



Our Weekly Paid Newsletter

Richard Cluver Predicts

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



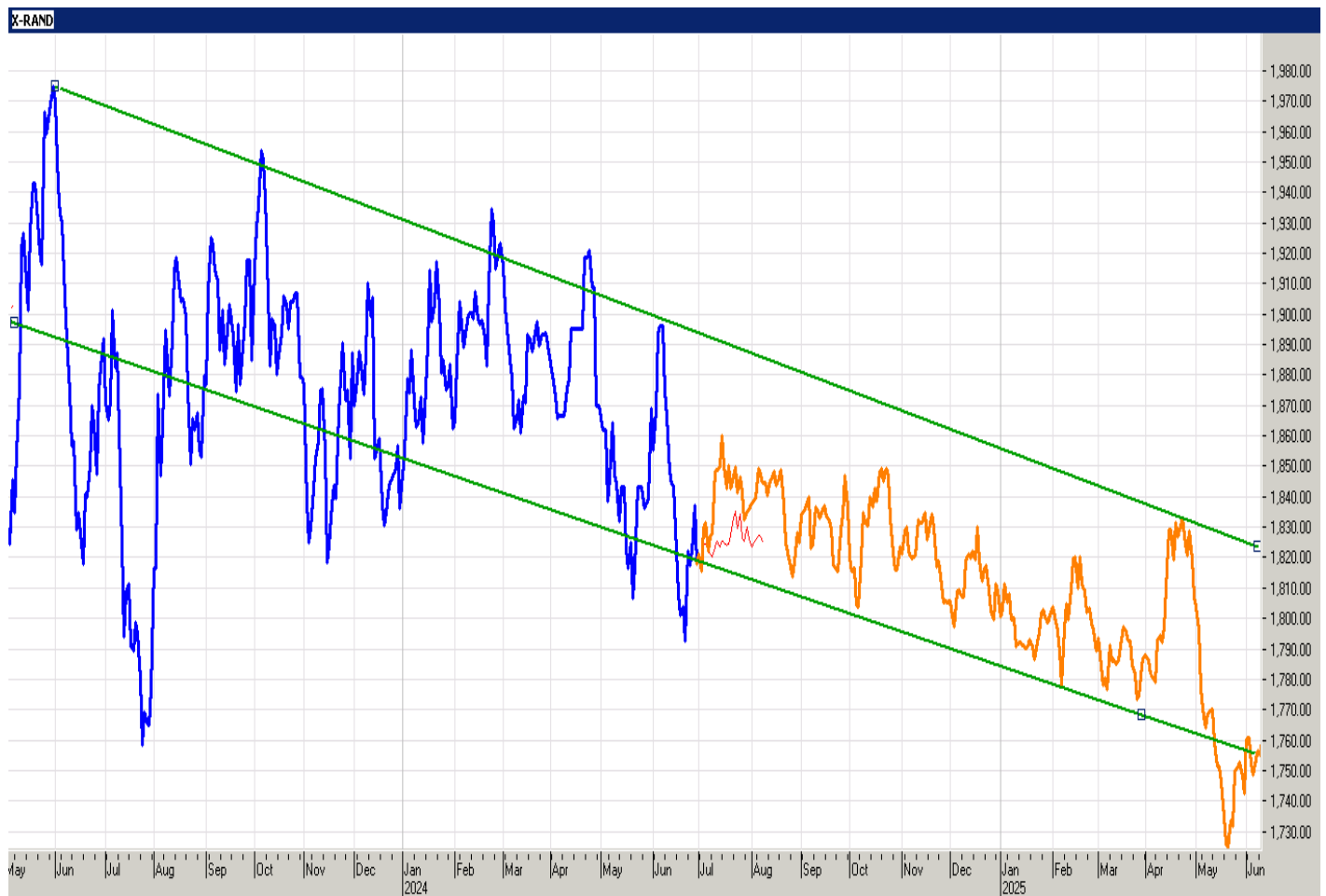
Volume: 37 - Issue: 28

26 July 2024

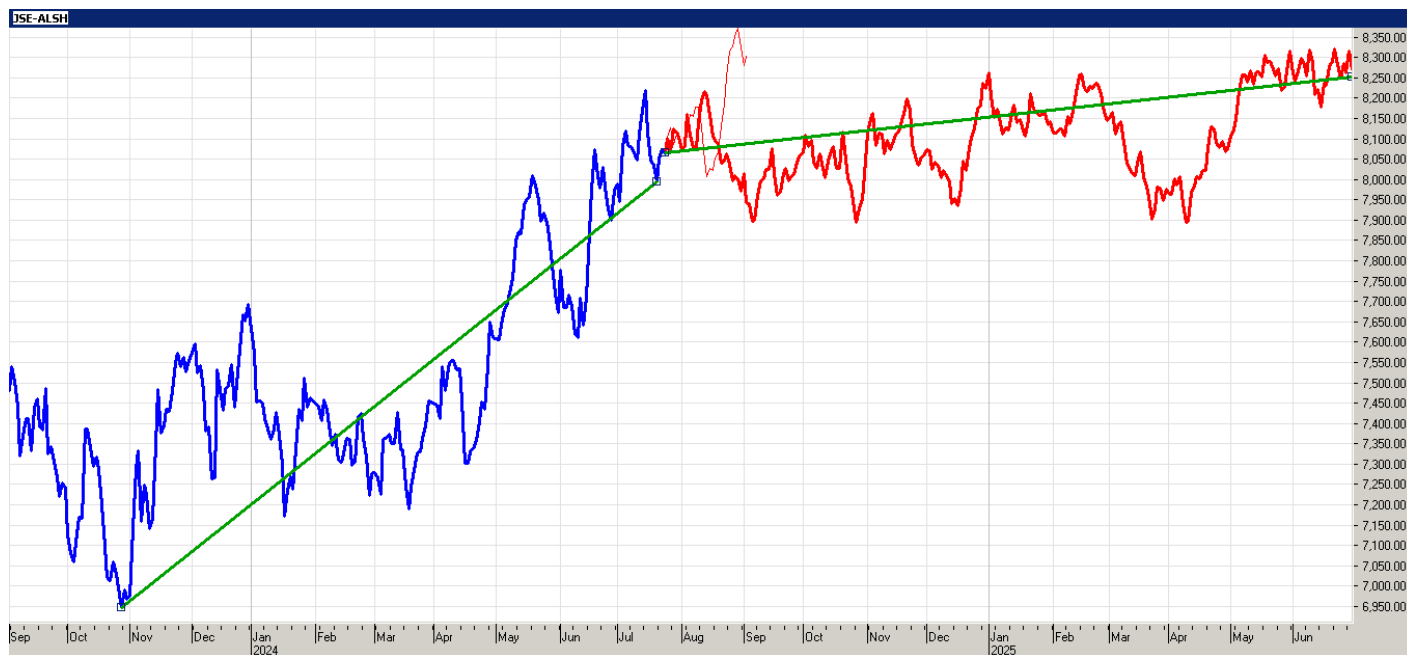
How quickly one can get out of touch! I returned to South Africa this week to headlines spelling disaster. The Rand had nose-dived said The Star, the JSE was in disarray, Gwede Mantashe had declared war on Helen Zille and the Natal coalition was falling apart.

Oh dear, after a month of daily reading of the Wall Street Journal's excellent journalism, I am back to a dysfunctional Press, a dilapidated country run by politicians too big for their boots....to Never-Never Land!

Well here is the Rand's actual progress, gaining strength, as the green trend lines unmistakably outline at a steady 4 percent a year and, if ShareFinder is not mistaken in its red projection through to next June, likely to continue steadily into the future:

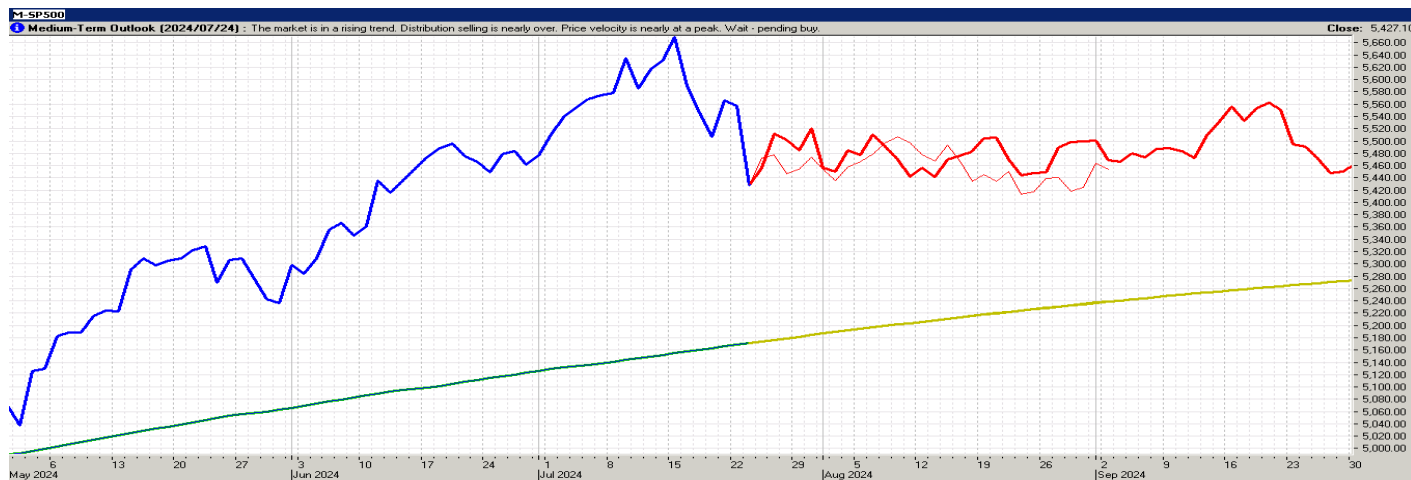


And here is the JSE All Share Index continuing its steady recovery from last October's low at a current rate of 21.2 percent compound which is outstripping most world markets and needs to slow down a little if it is not to trip over itself. Thus ShareFinder's projection in red is a much more likely continuing gain at a more realistic annualised 2.4 percent into this time next year.

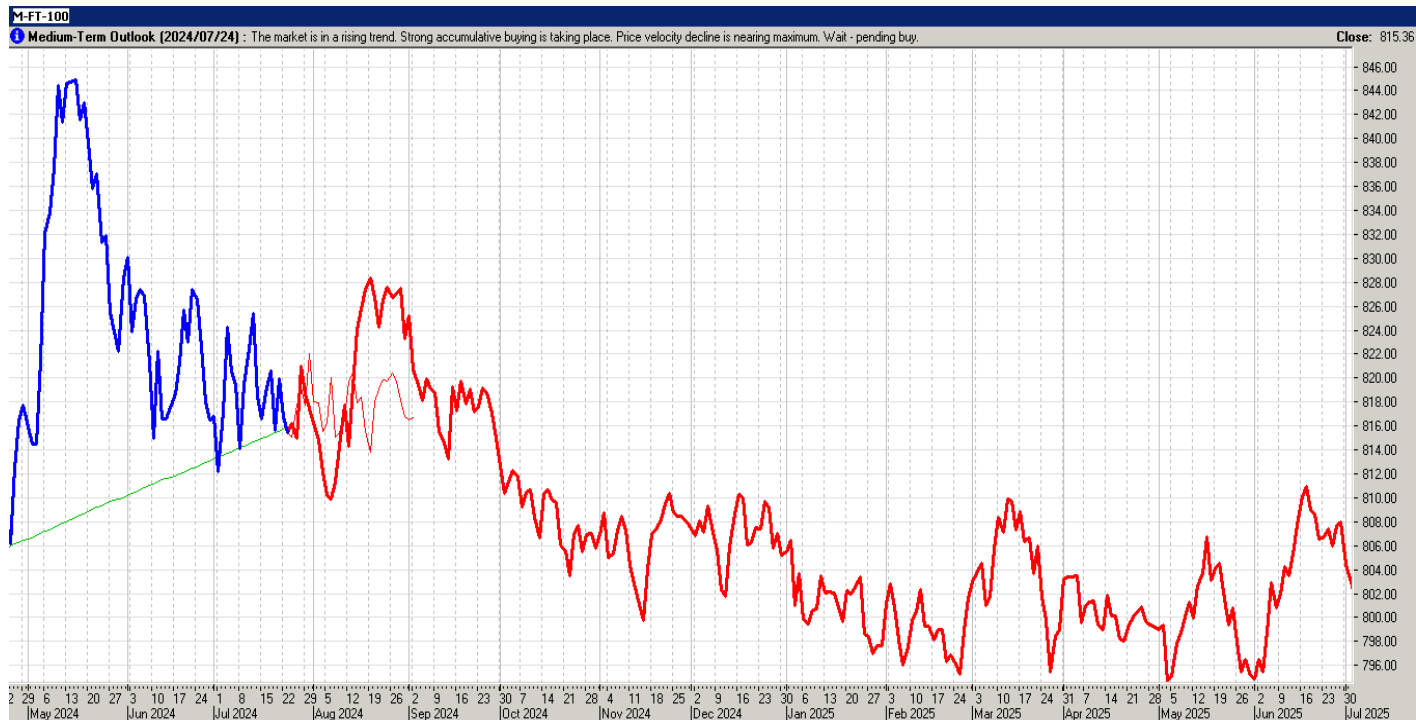


Indeed, unlike the story the Star newspaper was proclaiming on the news stand at OR Tambo, it is Wall Street which is taking punishment because of the recent “Will he...wont he” question marks over the Biden administration, the likelihood of a Trump Presidency and that contender’s remarks about no longer defending Taiwan - where most of the world’s semi-conductors are made – and major question marks over the future of the US Dollar, the national debt and indeed the future of everything from abortion rights to child care, basic living costs, and just general uncertainty for the man in the street!

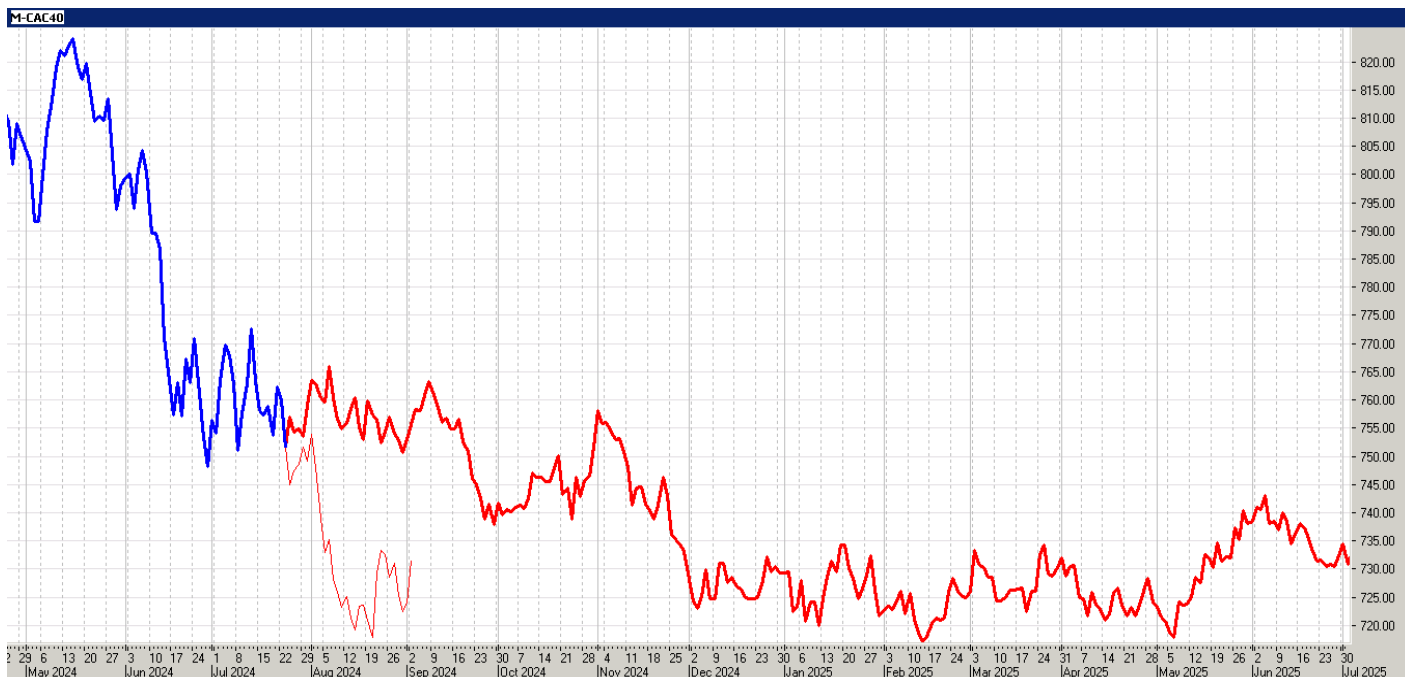
So ShareFinder’s depiction of the share price carnage on Wall Street this past eight days and its projection of, at best, a sideways trend of the S&P500 Index for the next three months seems like a realistic portrayal of how Americans feel right now:



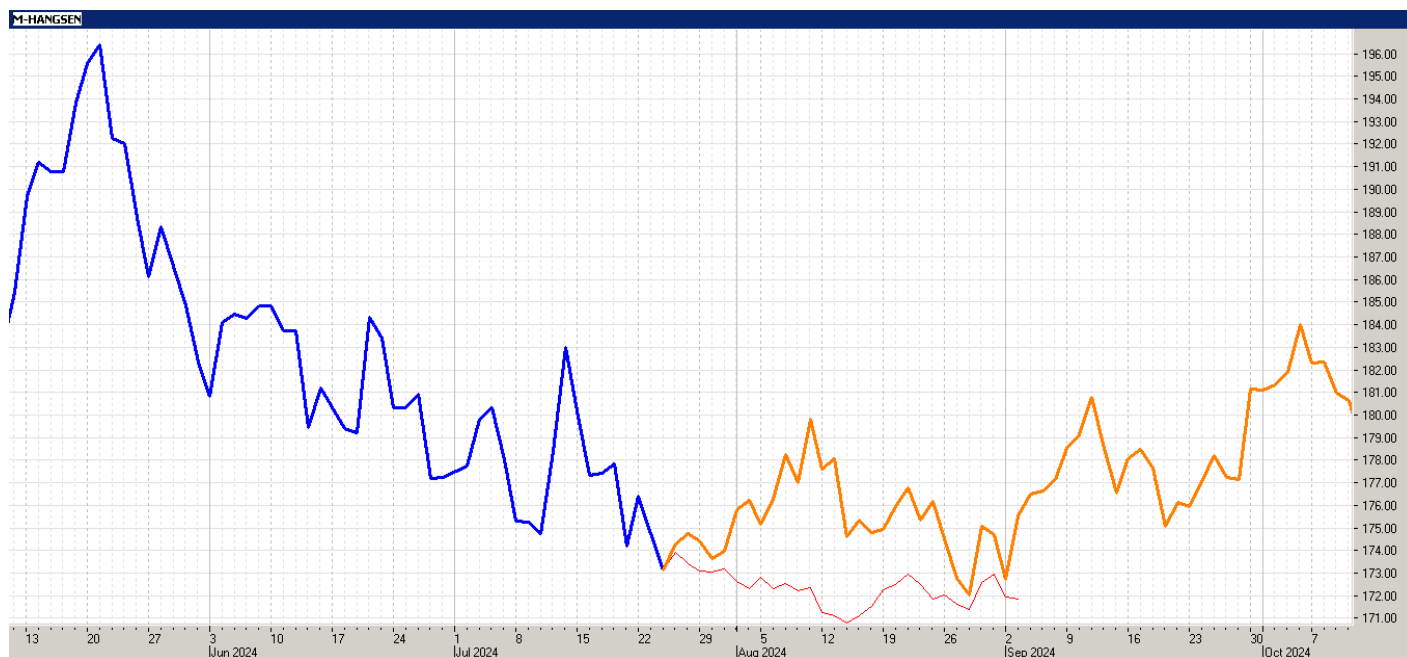
Just so Britain, where a Labour government has just taken over but is looking for all the world like a Tory administration:



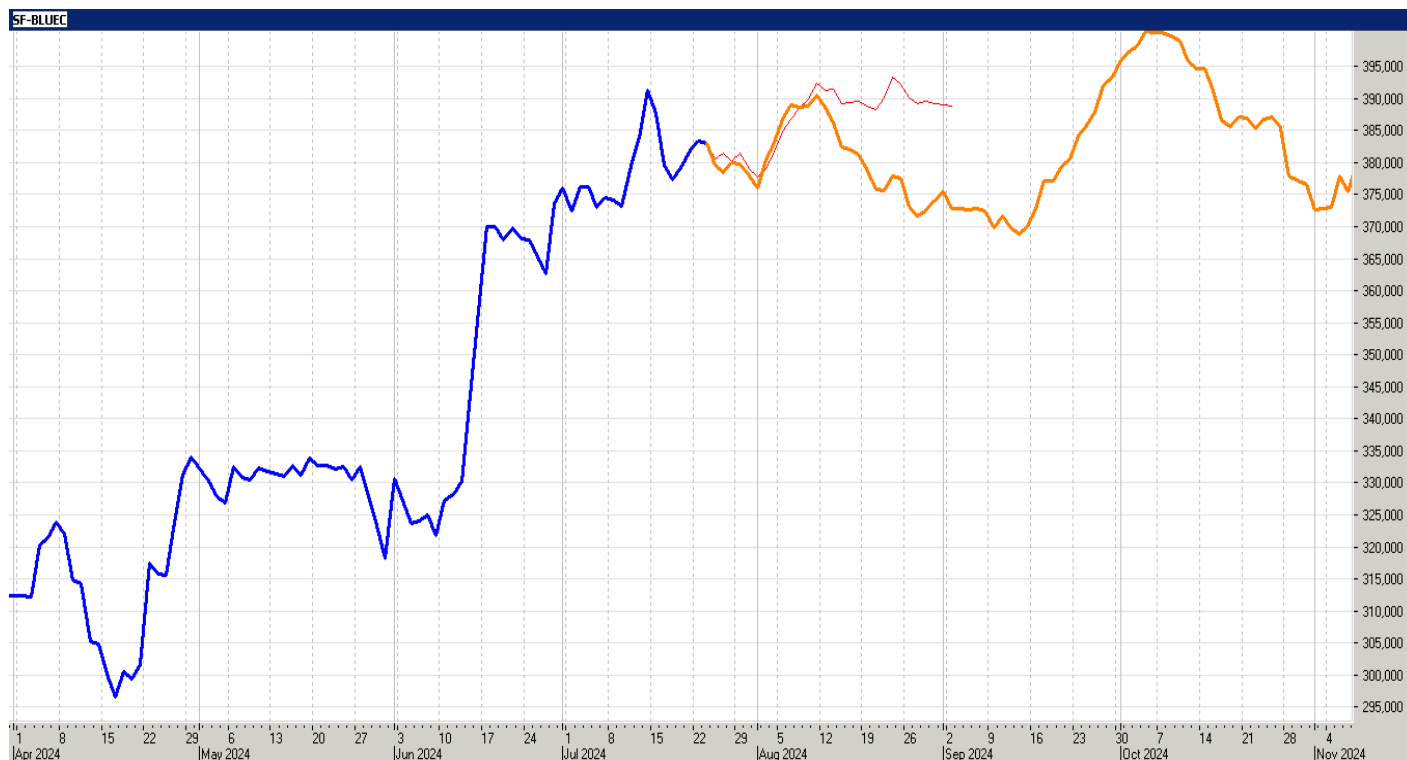
And France where an utterly fragile coalition is for now keeping Marine Le Pen's right wing at arm's length:



And all of this is before we go to the Far East where China appears to be on the brink of a serious economic collapse and is beating the war drums in order to distract an increasingly distressed public. So it is little surprise that the Hong Kong market has been falling like a stone since mid-May and seems likely to continue doing so for another month at least:



In the circumstances, South Africa looks like the safest bet right now! Here is the ShareFinder Blue Chip Index:



The month ahead:

New York's SP500: I correctly predicted weakness. Now I see a sideways future.

Nasdaq: I also correctly predicted declines likely until the end of August and then a volatile recovery to the end of November. But next year looks downward for a long time.

London's Footsie: I also correctly predicted weakness likely lasting into early August when a brief recovery presages a lengthy decline well into the New Year.

France's Cac 40: I correctly predicted weakness likely until now followed by a recovery until mid-August ahead of a long decline well into the New Year.

HongKong's Hangsen: I correctly predicted that the market would bottom around now followed by brief gains until early-August within an overall rising trend well into the New Year.

Japan's Nikkei: I correctly saw declines until month-end followed by likely gains until the end of November.

Australia's All Ordinaries: I correctly forecast gains from the second week of July to a month-end peak followed by fresh weakness until September.

JSE Top 40 Index: I correctly called weakness until this week followed by gains into mid-August.

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 15 within a longer-term recovery well into the New Year.

Rand/Euro: I correctly warned of weakness likely to last until July 23 when a brief recovery is likely within an overall weakening trend to year-end.

The Predicts accuracy rate on a running average basis since January 2001 has been 87.38 percent. For the past 12 months it has been 95.74 percent.