



Our Weekly Paid Newsletter

Richard Cluver Predicts

In our 36th year of service to the investing public of South Africa



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13 January 2023

There is a tide in the affairs of men which, taken at the flood, leads on to fortune...and I am convinced the tide is changing for the better. I awoke this morning and looked out on my magnificent Kloof garden: The sun was shining and the birds were singing and I just knew that everything in my world was good!

I have been working all week on my monthly Prospects newsletter because I usually use the January issue to summarise the local and global issues facing investors to try as a consequence to plot the likely future for our personal fortunes; and the bulk of the work is done. I will be sending it out next Wednesday to everyone who receives this column – nearly 10 000 of you. So, last night I slept on my conclusions to wake with an amazing feeling of optimism.

I also awoke with the realisation that I have been involved in the share market longer than practically anyone alive on this planet: because this year I will turn 85 and I began learning my trade on my mother's knee as she and her colonial friends talked endlessly among themselves at tennis parties and bridge drives about the fortunes of this and that stock exchange listed company. Thus I knew what a Blue Chip share was even before I could read and write (though I had yet to write a measurable definition which would eventually form the backbone of the ShareFinder computer programme) and I understood that there were seasons in the economic cycle even before I understood what the economy was.

In short I ought by now to have learned a thing or two and arguably the world-record success of the four virtual portfolios I maintain on behalf of my worldwide readers is the proof that I might have learned well. More importantly the optimism I feel today is based upon some of the world's longest observational experience of the ebbs and flows of investment sentiment.

So this is what I think: Locally in South Africa politics dominates everything because the ANC understands little else. Meanwhile Cyril Ramaphosa knows that he will either go down in history as "Timid Cyril" who had every opportunity to change everything and yet failed because he was afraid of the bogeyman under his bed.....or "Cyril the Game Changer" who, with his formerly powerful opposition now vanquished, used the next 18 months to sweep away his corrupt colleagues and turn the tide of South Africa's fortunes.

He has promised the nation he will fill the potholes, fix the sewage systems and above all give us a secure electricity supply without which he has NO hope of creating jobs for our record numbers of unemployed people. Accordingly, if he does not do these things he clearly knows the ANC is toast at the next election in less than 18 months time.

Speaking for the South African public, I believe it will not be necessary to fix everything for Cyril to get the nod. He just needs to show us he is making solid progress. If he can do that he will unleash incredible pent-up potential and turn South Africa Pty Ltd into an economic powerhouse!

But far more important for everyone is the fact that **internationally** the investment tide is changing. Optimism is replacing pessimism and, following one of the worst bear markets in history, a major recovery is beginning to take shape.

So here I need to emphasise, in case readers have missed the point, that even in the worst of times Blue Chip investments continue to prosper and, when the tide changes they really do exceptionally well. That is

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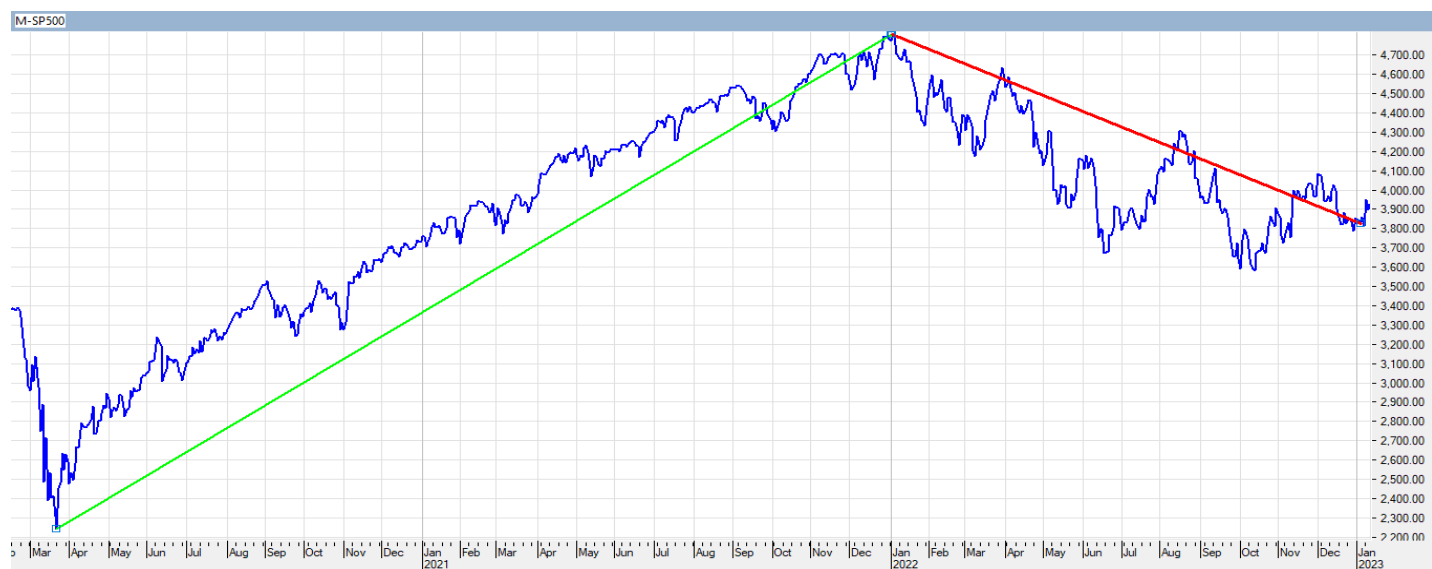
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why my Prospects Share Portfolios have beaten all comers in the ultra long term and more particularly how they have continued rising unabated at a time when most global indices have been plunging. Here, in case you have not noted it before, is the performance of the South African Prospects Portfolio since the bottom of the 2020 bear market:



In March 2021 it was worth R2.14-million and today it is worth R5.41-million: that's a compound annual average growth rate of 40 percent which, together with an average dividend yield of 3.8 percent is providing its followers with an unprecedented Total Return of 44 percent. Compare that with the next graph of the world's most influential market index, Wall Street's Standard and Poors 500 which initially did well after the -32 percent 2020 Covid Crash but since December 2021 has been falling like a stone from a peak value of 4793 to a current 3783: that's a current loss of 20 percent.

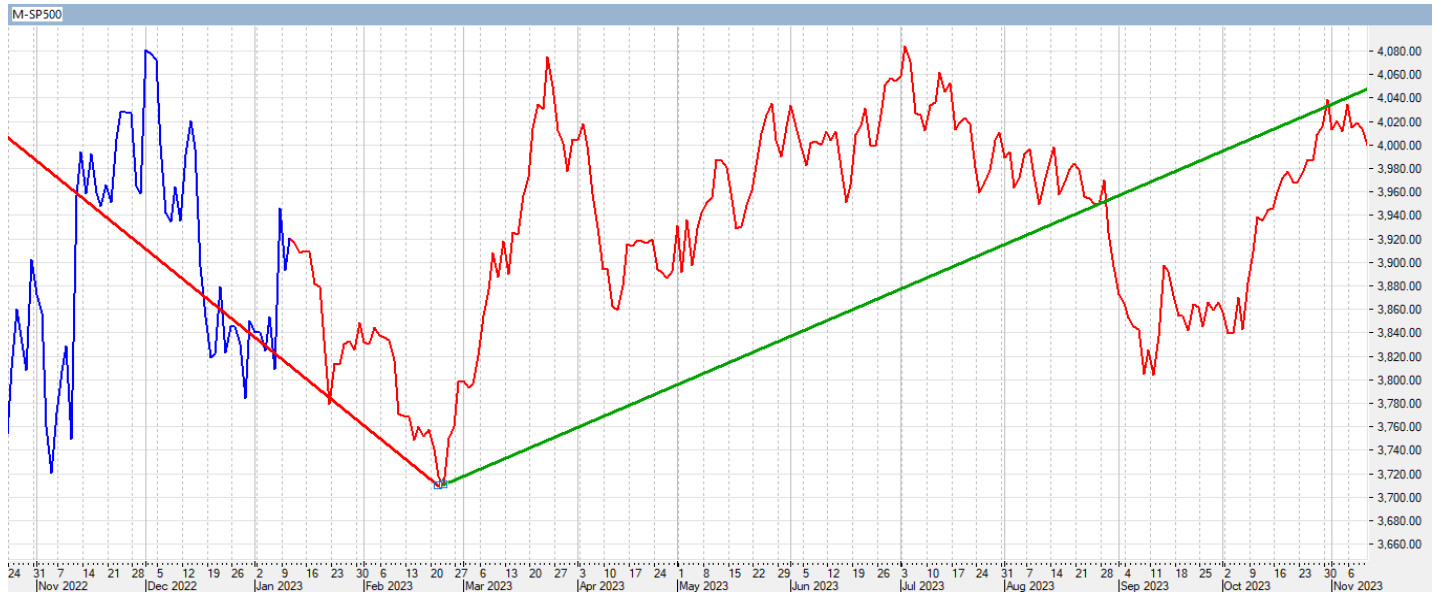


But all that is about to change! Though there is some understandable reticence in Far Eastern markets because everyone is watching Chinese 'Premier for Life' Xi Jinping who has again been facing rioting in the streets for the first time since, notoriously, the Chinese army gunned down thousands of students during the month-long 1989 Tiananmen Square massacre. The repression that followed that crack-down resulted in arguably the most severe limitation of civil liberties the world has ever seen with citizens monitored electronically and regularly being punished for anything considered disloyal to Xi and the Communist Party. So the protest action which began this November when demonstrators poured into the streets of China's major cities including Shanghai and Beijing, criticizing Xi's latest "zero Covid strategy", confronting police —

and even calling for Xi to step down – was a watershed moment that rocked the nation and threatened the future of Xi and his Communist Party.

Many observers thus fear that, as political leaders have often done in the past, Xi could unleash a military campaign such as an invasion of Taiwan in order to try and unite the Chinese people behind him. But to do so he could well initiate World War 3, expanding the military axis of Putin's Ukraine and embracing Middle Eastern allies. That is why markets like Japan's Nikkei Dow have still to turn the corner. But in the West it is markedly different! I have learned to trust the artificial intelligence systems which I and my team built within the ShareFinder software which has been achieving a 95 percent prediction accuracy rate....and most importantly the software is now predicting that global share markets are busy switching from pessimism to optimism.

ShareFinder for example projects in the graph below that Wall Street will turn around on February 22 and climb for the rest of the year:



It sees the same for London's FT100 Index, pictured on the left below, while Japan's Nikkei might wait until May before it too follows suit:



In my own and my Prospects portfolios I am now largely fully invested, or in some cases have put in my buying orders in order to commit their remaining cash holdings.

Next Wednesday I will send out the Prospects newsletter to everyone who received this column so that, if you are interested, you can read – and also if you wish replicate its record-breaking various portfolios. I am doing this and will continue doing so for the entire month of January in order to give everyone a taste of what my long-standing and loyal subscribers are content to pay for.

Also for this month you can subscribe to the newsletter service in a once-only half-price offer in the hope that you might also participate by donating whatever small sum you wish to my favourite charity, the St Mary's Foundation Trust as part of what everyone is naming 'The Great Experiment' which seeks to prove that donors get rewarded tenfold...and more!

You can go to www.sharefinderpro.com to read all the details of the offer and to learn more about The Great Experiment you can go to the end of this column if you have not already read all about it

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 when, following a brief recovery it will be down-hill again until September.

Nasdaq: I correctly predicted declines until mid-February when, following a brief recovery it will be down-hill again until September. .

London's Footsie: I correctly predicted declines which I still expect to last until mid-February followed by a long recovery to late October.

France's Cac 40: I correctly predicted the market trend would be downwards until late February followed by a long recovery to June.

Hong Kong's Hangsen: I correctly predicted a market peak which I expect to happen at the end of this month followed by a decline until late April before a long recovery begins.

Japan's Nikkei: I wrongly predicted gains until early January ahead of a decline until early May. Now I see losses until late April before the recovery sets in.

Australia's All Ordinaries: I correctly predicted declines which I still expect to last until mid-February followed by gains until late August.

JSE Top 40 Index: I correctly predicted the market would peak at the end of December. Now I see further gains until early-March before a long decline sets in.

ShareFinder JSE Blue Chip Index: I correctly predicted declines until early-January. Now I see gains until mid-June at least.

Rand/Dollar: I correctly predicted gains to the end of February before weakness sets in to early February. Long term, however, I see extended gains to the end of the year.

Rand/Euro: I correctly predicted a resurgence of strength through to mid-January followed by weakness until late March ahead of an extended period of gains.

The Predicts accuracy rate on a running average basis since January 2001 has been 86.87 percent. For the past 12 months it has been 95.29 percent.

From the November issue of 'The Investor':



ShareFinder's prediction for Wall Street for the next 3 months (left) and the JSE (right).



You can help me to test the world's oldest investment theory!

By Richard Cluver

I have long awaited the opportunity to test one of the world's most ancient and most revered investment theories and now the signs are perfect for me to do so. So I am calling on ALL my readers to help me solve one of mankind's deepest mysteries.....**and enjoy a ShareFinder Black Friday opportunity at the same time!**

If the belief is a provable reality, it has the potential to fundamentally change the world we live in and usher in a completely new era for charities which have seemingly forever existed on the scraps of society's goodwill!

Much older than modern religions, the belief is nevertheless best encapsulated in the biblical book **of Malachi 3:10** which states: *"Bring the whole tithe into the storehouse, that there may be food in my house. Test me in this," says the Lord Almighty, "and see if I will not throw open the floodgates of heaven and pour out so much blessing that there will not be room enough to store it."*

But the belief goes back to far earlier times. In the writings of the ancient Greeks there were numerous references to tithes of the annual harvest and to tithes of spoil taken in battle. Delphi, Delos, and Athens are mentioned as recipients of tithe offerings made to the gods. The offering of first fruits and of tithes seems to have also been quite closely associated.

It is a view which kept the ancient Jewish temple flourishing, was at the heart of Roman economics and for over fifteen hundred years ensured that the Roman Catholic Church was the most powerful financial institution on earth. Today, a fervent belief in the principle of giving has furthermore ensured that, for example, among the poorest social groupings in Africa there are pastors who own private jets while, with the rise of Quantum Physics, white-coated scientists claim laboratory proof that what mankind believes fundamentally changes the physical nature of our universe.

Of course it does not only apply to religious belief for it is founded upon the concept of helping one another which is the primary attribute which ensured that mankind became the apex species on Planet Earth. It has, however, been powerfully built into Christian dogma which, as cynics observe, has obviously greatly benefitted the priesthood.

I have long been numbered among the sceptics. However, throughout my life I have encountered so many folk whose opinions I have respected who have sworn to the truth of it in their own lives. So I have never been able to fully ignore their reality. But is it just a religious touchstone or, as the ancients believed, an esoteric reality that has nothing to do with a belief in celestial deities and is in truth actually a fundamental and inexplicable reality of the human condition?

Most importantly, does it really work?

With financial markets in their worst disarray since the onset of the 1929 Great Depression, this seems to me to be the best ever opportunity to attempt an empirical test of the belief because investors really need all the help they can receive at present.

With that in mind I have persuaded ShareFinder International to be the first in a round-robin exercise of charitable giving. Thus, subscribers who take up a subscription to the ShareFinder Professional programme during the months of December and January will receive **a 50 percent discounted festive season price** in the hope that such beneficiaries will in turn give some of the benefit to charity. What that means is that any South African who cares to take part will be able to subscribe to the ShareFinder software at an annual saving of R1 050: that is exactly half the normal cost of R2 100 per year and they will be invited to give, at their own discretion, as much or more of that saving to a registered charity. You can access the special offer by going to www.sharefinderpro.com

There is no compulsion to donate and all who participate will be in line for FOUR additional bonuses which, some might argue, will immediately prove the veracity of the ancient belief....confirming, for example, what we already know about events like the Black Friday discount sales which are known to benefit retailers by, on average, an additional at least 20 percent of annual sales!

- The charity I have chosen is the St Marys Diocesan School Foundation Trust which is able to provide donors with a Section 18A tax credit certificate to offset the donation against their annual income tax liability.

- Furthermore, they will receive a FREE subscription to my Prospects newsletter service representing a saving of R650 a year. .
- In addition, I have just published a new book entitled '**Hope**' which looks at the major challenges facing contemporary society and highlights the many solutions that are already underway. Everyone who participates will receive a free copy which would normally retail as an E-book at R90.
- Finally, for those who participate, these reduced rates will continue to apply for the next THREE years.

If you care to calculate it out, the implication for South Africans who currently pay the top marginal tax rate of 45 percent and elect to donate the entire benefit of R1 050, the latter will be able to deduct that sum from their annual taxable income yielding them an effective bonus of R472.50. In addition, together with the saving on the book cost and the fact that they will not have to pay for a Prospects subscription for the next THREE years nor pay for the book with after-tax money, they will effectively get back a total of R3 915.

Potentially this is a massive saving. I should furthermore add that, in recognition of the weakness of the South African economy, the usual South African subscription of R2 100 a year is already heavily discounted from the normal international charge of US\$49 a month. It also includes ALL daily market data update costs, namely both share price data and the fundamental statistics of all companies listed on the Johannesburg Stock Exchange, the London Stock Exchange, the New York Stock Exchange, the NASDAQ Stock Exchange and the Australian Stock Exchange.

Notwithstanding the obvious cost savings that donors will enjoy, they might take further consolation from the fact that, not only will they be donating to a truly worthwhile charity, they will also be participating in an experiment which could profoundly change global attitudes towards charitable giving. After all, if this experiment can show that the largely religious belief that those who give to charity are rewarded, as many authorities testify, "... at least ten-fold and even a hundredfold," most investors would be foolish to in future NOT give in abundance to charity.

Now my choice of one of South Africa's leading private schools as the potential donor recipient might at first glance surprise some. St Mary's in KZN is obviously an institution serving the daughters of South Africa's well-heeled families. However, in an era in which South Africa's public institutions of education are in terminal decline, private schools like St Marys have become the ultimate custodians of educational best practice. They are, as I so often tell everyone who will listen, akin to the monasteries of the Dark Ages which for over a thousand years kept education and learning alive following the collapse of the Roman Empire.

Without them there would have been no Industrial Revolution and, instead of sitting before a computer each day, people like you and I would have been working the fields from dawn to dusk to try and put food on the tables of our starving families.

The St Mary's Foundation Trusts exists to provide bursaries for scholastically-promising girls whose families cannot afford to pay private school fees. As a trustee of the fund, I have long been involved in guiding its fortunes and so I can confidently say that your participation will give a boost to a trusted and very important South African educational cause.

But how will we conduct this test?

To start with, ShareFinder International will be making a substantial gift to the investment public and so its own revenue stream might be expected to be profoundly increased if the belief is grounded in fact. And that is, of course, easily measurable.

But there is another knock-on to measure. Readers of ***The Investor*** and investors generally who wish to take advantage of the 50 percent discount will be invited to make a gift to the St Mary's Foundation Trust (Details for donating to the trust will be sent to everyone who takes advantage of the ShareFinder offer) whose administrators have in turn agreed to supply ShareFinder with a coded return which will, over the coming year, both protect the anonymity of donors but nevertheless allow them to compare their generosity with the performance of their investment portfolios within the ShareFinder system.

In order to comply with SARS requirements for the issuing of Section 18A tax deduction certificates, charities are required to record the name, e-mail address and physical address of each donor and so when you apply for the discounted package ShareFinder will supply those details to St Mary's. Then, depending on the level of individual donor generosity, the school will in turn supply ShareFinder International with a coded response which will enable them to link nominated share portfolios to the levels of individual giving.

I should add that in the interests of protecting your privacy, NO curious ShareFinder staff member will be able to determine who gave how much because the process of portfolio observation will be automated in order to ensure that donor privacy is scrupulously protected. Qualified auditors will, however, be allowed to sample this process in order to assure that the results we achieve are above reproach.

We will work in groups of 50 subscribers and so ten percent of participants - that is up to five in every 50 who apply - will be allowed to use the software without donating anything to the charity. These five will represent our control group and, if the ancient belief holds true, their personal portfolios might be expected to continue to decline in value in line with the broadly anticipated declining market trends during 2023.

At the opposite end of the scale, those who donate more than the annual subscription saving of R1 050 to the charity might expect to at least gain tenfold or more if the ancient belief is true.

So, for example, in the case of these first five who elect to give nothing, St Marys will send ShareFinder the code *0. Those who give ten percent or more will be coded *10. Those who give 50 percent or more will be denoted by the code *50 and those who give over 100 percent will be denoted *100.

My long association with the ShareFinder programme has made me confident that participants in this **Great Experiment** will, in the form of the ShareFinder Professional, be getting the finest investment tool available on the world stage, a fact attested to by the proof that ShareFinder's auto-generated 'Prospects Portfolio' has over the past decade delivered the highest compound average investment growth of any fund that our analysis of the worldwide investment fund industry has so far uncovered. Thus they will obviously be off to a flying start.

But the rest will lie in the lap of God!

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 or free for those participating in The Great Experiment mentioned in the previous story.

