

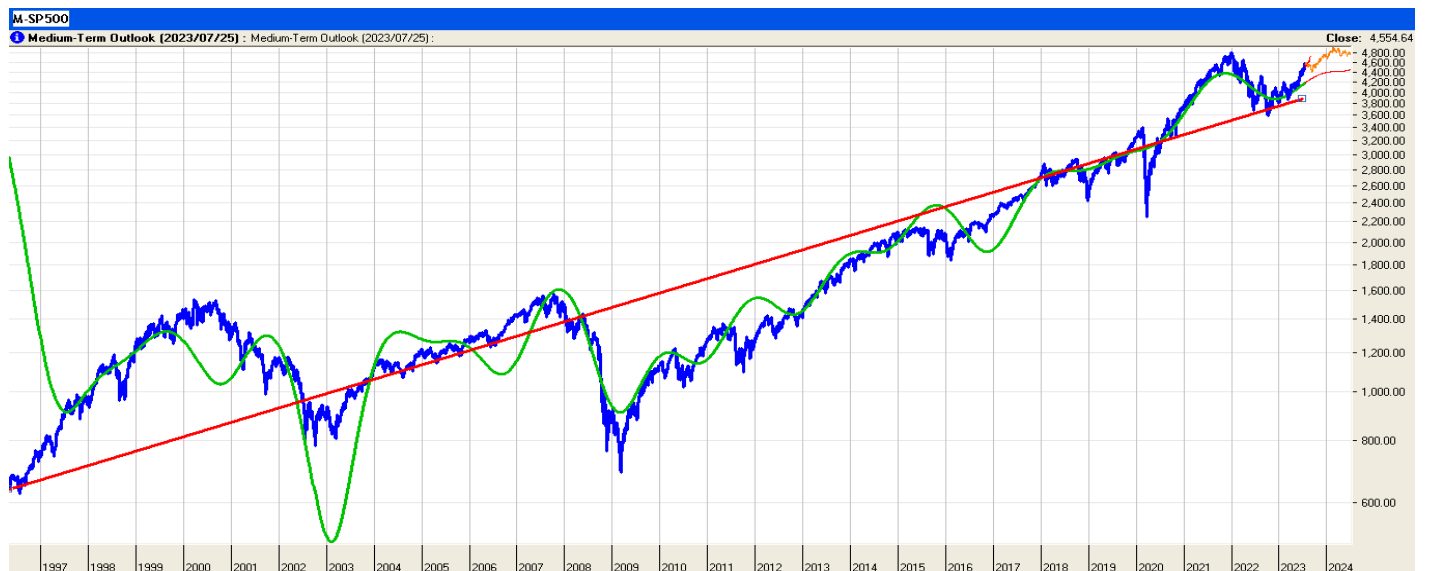


Most people I speak with these days prefer to speak about rugby scores and the weather than about how they view the future! They seem to be deliberately avoiding reality because it appears to be so bleak and most accordingly seem to dwell more on thoughts of visiting the children in Australia, Britain and the US than upon our immediate future in SA.

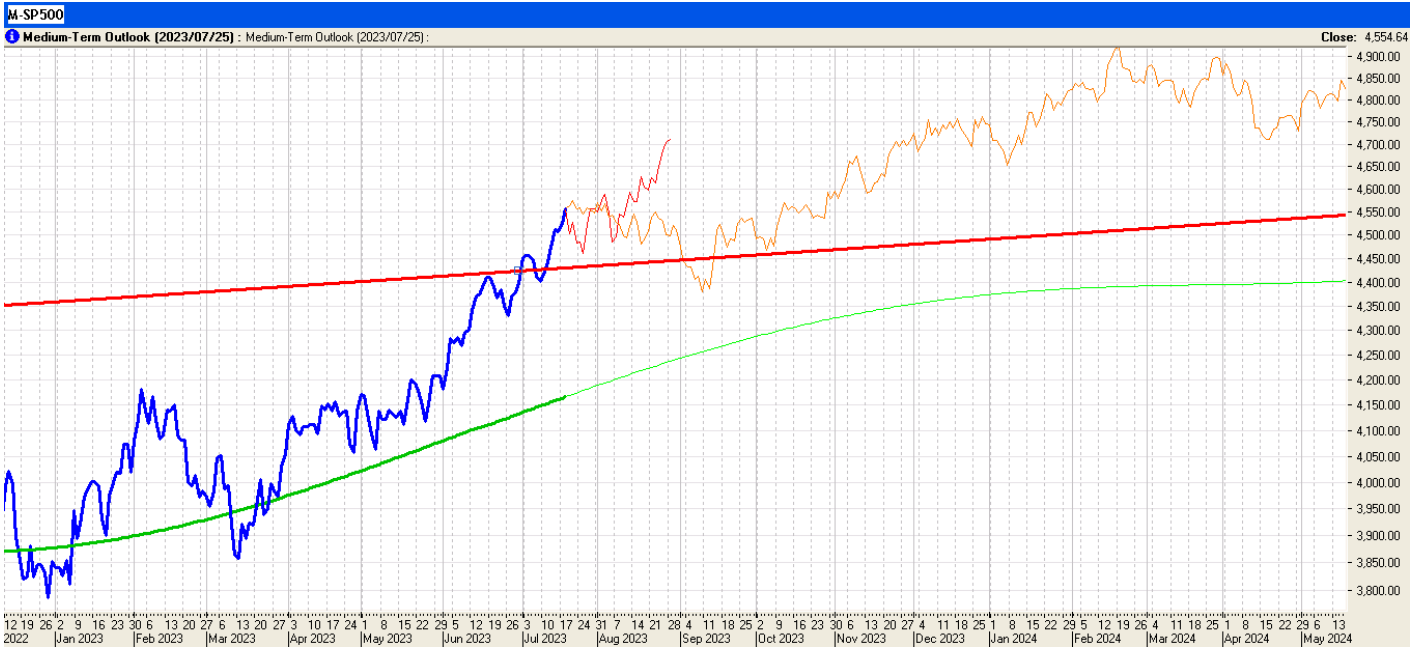
And even the thoughts about our children seem often to be tainted with the view that, "I am glad that I do not have to contend with the problems they are facing today." We, in the meantime, conveniently forget that 40 years ago when we were in our children's shoes there were bombs going off in our suburbs, the National Party Government seemed to have lost its way and many of us were fighting a border war which few believed in.

My point: do things ever change except our own resilience? Back in the 1980s when inflation was eating our lunch, we retained some measure of optimism and we kept on investing. I remember it well because I was writing a nationally syndicated investment column which reached some 2.5-million readers and my weekly mailbag was twice the size of all other editorial mail and so I had a very clear idea of most folk's hopes and fears at that time.....and I well remember how optimistic most of those letters were because readers believed in the long-term strength of markets.

So why should anything be different now? Look in the graph below how the biggest share market of them all has performed since that time; New York's S&P500 Index has, as the red trend line accurately underscores, delivered compound 6.9 percent throughout that time and is currently well ahead of that long term average....and ShareFinder projects that the good times are likely to continue for many months more!



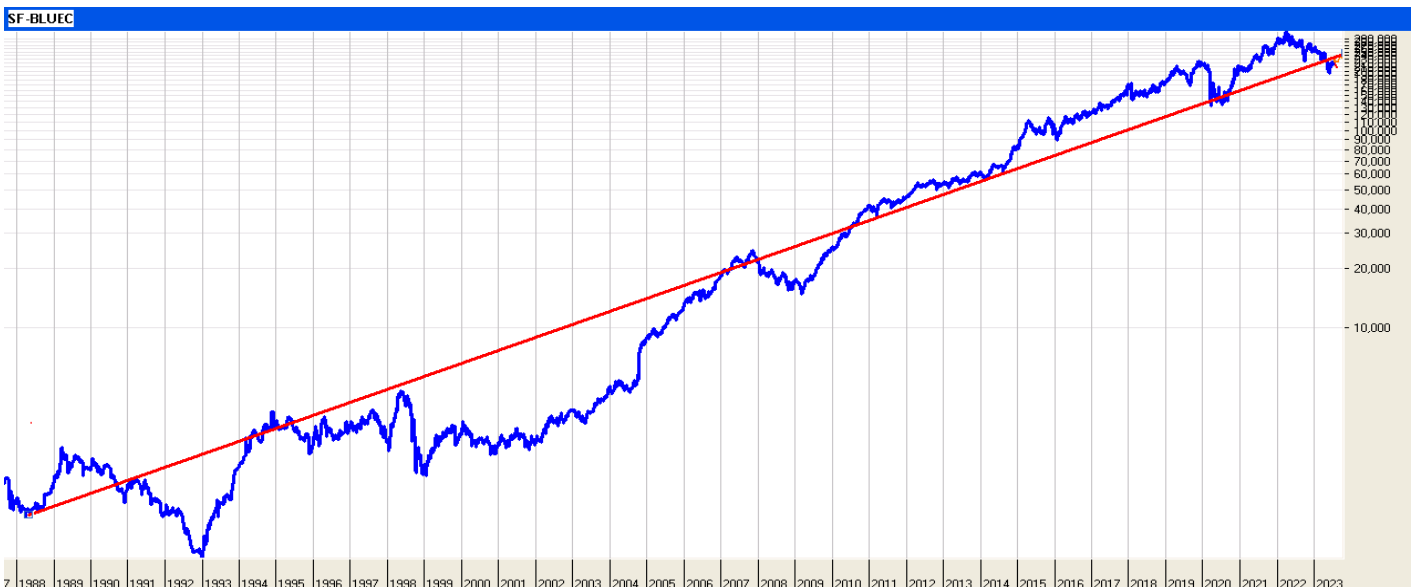
Note also how well the green line of ShareFinder's AI-powered future-projection system has tracked those market moves over time and, in my next graph, also note what my software predicts will happen in this blown up version of the above projection.



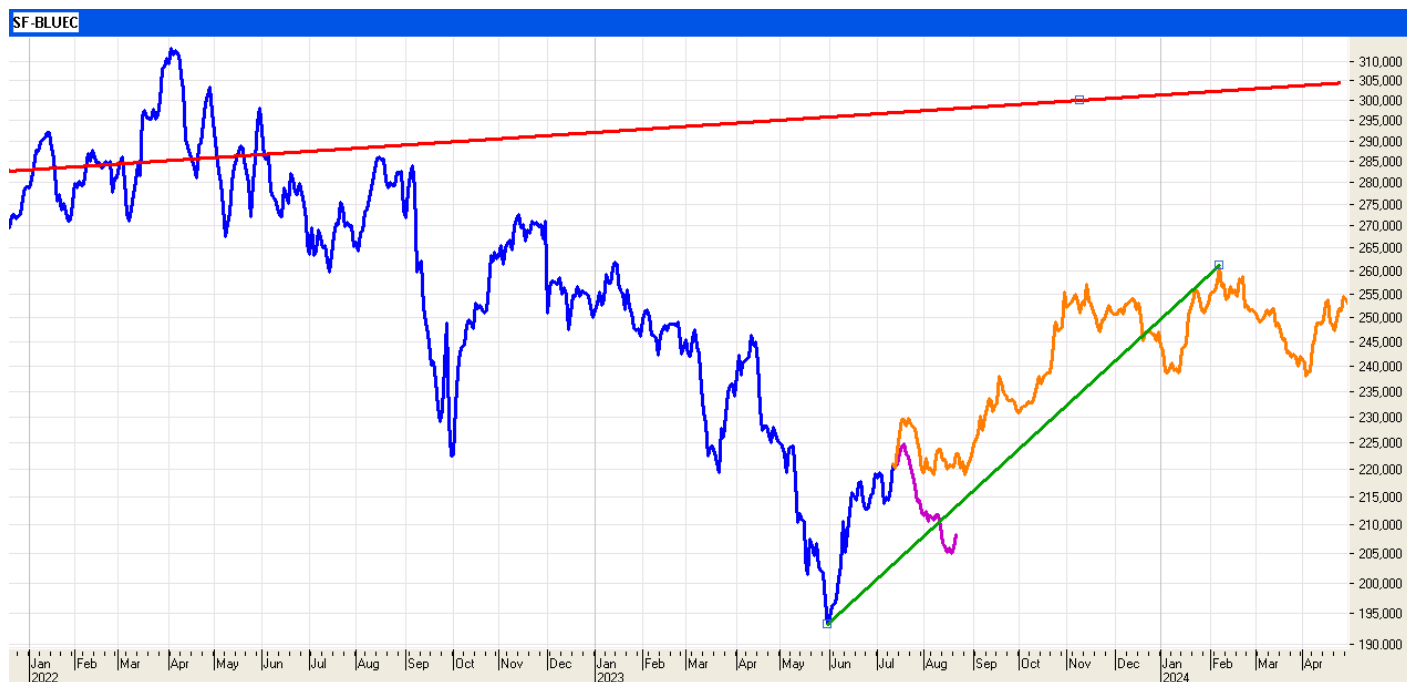
Though the S&P500 is projected to decline during August and early September, overall the light-green long-term projection and the red medium and short-term projections look likely to remain well above the bold-red long-term trend line. Simply stated, whatever your emotions might be telling you, ShareFinder remains optimistic about the future for your investments and the program projections have been amazingly accurate since we launched them 36 years ago (the performance data we publish each week at the end of this column is proof of that). So, with New York as the benchmark, the economy of Planet Earth Pty Ltd seems to be in fairly good hands.

Locally, of course, few are optimistic about the ANC's ability to run a sophisticated modern economy and, with two out of every three South Africans living on the dole, nobody can gainsay public pessimism so long as the ANC retains control of government. Fortunately, however, few political analysts believe they will remain in control beyond early next year. Equally fortunate, we have one of the world's best-run financial communities still working for us.

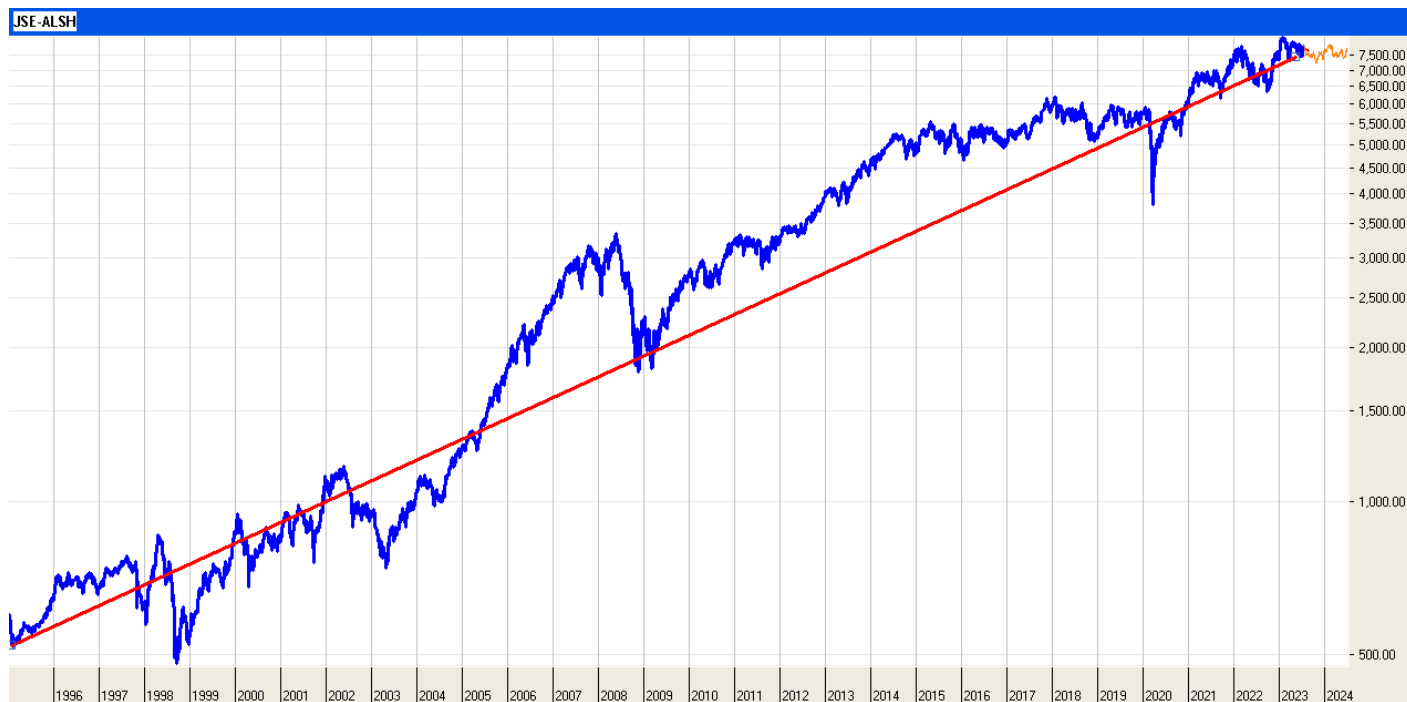
Just how well our private sector has done is mirrored in my next graph which tracks the performance of all shares which have qualified for inclusion in the ShareFinder Blue Chip list since those dark days of the Border War back in 1987...since ShareFinder was born.... with that red trend line highlighting a compound annual average of 16.4 percent throughout: that's an incredible 238 percent better than Wall Street's average performance!



Now it is true that the past 15 months have been unkind to local investors with the Blue Chip Index having fallen 38% from a peak in April 2022 of 310 440 to a low at the end of May of 192 193. However, as my next graph, a blown-up version of the same graph, makes clear, a strong recovery at a compound annualised rate of 54.5% is currently under way and although the purple (short-term) and orange (medium-term) graph projections suggest a weak August, the overall trend looks likely to continue rising strongly until early February at least.....though do note that for now the recovery is NOT projected to upwardly-intersect the red long-term trend line!



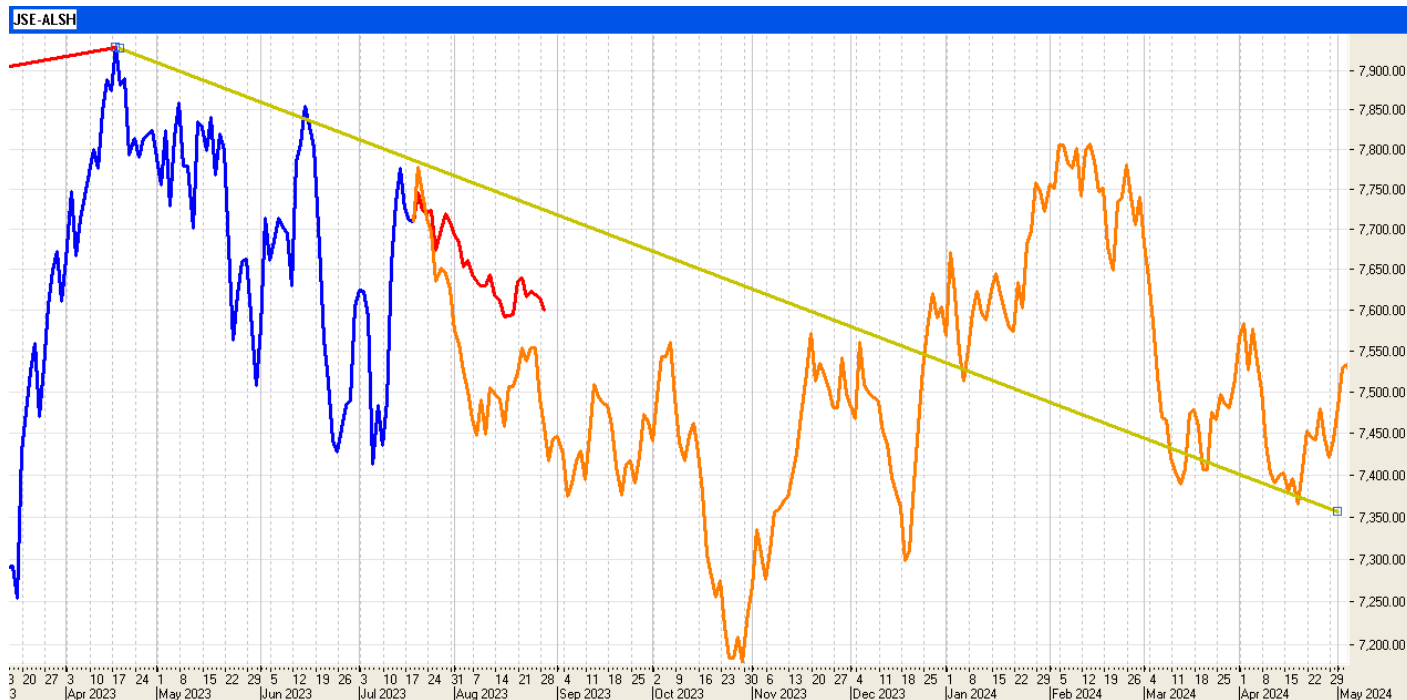
I would be remiss, however, to only show you the Blue Chips. So my next graph represents the JSE All Share Index which has presented an infinitely less impressive long-term performance at a compound average rate of just 9.8 percent.



Though 42 percent better than New York's S&P500, that is in truth partially represented by the long-term difference between the SA and US official inflation rates because, the inflation rate for consumer prices in South Africa has moved over the past 62 years between -0.7% and 18.7%.

During the period from 1960 to 2022, the **average** inflation rate was 7.9% per year and so one might deduce that the JSE average was a REAL 1.9 percent or 24 percent better than inflation.

However, ShareFinder is NOT optimistic about the trend of the All Share Index for the immediate future, sensing as my last graph illustrates with a yellow trend line falling at a compound annualised rate of minus 7.1% until next April at least:



So the key take-away is one should ALWAYS stick with the ShareFinder Blue Chips!

The month ahead:

New York's SP500: I correctly predicted a retreat which I expect to last until early September. However, ALL the long and medium-term indicators are upward so this should be only a brief pause!

Nasdaq: I correctly warned that declines were likely to the first week of September before the up-trend resumes. However, as with the S&P500, ALL the long and medium-term indicators are upward so this should be only a brief pause!

London's Footsie: I predicted an extremely volatile but declining period until the end of August followed by gains until mid October and I continue to hold that view.

France's Cac 40: I correctly predicted a short recovery within a longer-term declining trend set to the New Year.

Hong Kong's Hangsen: I correctly predicted the start of a recovery. There are short-term signs of weakness from here until mid-August but the majority of indicators are positive until late November.

Japan's Nikkei: I correctly warned of considerable volatility within a modestly rising medium-term trend to the end of the year.

Australia's All Ordinaries: I correctly warned of weakness starting this week and I expect it to last until late-September. Short-term indicators, however, suggest gains and the majority of other technical indicators agree.

JSE Top 40 Index: I correctly warned of a declining trend until the end of October....amid much volatility.

ShareFinder JSE Blue Chip Index: I correctly predicted a brief bounce followed by a volatile slightly declining trend to the end of August ahead of protracted gains until well into the New Year.

Rand/Dollar: I wrongly predicted continued gains until next March. However, the current weakness is likely to be over by mid-August followed by gains to the end of the year.

Rand/Euro: I correctly predicted brief weakness likely to last to mid-August within an overall long-term recovery lasting until March.

The Predicts accuracy rate on a running average basis since January 2001 has been 86.95 percent. For the past 12 months it has been 91.49 percent.