



From the late 1970s to the middle 1990s when I was assistant editor of The Daily News in Durban we forever despaired that the National Party government would ever be displaced.

It seemed then, as Jacob Zuma was later to pronounce, that the Nats would rule South Africa until Jesus came again, and one of my greatest frustrations then was that whenever we routinely uncovered the indiscretions of some of their leaders, we were inevitably faced with an invidious choice: Report it and the party would close ranks in denial or keep quiet and the rotten egg would be quietly rusticated.

In my youthful ignorance at that time I thought this to be a uniquely South African dilemma, but the years have taught me that politicians are the same everywhere.

I was reminded of all of this when US President Joe Biden broke ranks this week and called for Russian premier Vladimir Putin to be deposed. It was a political indiscretion because, in the face of such a call it is probably inevitable that the result will be to entrench the rule of a man who, most observers believe, is probably deranged and was about to be replaced because of mounting evidence that his despotic invasion of the Ukraine has demonstrated to everyone that the mighty Russian army is actually an ill-disciplined, badly resourced force composed of scores of men who are imminently likely to desert because they cannot understand the rationale for killing an opposing army of people whom they believe to be their brothers.

Most analysts have for the past few weeks expected Russia to be looking for a face-saving excuse to withdraw from the Ukraine and this week's talks about a ceasefire were widely understood to represent the excuse Putin so desperately needs. But then Joe Biden blew it.

The consequences for ordinary Russians queuing up at ATMs that have run dry of cash, who have seen the costs of everyday items double overnight in price because of the Western blockade, is that they have woken up the fact that their shirtless horse-rider president is not actually the invincible superman they had been led to believe in. Now most of them are experiencing growing hopelessness matched appositely by the rising patriotism of their Ukrainian cousins.

It is an expedition that is unlikely to end well. Indeed it was probably never destined to end well. Sadly, however, every citizen of Planet Earth is likely to pay a high price for Putin's folly. Just how high that price is can be judged by my graph on the right in which the green trend line illustrates how global crude oil prices have over many years been rising at compound 5.1 percent annually as they have long adjusted to a world-average inflation rate.

Thus you can comfortably ignore the gains from April 2020 to February this year which lie beneath the green line for they actually marked a world in economic recovery from the excesses of the Covid era. But from then to the \$131.80 peak price of March 8 was the illustration pure war panic.



Since then the price has been building a normal pennant chart formation which one would usually expect to see when any commodity is seeking a new equilibrium. Judging from that formation and ShareFinder's projection in red to the right of the graph, the price of crude is likely to settle at \$110 a barrel.

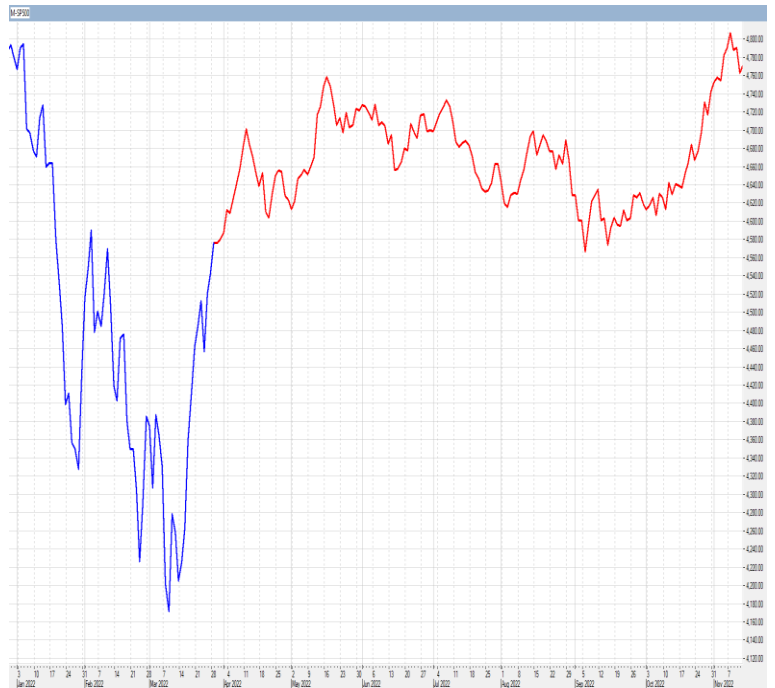
Significantly, this is 22 percent above the level one might have expected had the war not happened; because that is what the green trend line was telling us about the long-term trend of crude prices. But now consider the fact that energy costs account for 25.6 percent of South Africa's consumer price index calculation and it is possible to conclude that inflation could nearly double in the next few months.

For those who have never slept soundly since last July's Durban riots, the Biden *faux pas* might accordingly provide a reason to further dislike the role politicians play in our lives. I, for one, look forward to a time I imagine has been brought infinitely closer by the Ukraine affair, when something like computer referenda on our smart phones might replace parliaments globally. Then, if I am alive to see that day, I hope that at last my views will be fairly represented as my own rather than those of whatever political party claims to speak for me but actually only speaks for the wishes of its own small elite!

Meanwhile, ShareFinder calculates that rumors of peace in the Ukraine might soon flourish into rising share prices in most global markets...at least until mid-May on Wall Street, early June in Britain and mid-April in Germany.

ShareFinder's projection on the right for Wall Street's S&P500 Index for the next eight months is largely echoed by other world markets which suggests a growing consensus among investors worldwide of the outlook for the rest of the year.

But all projections also agree that it likely to be down-hill from June until approximately early September and so, if ShareFinder is as correct as usual we might conclude that early hopes of peace might be dashed by Russian intransigence until the Northern Hemisphere autumn when most armies might presumably be wishing to return home again to their warm European homes.....that is if Russian gas is still flowing though the pipelines by then!



Meanwhile, in confirmation of my long-predicted fears that irresponsible central bank monetary policy would this year lead to global recession, U.S. stock futures this week inched higher and bond yields edged closer to flashing a recessionary warning signal as investors girded for a period of slower growth and higher interest rates. An inverting US yield curve, a weaker Japanese yen and pressure on oil prices were some of the key themes in markets this week when, with the Fed in rate-tightening mode, shorter-dated US government bonds continued their selloff and yields rose as bond prices fell and as a consequence the US yield curve briefly inverted earlier this week as two-year treasuries traded around 2.45 percent and 10-year treasuries traded at 2.38 percent.

An inverted yield curve is usually regarded by economists as a portent of impending recession. It is deeply worrying for the stagnant South African economy which cannot escape being dragged further down in its wake while, at the same time enduring soaring living costs thanks to Mr. Putin. It's a classic "Stagflation" scenario which is the last thing South Africa needs politically.

The month ahead:

New York's SP500: I correctly predicted gains which should last until mid-June.

Nasdaq: I correctly predicted gains until early June.

London's Footsie: I wrongly predicted some brief losses until the end of the month ahead of a two-month recovery. But I believe they were delayed and might happen now ahead of gains until the first week of June.

France's Cac 40: I correctly predicted gains which seem likely to end by April 8 ahead of declines until mid-May followed by a brief up-tick to early June within an overall declining trend to the end of the year.

Hong Kong's Hangsen: I thought the recovery would last to the end of April but the onset of brief weakness this week suggests that a market peak is likely by the end of April with declines following to early July.

Japan's Nikkei: I correctly predicted weakness the onset of brief weakness until late April ahead of gains until early July.

Australia's All Ordinaries: I correctly predicted the brief recovery which is likely to be over by the 12th ahead of declines until August.

JSE Top 40 Index: I correctly predicted the decline would slow but continue until late April ahead of a three-month recovery until the end of July ahead of declines for the rest of the year.

ShareFinder JSE Blue Chip Index: I projected gains until the end of the month ahead of imminent weakness until August.

Rand/Dollar: I correctly predicted a recovery which I continue to expect to last until the end of May.

Rand/Euro: I correctly predicted gains which I also correctly predicted would end last Friday ahead of further gains from April 6. I however, see the end of the recovery starting around June 10.

Predicts accuracy rate on a running average basis since January 2001 has been 86.57 percent. For the past 12 months it has been 94.35 percent.