



Our Weekly Paid Newsletter

Richard Cluver Predicts

In our 37th year of service to the investing public of South Africa



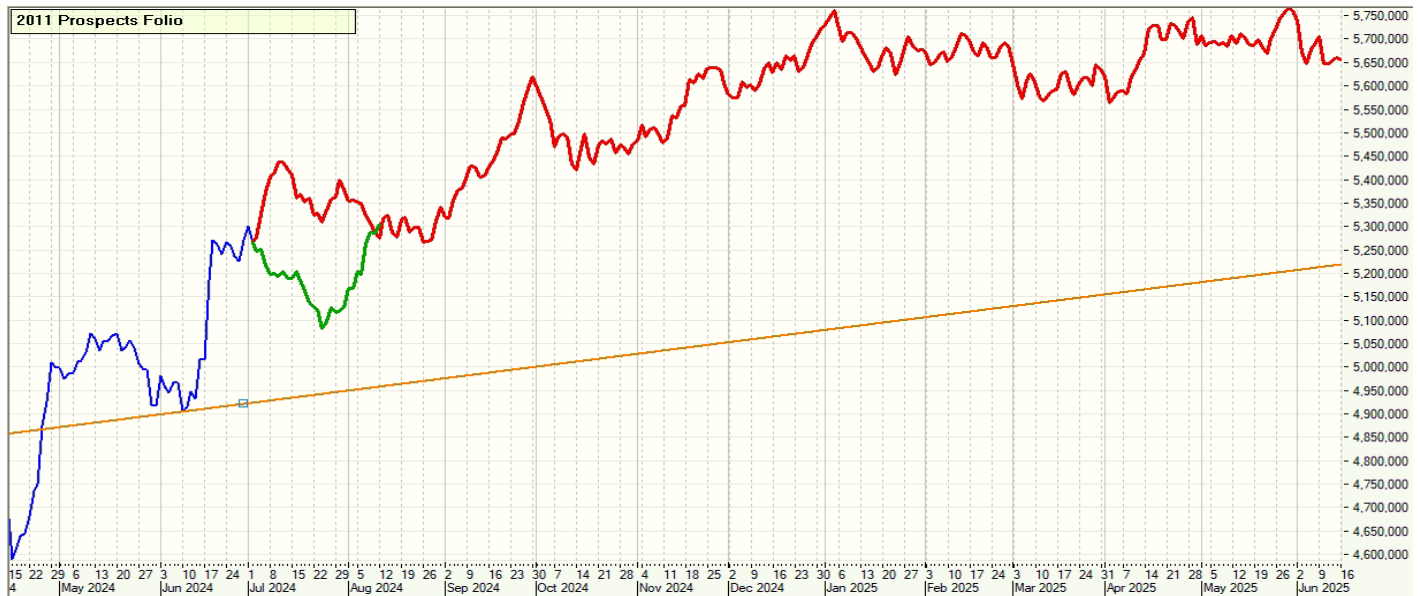
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Writing to you from New Providence, a small suburban town in New Jersey, USA, makes South Africa and the immediacy of political events there seem so far away when, search as I may, prominent US newspapers like the Wall Street Journal have not carried even one line of text about Cyril Ramaphosa's new cabinet and how markets have reacted to it:

Happily, I am still able to enjoy news feeds from the ever-reliable Daily Maverick which has long become my go to substitute for the SA dailies that were destroyed by the Terrible Iqbal! So I do see that most are reasonably content with the Cabinet choices...though I do urge readers to note Justice Malala's acerbic "A cabinet of cats," column!

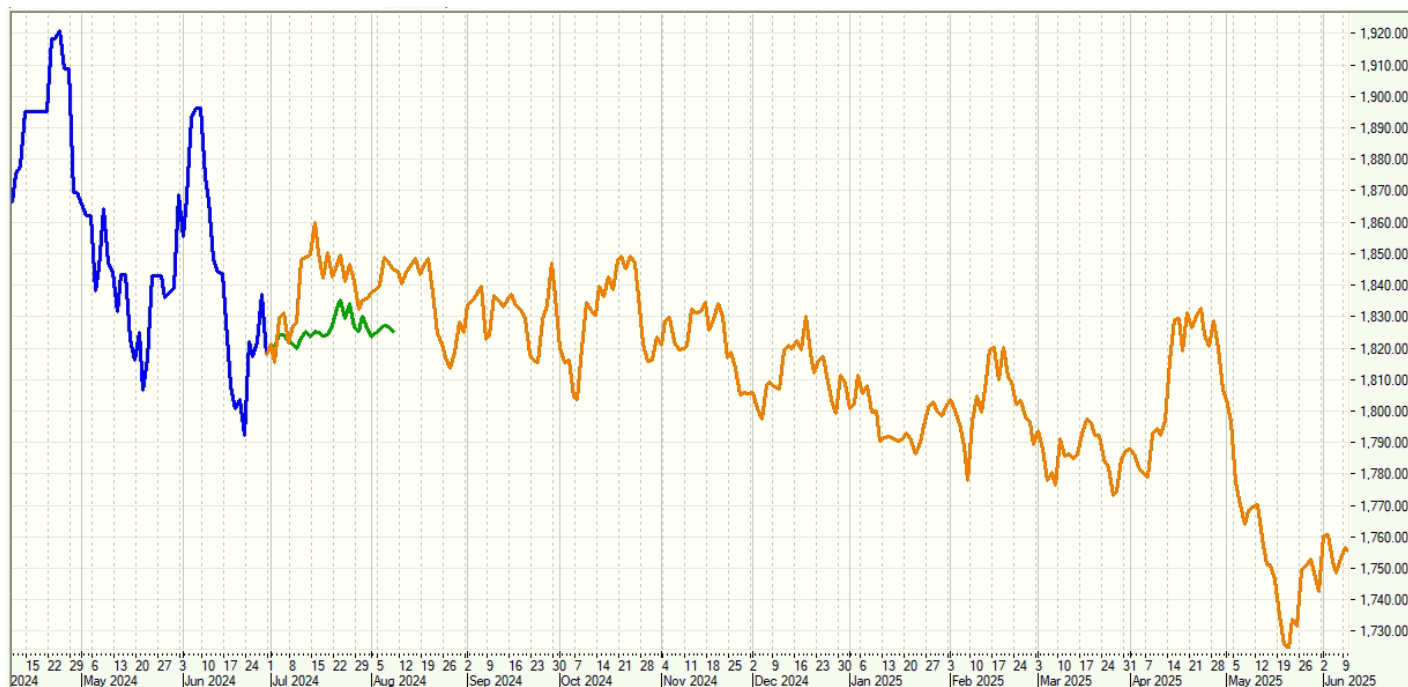
More importantly, however, the markets have reacted favourably. Note ShareFinder's portrayal below of what has been happening to our Prospects Portfolio and ShareFinder's optimistic projection of what lies ahead for the portfolio in the coming months:



Do note the steady gains projected for the portfolio which, if ShareFinder is its usually reliable self, will see the value of our Prospects Portfolio increase by another ten percent in value by Christmas.

Ominously, however, pay close attention to the green short-term projection which sees a market decline between now and July 24 which, if I may be so bold, suggests that the market might not be as optimistic in the next few weeks until it sees the new Cabinet pulling together as a united team.

For a glimpse of what the outside world thinks of the situation in South Africa, arguably the best indicator is the value of the Rand which is short-term negative but in the long term is projected to continuing moving towards strength. One needs, however, to note that in global terms the US Dollar has just put on a burst of strength which would obviously adversely affect the Rand in the short-term.



Here again, the long-term trend continues to be positive with ShareFinder projecting that a year from now the Rand could well be standing at 17.25 to the US Dollar, an event which could put considerable air under SA Pty Ltd.'s wings in the shape of much cheaper imports and, most importantly, lower debt servicing costs!

Considering the heightened political uncertainty in the world's major nations – read doubts about President Biden's continuing ability to stand in the US Presidency race and a pending right-wing takeover in France, not to mention a probable Labour party win in Britain – and it should not surprise anyone that a grossly underpriced SA market could begin to look very attractive to foreign investors quite soon!.

The month ahead:

New York's SP500: I correctly predicted a brief dip ahead of the next recovery. Now I see steady gains until the end of August. In the short-term, however, a few more days of weakness are probable.

Nasdaq: I also correctly predicted a recovery which I now see lasting to the end of the month. The longer-term outlook is however weak with declines likely until mid-September.

London's Footsie: I also correctly predicted weakness which I saw lasting until the end of June followed by a recovery to a mid-August peak followed by a long down-trend into the New Year.

France's Cac 40: I correctly predicted weakness likely until July 11 and then a recovery until the first week of August ahead of a long decline well into 2025.

HongKong's Hangsen: The double-bottom I correctly predicted is still forming a springboard to an extended recovery beginning around July 12 and lasting well to Year-end.

Japan's Nikkei: I correctly saw a recovery which is now over ahead of declines until July 25 followed by likely gains until the end of October.

Australia's All Ordinaries: I correctly forecast weakness which I still expect to last to the second week of July followed by brief gains for the rest of the month and then fresh weakness until the end of September.

JSE Top 40 Index: I correctly called gains which I still lasting until July 18 ahead of brief weakness. Then I see gains until the market peaks around August 14 followed by declines until mid-March.

ShareFinder JSE Blue Chip Index: I correctly predicted a modest sideways to declining trend to mid-September before growth resumes.

Rand/Dollar: I correctly predicted brief weakness until July 24 within a long-term recovery extending well into 2025.

Rand/Euro: I correctly warned of weakness likely to last until mid-July ahead of gains to the end of August before long-term weakness resumes.

The Predicts accuracy rate on a running average basis since January 2001 has been 87.34 percent. For the past 12 months it has been 95.21 percent.