RichardCluverPredicts

In our 33rd year of service to the investing public

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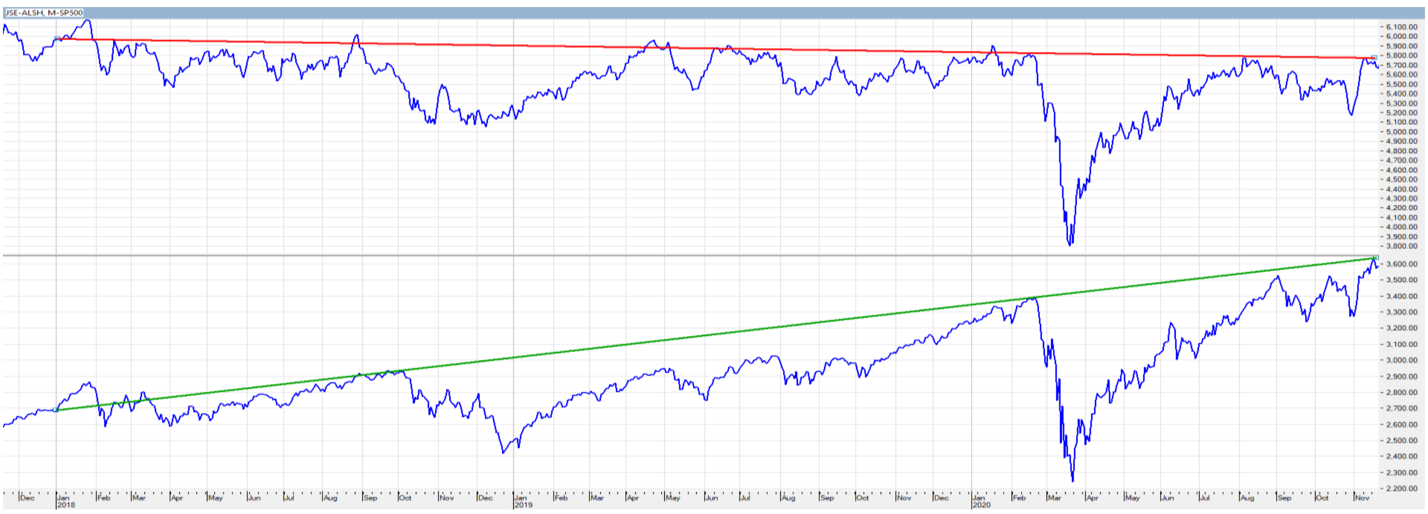
I can't let this week pass without noting the spectacular fact that Pretoria-born Elon Musk became the world's second wealthiest man on Monday. Though the 49-year-old entrepreneur left the country for Canada initially and then Silicon Valley immediately after writing his Matric at Pretoria Boys' High, that does not prevent us from highlighting that one of our own has been able to uphold the dream that great riches lie ahead for everyone prepared to work hard enough and take the necessary risks.

Musk's net worth soared $7.2 billion this week to $127.9 billion, driven by yet another surge in the value of his electric car company, Tesla's, share price. Musk has added $100.3 billion to his net worth this year, the most of anyone on the Bloomberg Billionaires Index, a ranking of the world's 500 richest people. In January he ranked 35th. About three-quarters of his net worth is comprised of Tesla shares, which are valued at more than four times as much as his stake in Space Exploration Technologies Corp., or SpaceX.

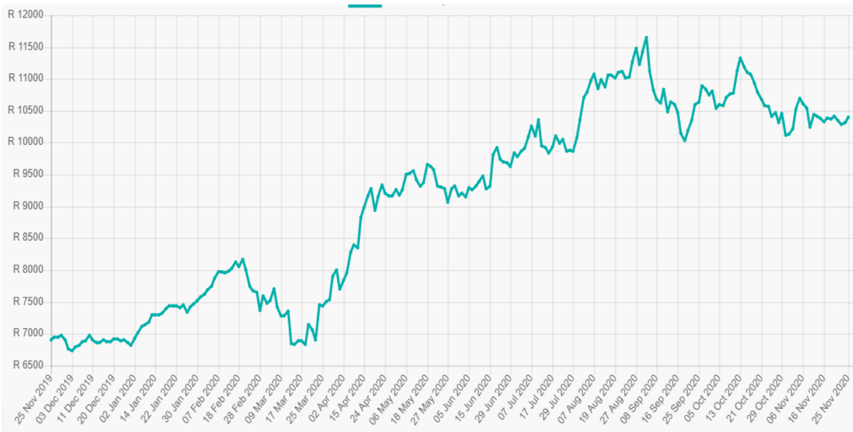
Musk's milestone marks only the second time in the index's eight-year history that Microsoft Corp. co-founder Bill Gates has ranked lower than number two. He held the top spot for years before being bumped by Amazon.com Inc. founder Jeff Bezos in 2017. Gates's net worth of $127.7 billion would be much higher had he not donated so prodigiously to charity over the years. He has given more than $27 billion to his namesake foundation since 2006.

The year has been a lucrative one for the world's richest people. Despite the pandemic and widespread layoffs that have disproportionately affected the world's working class and poor, the members of the Bloomberg index have collectively gained 23% — or $1.3 trillion — since the year began. Its envy-provoking stuff, but if you care to do the numbers, such potential wealth is available to everyone who is prepared to work at it with intelligence over time…. even you dear reader!

Though it has largely passed South African investors by because of Government's mishandling of the economy which has consequently seen foreign investment capital drain out of the country, those with investments through the New York Stock Exchange have seen their capital grow on average by 11 percent compound annually over the past three years. As illustrated by the green trend line in the graph composite below, New York's S&P500 Index has delivered a steady 11 percent gain while the JSE All Share Index which I have highlighted with a red trend line in the upper graph, has caused local investors a steady minus 1.2 percent erosion.



The local share price slow-down has prompted a major move by local investors into Exchange Traded Funds (ETF) like the top-performing Satrix Nasdaq 100 Feeder EFT whose performance over the past 12 months I have graphed on the right. During that time, it has risen in value from R6 910.71 per unit to R10 321.17 representing a 49.35 percent gain.



With performance like that, why would one bother to try to stock pick individual shares or go the even more complicated route of sending funds abroad and buying individual shares on a foreign exchange?

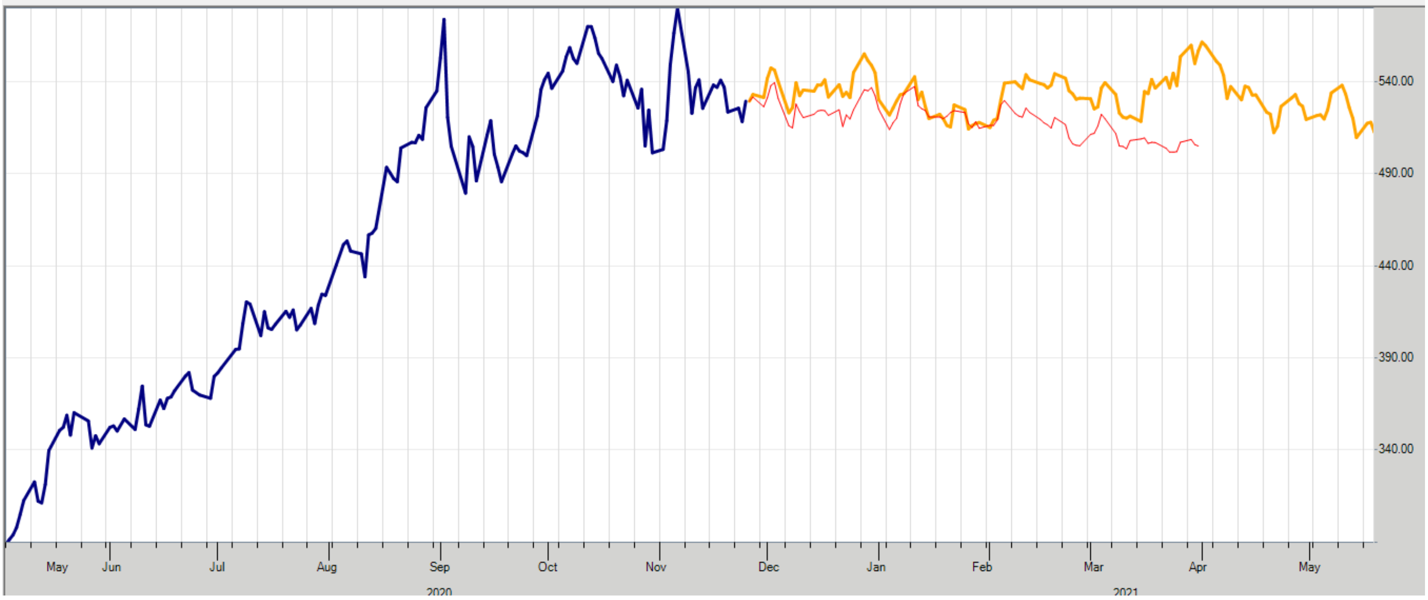
Well, one of the key objectives of offshoring your money is to counter the steady erosion of the value of the Rand. My next graph indicates how the Rand has steadily lost value over the past 30 years at a compound annual average rate of 6 percent.

While the Satrix ETF I have illustrated actually gained 49.35 percent in Rand terms, in Dollar terms it only gained 43.35. That is the penalty you immediately face if you go for a locally listed ETF. To phrase it another way, if you invest directly in a US share using dollars, you get an average annual six percent boost to any other gains that are made.

But an even more compelling reason to do it yourself is the spectacular additional results you can achieve. In the latest ShareFinder 6 programme we have added a Risk Portfolio option, as shown on the next page, to the standard Portfolio Builder module with which most SF5 users will be familiar. This facility seeks out the high growth moneymakers which have the potential to enrich users very rapidly. As you can see in the print-out below, the ten shares so selected have grown in price by a compound annual average rate of 40.7 percent over the past five years and some, like Nvidia have grown at a spectacular annualized rate of 76.04 percent.

Full Name	Price	% Change	Quantity	Cost	Per Share	Value	% Gain	% Portfolio	Risk (%)	PriceGro5
Nasdaq Very Risky		**0.52 %**				**1000000.00**	**0.2 %**		**33.03**	**40.71**
*CASH						1810.74		0.2 %	0.00	0.00
ADOBE SYSTEMS INC...	460.61	-0.5 %	217.0	99952.37	460.61	99952.37	0.0 %	10.0 %	3.54	38.12
ALIGN TECHNOLOGY, ...	476.58	+6.7 %	209.0	99605.22	476.58	99605.22	0.0 %	10.0 %	80.14	47.16
CADENCE DESIGN SYS...	111.25	-1.6 %	898.0	99902.50	111.25	99902.50	0.0 %	10.0 %	7.72	38.74
IDEXX LABORATORIES...	459.79	-1.0 %	217.0	99774.43	459.79	99774.43	0.0 %	10.0 %	19.46	46.05
LAM RESEARCH CORP...	448.74	+3.5 %	222.0	99620.28	448.74	99620.28	0.0 %	10.0 %	49.01	41.62
LULULEMON ATHLETI...	348.53	+0.8 %	286.0	99679.58	348.53	99679.58	0.0 %	10.0 %	38.15	46.92
MARKETAXESS HOLDI...	519.91	-4.8 %	192.0	99822.72	519.91	99822.72	0.0 %	10.0 %	4.72	37.94
MARVELL TECHNOLO...	44.60	+1.5 %	2242.0	99993.20	44.60	99993.20	0.0 %	10.0 %	32.09	38.43
NVIDIA CORPORATION	525.60	+0.4 %	190.0	99864.00	525.60	99864.00	0.0 %	10.0 %	112.16	76.04
TAKE-TWO INTERACT...	171.19	+0.7 %	584.0	99974.96	171.19	99974.96	0.0 %	10.0 %	16.34	36.84

Using the SF6 artificial intelligence price projection system to choose the perfect moment to buy these shares, you could further add to the annual growth rate. For example, in the graph below you can see that the optimum moment to buy Nvidia is likely to be the end of January:

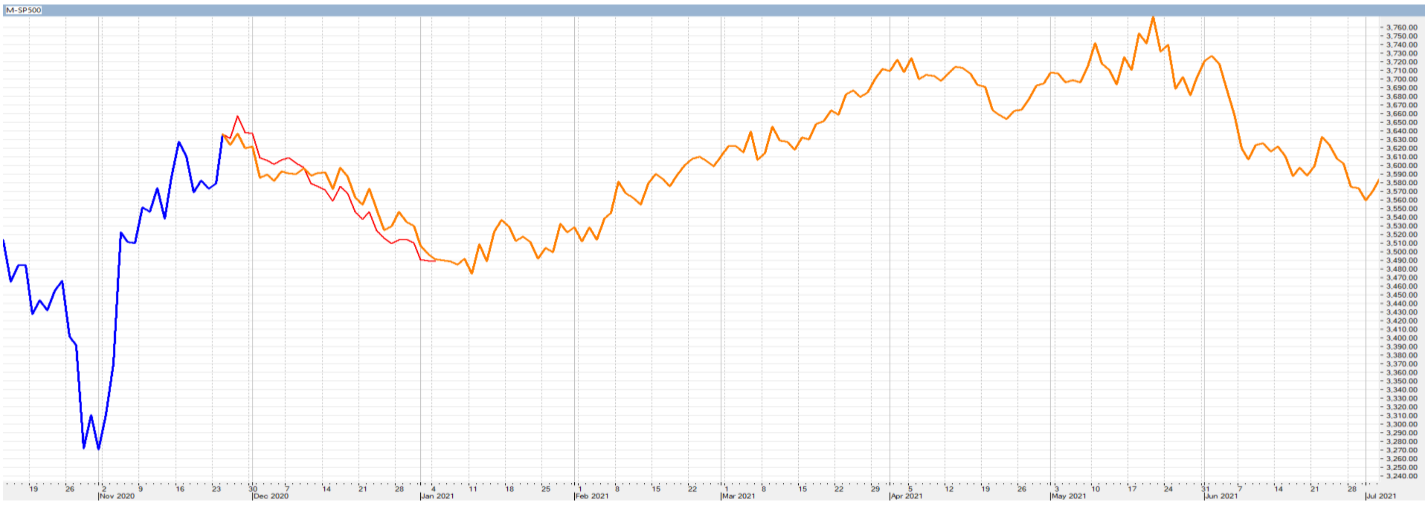


And then there is, of course, the six percent Rand/Dollar booster I have already referred to. Collectively there is accordingly no reason why with this portfolio one could not envisage an annual growth rate of better than 50 percent.

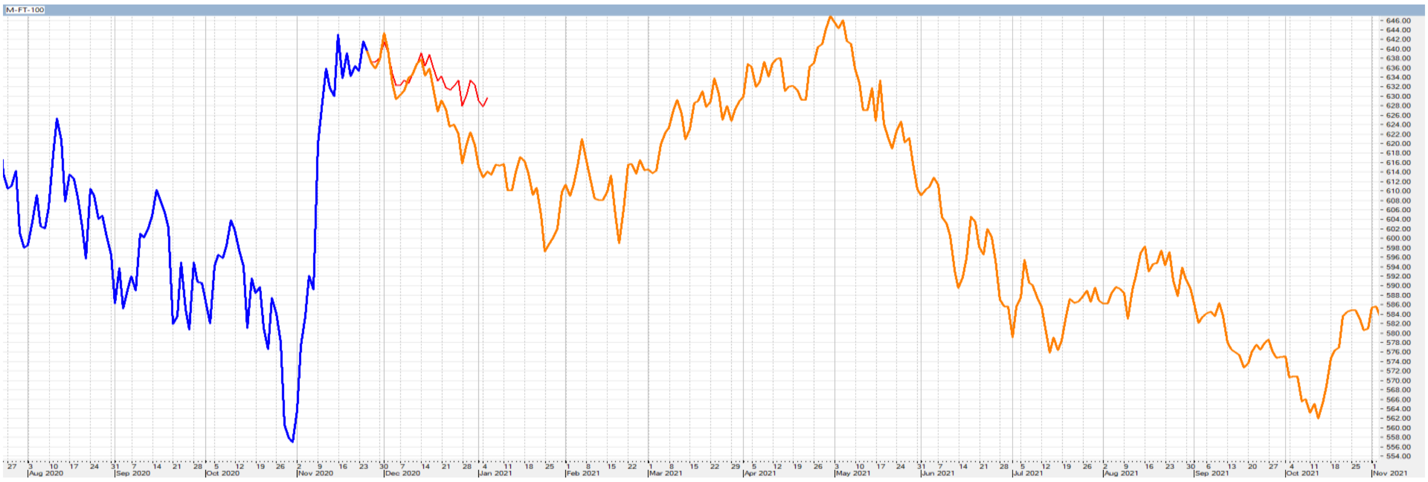
Now, as I explained in detail in the latest issue of **The Investor**, this high-growth category of shares is not in the main underpinned by a solid dividend track record which makes it clear that this is no place for pensioners to place their life savings, but it would, in moderation within a Blue Chip dominated portfolio, offer a decided sweetener.

Meanwhile, the outlook for local Blue Chips remains negative for most of the coming year as my next graph illustrates:

New York's most representative Standard and Poors 500 Index has a similarly negative outlook until mid-January as my next graph illustrates:



And London's Financial Times Index is negative, at least until next October, though gains from late January to the end of April are currently projected:



Do enjoy your weekend!

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http://www.rcis.co.za
richard@rcis.co.za

The months ahead:

New York's SP500: I correctly predicted that the recovery was likely to continue until today. Now, however, it is down-hill until January 12 before a long recovery is probable.

Nasdaq: I correctly predicted a resumption of the upward trend which I now see peaking on Monday ahead of a retreat until mid-January followed by gains until early-April.

London's Footsie: I correctly warned that the market was signalling the onset of weakness until late January when a three-month recovery is likely until the end of April.

Germany's Dax: I correctly predicted the start of some gains which are becoming protracted, likely lasting at least to the end of March.

France's Cac 40: I correctly predicted a sideways to weakening phase lasting until the end of February before the next brief recovery starts. But it is likely to be over by mid-April when the downward trend will re-assert itself through to October.

Hong Kong's Hangsen: I correctly predicted that Asian markets would continue rising until the end of this year with a very brief correction from December 8 to the 23rd before an end of year upward spurt until January 6 when weakness is likely until early February.

Japan's Nikkei: I have twice warned that slight weakness was likely and I still see a sideways trend until around January 11 when the next upward phase should resume until mid-March.

Australia's All Ordinaries: I correctly predicted a brief correction around November 24 ahead of another month-long period of gains. From December 22 I see declines until early-March.

JSE Industrial Index: As I correctly forecast a brief end to the ahead of fresh gains starting mid-week through to the end of November when I expected weakness once again and that process should start today until approximately January 19 when another sharp recovery is likely. This is the last prediction I will make for this index since we have been rather expanding our overseas predictions in line with reader requests.

JSE Top 40 Index: I correctly predicted an up-tick until late-December. Thereafter I continue to see declines until mid-January when a month-long recovery is likely.

ShareFinder JSE Blue Chip Index: I correctly predicted a down trend until late July.

JSE Gold shares: I correctly predicted a decline continuing until mid February followed by a sideways trend for the rest of the New Year. This is the last prediction I will make for this index since we have been rather expanding our overseas predictions in line with reader requests.

Gold Bullion: I correctly predicted continued gains for most of 2021.

The Rand/US Dollar: I wrongly correctly predicted the end of the latest recovery phase but I was merely a little premature. Now I foresee weakness from this weekend until mid-February.

The Rand/Euro: I correctly predicted gains until the first week of December followed by modest weakness until early February. Thereafter I continue to foresee strength resuming until next September.

The Predicts accuracy rate on a running average basis since January 2002 has been 85.99%. For the past 12 months it has been 94.9%.