



*Our Weekly Paid Newsletter*

# **Richard Cluver Predicts**

*In our 35th year of service to the investing public of South Africa*



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**Sometimes things are sent to try us.....load shedding, a recalcitrant Afrihost which decided this week to go into holiday-mode and take down our internet connection which has blocked client access to our main SA server, not to mention the ongoing circus that is South African politics.**

It's enough to make a man want to put it all to one side and go sailing...except right now it is winter in the Med and pretty much everything is shut down and inhospitable there! Only the share market is providing me joy at the moment because I am in a buying mood and Blue Chips are littering the market floor at dividend yields the like of which I have not seen in years.

As a result I have significantly boosted my monthly dividend income which means that in the long term I will be able to use income surpluses to make steady purchases of the many other opportunities that have recently opened up.

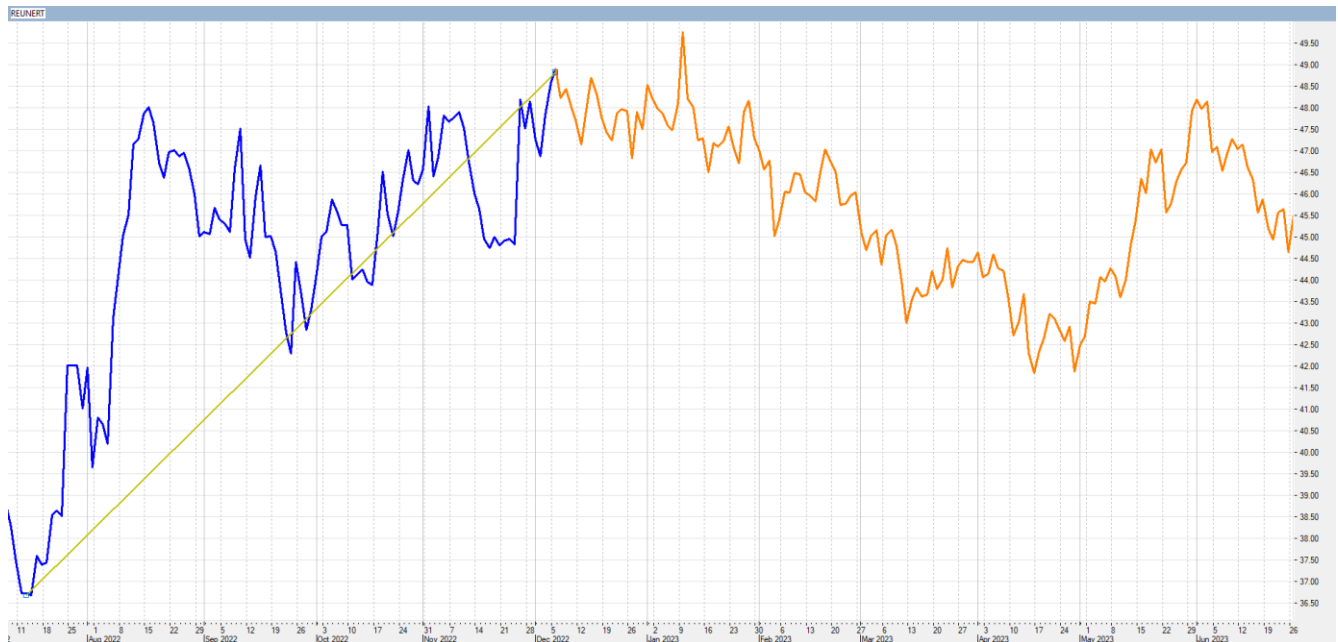
The fact is that investors globally have become so wary about South Africa's prospects in a world that during 2022 seemed to have gone to hell in a handcart, that they have failed to recognise the opportunities here. Practically every great financial success story I have ever read concerns someone who was bold enough to buy when everyone else had lost all hope. So the obvious truth to take to heart right now is that South Africa Pty Ltd is a clear turnaround opportunity.

So the fact that on Wednesday Eskom escalated load-shedding to stage 6 for the fourth time this year obviously had all of us wringing our hands in dismay. The power cuts, which were to be implemented until Friday morning, would leave some users without power for more than 10 hours a day and would cost the economy about R3bn a day.

Think about how many jobs that much money is costing! But what about the power substitution opportunities that represents to companies like Reunert. The Financial Mail this week spoke to Reunert CEO Alan Dickson who highlighted the big opportunity his company sees in replacing Eskom power production.

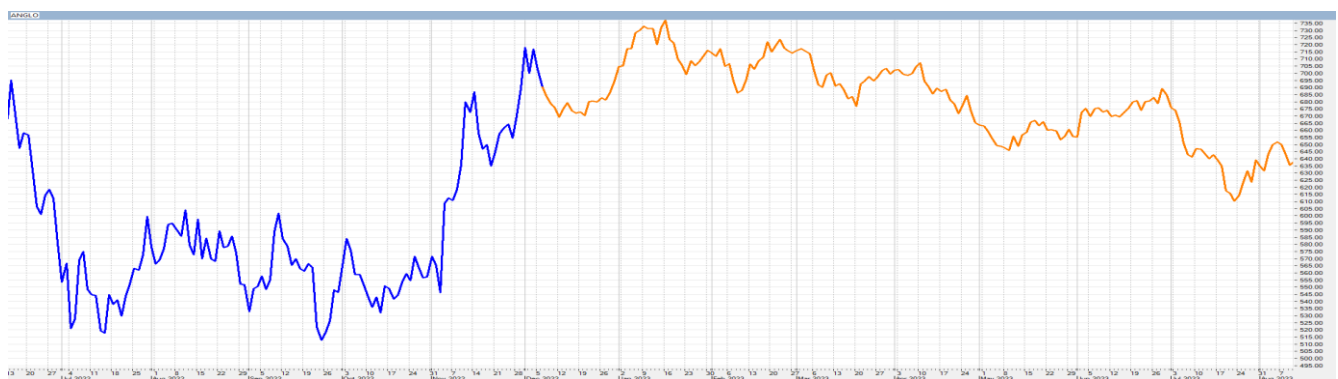
"Some research indicates that the market is going to grow by about 30% a year for the next five years.....I think it will be more than that," Giulietta Talevi quoted him as saying. And of course Reunert is arguably the small investor's easiest route into that market.

On a dividend yield of 6.2 percent this week Reunert is arguably expensive relative to Anglo American Plc at 6.19, BATS at 6.28 and a host of other long-term winners. But the probable truth is that others have long been aware of the promise of Reunert because it has more than doubled in price since August as my graph overleaf illustrates:

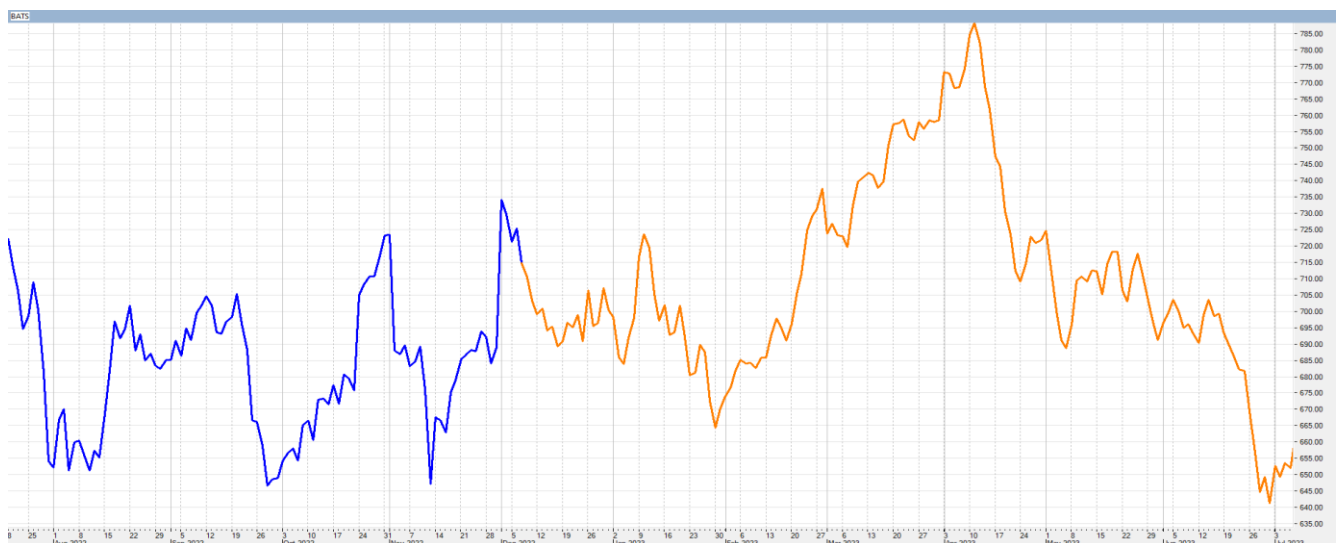


However, if ShareFinder is correct, it will pay you to wait. The orange trace in the graph above suggests that Reunert will fall steadily until mid-April when the shares might be available at R42.

And the same argument applies to Anglo which appears to be peaking right now with declines predicted for most of the first half of next year:



Similarly, if you are thinking of buying BATS it makes sense to wait until late January when a price of around R665 seems possible:



So seasonal weakness appears likely for the next month or two. But do not let complacency get the better of you. My last graph makes it clear that the best of the best might be expected to continue climbing throughout the next few months. The Prospects Portfolio continues its stunning compound 41 percent compound annual growth rate as illustrated by the red trend line with ShareFinder projecting that it will continue rising until at least the end of March.

Here it is worth noting that on our original investment of R1-million in January 2011, investors are now receiving an annual dividend of R181 933 and their capital has grown to a total this week of R5.349-million.



I know no other fund has done as well because we have searched the internet for comparisons and comparable ETFs are yielding around eight percent!

***Finally a huge apology to the hundreds of you who have been frustrated by connectivity issues in trying to take advantage of our December/January "Great Experiment" price discount. Our technicians are struggling to resolve the issue but it seems to be in Afrihost's hands and they simply do not seem to care. People due to renew subscriptions later in the year are, furthermore, not excluded. You can renew now at the discount price and receive a credit against the residual value of your existing sub.....Afrihost willing!***

**Have a good weekend....and I hope you now feel a whole lot better!**

# The month ahead:

**New York's SP500:** I correctly predicted the market would go down-hill and I continue expect it to be negative until late-February.

**Nasdaq:** The sideways pattern I predicted ahead of a New Year bear market lasting until next September, remains in place. Late in the month I expect a brief up-surge and then declines until mid-February.

**London's Footsie:** I correctly predicted declines which I expect to last until late February.

**France's Cac 40:** I correctly predicted the market trend would be downwards from now until late February.

**Hong Kong's Hangsen:** I correctly predicted a market peak. Now I see a relentless decline from mid December to late April.

**Japan's Nikkei:** I wrongly predicted gains until early January ahead of a decline until early May and was caught off guard by the recent decline. However I continue to expect gains throughout the festive season but a steep decline thereafter well into the New Year.

**Australia's All Ordinaries:** I correctly predicted declines which I expect to last until mid-February.

**JSE Top 40 Index:** I correctly predicted the market would peak followed by a steep decline which is now under way and should last until late January. Thereafter I see weakness until October.

**ShareFinder JSE Blue Chip Index:** I correctly predicted declines until early-January. Long-term, however I see gains for the year ahead.

**Rand/Dollar:** I correctly predicted brief gains but now only expect weakness to re-emerge from the end of December.

**Rand/Euro:** I correctly predicted a resurgence of strength through to mid-January.

***The Predicts accuracy rate on a running average basis since January 2001 has been 86.84 percent. For the past 12 months it has been 94.47 percent.***

# The Chinese Question

By Dan Martin

Senior staff editor New York Times

During my several years spent living and working as a journalist in China under the [increasingly stern](#) rule of President Xi Jinping, it often felt as if the walls were closing in.

Previously chatty sources gradually shied away from contact and became estranged, vocal government critics were arrested or cowed into silence, and reporting on something as politically innocuous as cosmetic surgery was routinely stymied when interview subjects got cold feet about speaking out.

A palpable sense of fear had set in — especially when it came to consorting with a foreign journalist — and I often wondered if there was anything that could move the average citizen to step forward and be heard.

That was emphatically answered last weekend when throngs of demonstrators [took to the streets](#) in China's largest political protests in years to push back against the country's exceptionally stringent [pandemic suppression measures](#).

For the past three years, China's people have borne the economic and psychological burden of incessant Covid testing, restrictions on movement and long lockdowns even after the rest of the world learned to live with the virus. But they were pushed too far.

People lashed out because, as the Chinese political scientist Wu Qiang [warns in a guest essay this week](#), zero Covid is violating the "[social contract](#)" on which modern Chinese life is founded.

Under this unspoken Faustian bargain between the people and the Communist Party, the public surrendered all claims to political power in return for the party's providing the conditions for economic improvement.

The government is no longer holding up its end of the deal, and, Wu writes, "a new generation, pushed to the brink by the government's zero-Covid obsession, has discovered its voice."

Wu writes for us from Beijing, where last weekend protesters gathered — in scenes repeated in several other major cities across the country — to demand not only an end to zero Covid but also, in some cases, the introduction of broader political freedoms.

The question hanging over China now is whether Xi can put that genie back in the bottle.



# A new Richard Cluver book

If you are planning on a relaxed holiday season with the opportunity for some serious reading, then Richard Cluver's latest E-book might be just what you are looking for.

Explaining the genesis of his latest offering, Richard writes: "This study began with the working title 'Apocalypse'. But later, as I came to understand the immutable cycles of renewal which have marked our species since the very beginning, I began to glimpse the new springtime that was overtaking us and I renamed it 'Apocalypse Averted.' Finally, I have begun to sense the truth about mankind's ultimate destiny and so I have renamed it a third time. I have simply called it 'Hope.'

Beginning as a sequel to his 2019 work '**The Crash of 2020**' which predicted a Black Swan event originating in China which would devastate the world and set in motion the economic crisis that is even now unfolding, Hope is an attempt to trace mankind's journey from hunter-gatherer in the Cradle of Mankind to apex life form and the challenges we have faced along the line: how we dealt with them and how we are likely to solve the major crises we now face, finally posing the question, 'Are we about to evolve into Gods?'

Underlying it all is the imponderable question of why, after ten million years of living as a hunter-gatherer whose lifestyle provided for all his needs in return for just two hours of work a day, around five thousand years ago mankind abruptly abandoned that life and committed himself to the back-breaking 14-hour work-day of the farmer and the inevitable attendant problems of modern society where today global warming and nuclear war offer us annihilation and where political and monetary mismanagement have bound our species into unconscious slavery from which science is pointing ever more strongly to our final evolution.

An intriguing attempt to answer many of mankind's most pressing contemporary problems, the fittingly-titled book points us towards a bright future which, if Richard Cluver is correct in his extrapolation of current social trends, another evolution will lead us to an imminent future in which, in his words, mankind is: "...about to become Gods!

***Hope is available as an E-Book at a cost of \$5 from [www.sharefinderpro.com](http://www.sharefinderpro.com) or free for those participating in The Great Experiment – Mentioned in the November 2022 edition of 'The Investor'.***

