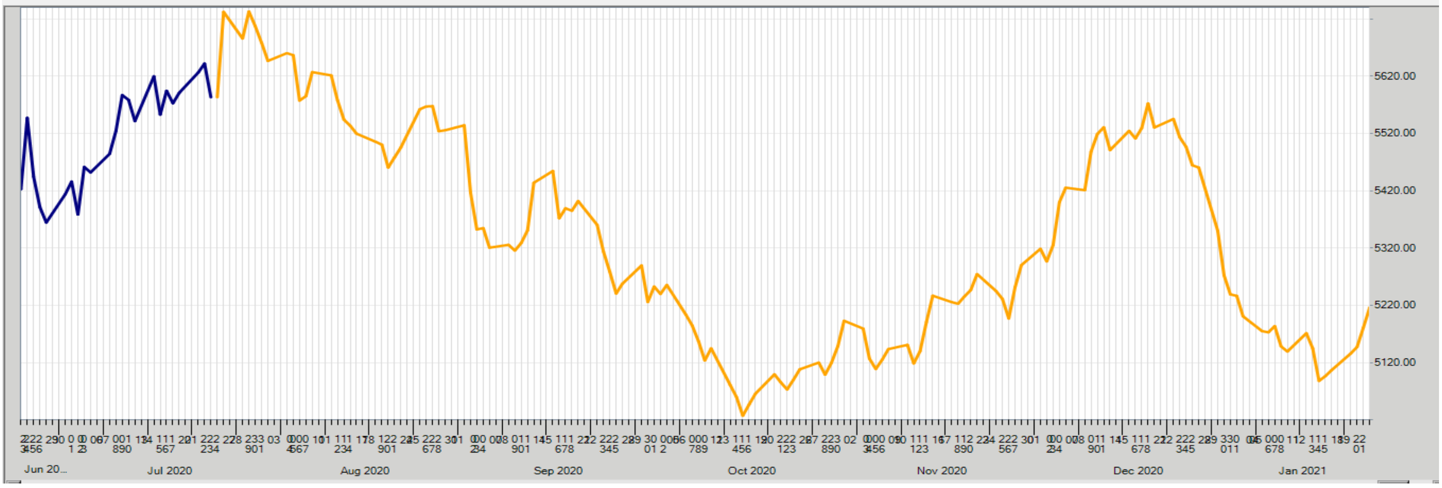
The greater forecast accuracy of the new program is in part the consequence of machine learning and artificial intelligence enhancements but, overwhelmingly, because the system is very dependent upon the quantity of historical data that it has available for analysis. Thus, while the SF5 version contains a 24-year history of S&P500 data, SF6 has a database going back 70 years and, in the case of the Dow Jones Industrial Index, a massive 120 years. So, I offer you on the left below the SF6 projection view of the S&P500 and on the right the DJ Industrial: SF6 says the S&P500 will fall until October 27 while the Dow is projected to continue rising until Wednesday before falling until October 26:





I am sure I do not need to remind readers that we have audited the forecasts in this column every week since January 2002 and thus know that ShareFinder 6 is better than 96 percent accurate. What we never know, of course, is the magnitude of major market direction changes and, as we move closer to long-range major predicted events, ShareFinder frequently modifies the dates of its forecasts in the light of the latest data it has available to digest. Readers with long memories will thus, remember that in my book the Crash of 2020, ShareFinder forecast that the JSE would crash on October 7 and that Hong Kong would follow on October 13, London on the 14th and, as the contagion spread, Wall Street was likely to follow in June 2021.

SF6 now says that the JSE All Share Index, pictured below, will follow Wall Street this Wednesday and continue falling until October 15 which clearly leaves Mr Ramaphosa with very little wriggle room if he is to act before South Africa wakes up to the fact that the world is in the grip of another economic crisis...or indeed a worsening of the current second Great Depression!



On the current showing of the ShareFinder Blue Chip Index it seems, however, that this second market decline might not be quite as severe as the February/March decline as my next projection graph illustrates. It all depends, I guess, on public sentiment but, with the Oxford vaccine showing very positive results in the current mass trial, it is beginning to look as if we might be able to look towards a return to something like normality in the New Year….but do pay attention to a further decline now being forecast for April to July 2021:

Do enjoy your weekend!

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The month ahead:

New York's SP500: I correctly predicted a few more gains until today until the next down-hill phase until September followed by a run-up to the end of September before another down-trend begins.

London's Footsie: I correctly predicted the decline which began on June 23 and still see it lasting until early August with sudden brief volatility in between. The down phase until +- August 6 is likely to be followed by a recovery trend lasting until mid-October and then down again until late January.

Germany's Dax: I correctly predicted further gains. Now it is down-hill until + - August 17 followed by gains until the second week of October and then a final run down until early December.

France's Cac 40: I correctly predicted a volatile gain which I saw see peaking this week followed by a decline which is now under way until mid-August followed by recovery until mid-September and then a final decline until the end of November.

Hong Kong's Hangsen: I correctly predicted the start of a volatile recovery until early September followed by a decline until mid-month before a long but quite volatile up-trend until the end of December.

Japan's Nikkei: I correctly saw a volatile down-hill phase until the first week of August followed by gains until the third week of September and then down-hill again until mid December.

Australia's All Ordinaries: I correctly predicted a down-turn that has now begun that should last until the third week of August before the last up-surge until mid-September before going a volatile down-hill until late November.

JSE Industrial Index: I correctly predicted a brief recovery that would last until the 29th ahead of a decline until the end of August when the last up-cycle seems likely to late October followed by a volatile decline until mid-January.

JSE Top 40 Index: I correctly predicted a volatile recovery until late July. Now I see a decline beginning on the 28th until the end of August before another recovery until it makes double tops in late September and the third week of October ahead of another drop until mid-November when another month-long gain is likely in this extremely volatile sector.

ShareFinder JSE Blue Chip Index: I correctly predicted that the declines were nearly over ahead of a gain that is likely to end on Tuesday ahead of a long volatile decline until late January.

JSE Gold shares: I correctly predicted a down-turn which is now likely to start on Monday and last until the first week of September followed by a recovery until early November.

Gold Bullion: I correctly predicted the continuation of a long recovery likely to continue well into 2021.

The Rand/US Dollar: I correctly predicted gains until late August when the next weakness is likely until mid-September.

The Rand/Euro: I correctly predicted the start of volatile gains which I still see lasting until late October.

The Predicts accuracy rate on a running average basis since January 2002 has been 85.89%. For the past 12 months it has been 96.43%.

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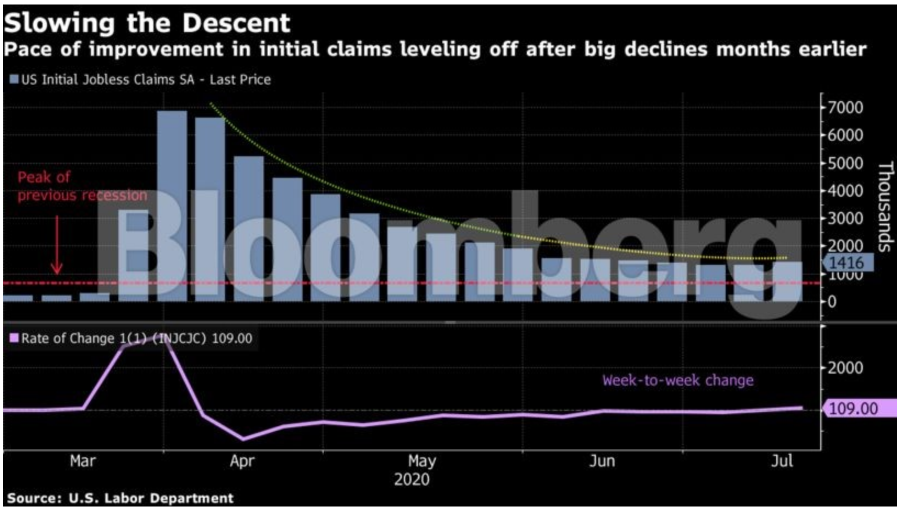
U.S. Economic Recovery Is Stalling and It May Get Even Worse

By Bloomberg

Despite assurances from the Trump administration that better times are at hand, the worsening pandemic is restraining or even snuffing out the economy's nascent recovery. From restaurant dining to air travel and now to filings for unemployment benefits, a growing body of evidence indicates America's rebound from the pandemic is stalling days before hundreds of billions of dollars' worth of federal aid is set to expire.

Lawmakers may eventually iron out an agreement on a new stimulus package, but for now they remain far apart on many of the key details. Whether the talks are ultimately successful or not, one thing is now crystal clear: Until a vaccine or effective treatment for Covid-19 is available, the world's largest economy will at best post tepid, uneven growth and, at worst, endure an extended period of malaise or even a depression.



"If lawmakers don't quickly pass another sizable rescue package that includes help to state and local governments and more income support to the unemployed, then the economy will suffer another downturn — a so-called double-dip," said Mark Zandi, chief economist at Moody's Analytics. "Unemployment will remain in the double digits until well after the pandemic is over."

The jobless claims report was so grim — with the ranks of those filing for benefits swelling to 1.42 million — that it even got the attention of stock investors, a group that has been blissfully impervious to bad news of late. They pushed the S&P 500 Index down 1.2% on Thursday, marking the biggest decline in almost a month. Shares in China, Hong Kong and Australia opened lower on Friday.

Democrats have proposed a $3.5 trillion package of virus relief that has already passed the House. Senate Republicans are working on a roughly $1 trillion plan, but disagreements within the GOP have bogged down a detailed proposal. That's not expected until Monday, and negotiating a compromise with Democrats may run through the first week in August.

While the report also showed a decline in continuing claims that suggests hiring has picked up, the rise in layoffs from an already-elevated level is a sign the labor market is going in the wrong direction. That could make President Donald Trump's case for reelection even tougher than polls already show.

The unemployment figures followed mounting evidence of a stall in the recovery as coronavirus cases surged across much of the country over the past month. Key points from government and private reports include:

- Credit-card spending by JPMorgan Chase & Co. customers "is little changed since late June," remaining about 12% below year-earlier levels, the firm's economists said in a note Wednesday. That follows a "rapid economic rebound" in May and early June.

The rebound in air passengers has leveled off at less than a third of typical levels. Southwest Airlines Co. vowed Thursday to adjust its flight schedule "aggressively" in response to volatile demand.
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  A widely watched measure of consumer sentiment turned decidedly more pessimistic in July. Consumer spending accounts for about 70% of the economy.
- Restaurant bookings have stopped rising nationwide amid virus fears, remaining at one-third of year-earlier levels, according to OpenTable data.
- U.S. employment dropped by 4.1 million from the first week to the second week of July, according to a Census Bureau survey.

"We are seeing — in the areas where Covid has come back in a significant way like California, Texas, Arizona — mobility data weaken, small business data shows some softening as well as consumer spending," Bank of America Corp. chief U.S. economist Michelle Meyer said.

If there's a bright side, "there hasn't been a collapse by any means" — more of a "modest softening," Meyer said. And if the reimposed social-distancing measures can help control the virus, "one would imagine that the mobility will pick up again and people will re-engage to some extent," she said.