



Our Weekly Paid Newsletter

Richard Cluver Predicts

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



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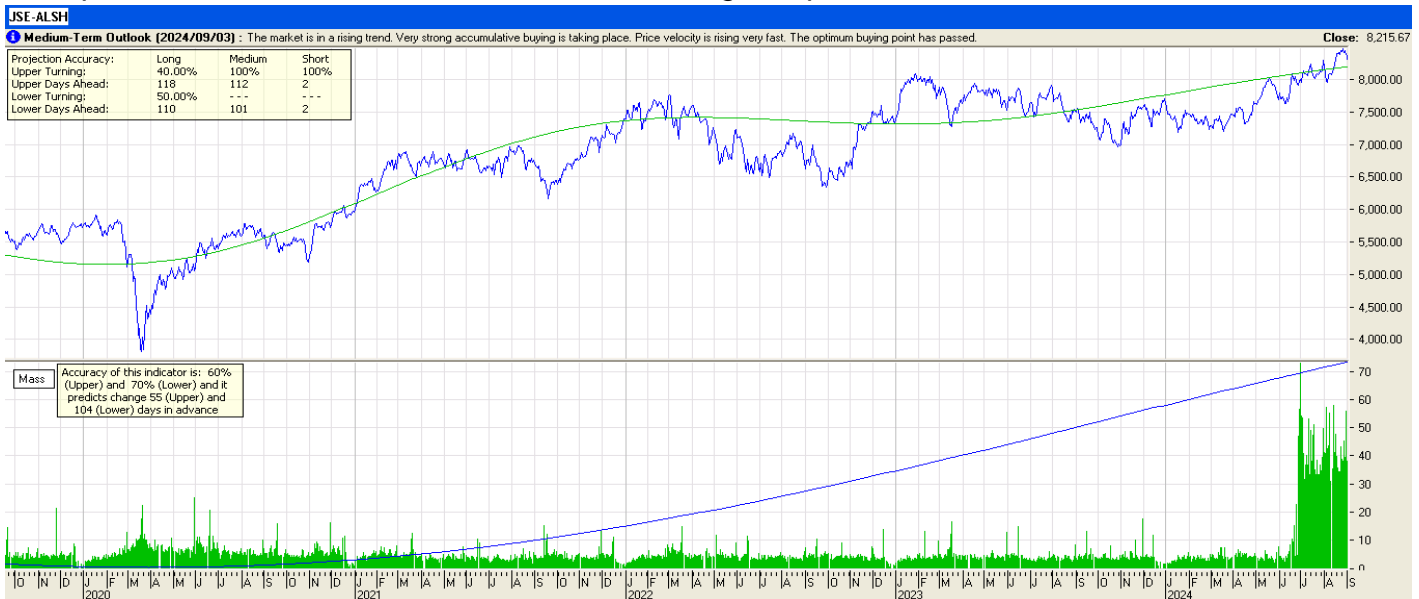
06 September 2024

As things got steadily worse for Britain this week, taxpayers learned that their new Finance Minister Rachel Reeves has a £22-billion (R516-billion) hole in her forthcoming budget and that the end of winter-heating allowances for pensioners is probable along with heavy tax increases for the 'Rich.'.....being imposed by a government already spending 45% of national GDP! Compare that with a USA figure of 23% and a South African 32%

So it should surprise nobody that at a time when most other share markets are soaring with the expectation of the first of the US Federal Reserve interest rate cuts likely as soon as mid-month, London's FT100 Index has probably topped out for now and, as ShareFinder projects in the following graph, the market decline is likely to last into the New Year:



In sharp contrast, the JSE All Share Index is at its highest point ever:



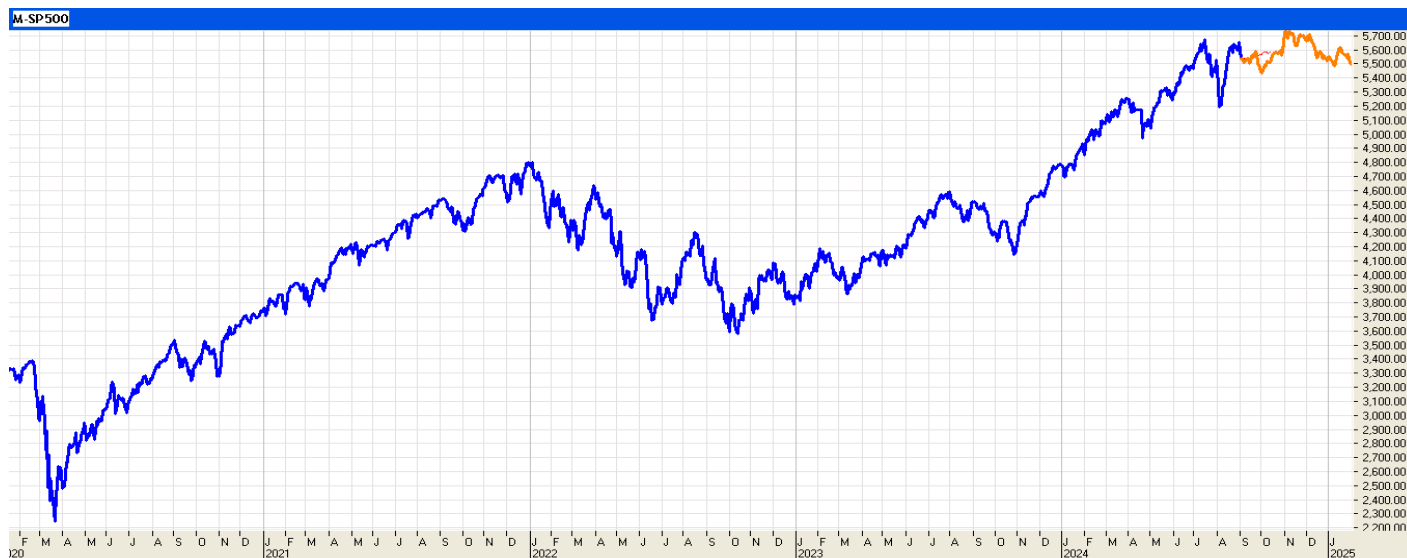
JSE-ALSH
Medium-Term Outlook (2024/09/03) : The market is in a rising trend. Very strong accumulative buying is taking place. Price velocity is rising very fast. The optimum buying point has passed.

Projection Accuracy:	Long	Medium	Short
Upper Turning:	40.00%	100%	100%
Upper Days Ahead:	118	112	2
Lower Turning:	50.00%	---	---
Lower Days Ahead:	110	101	2

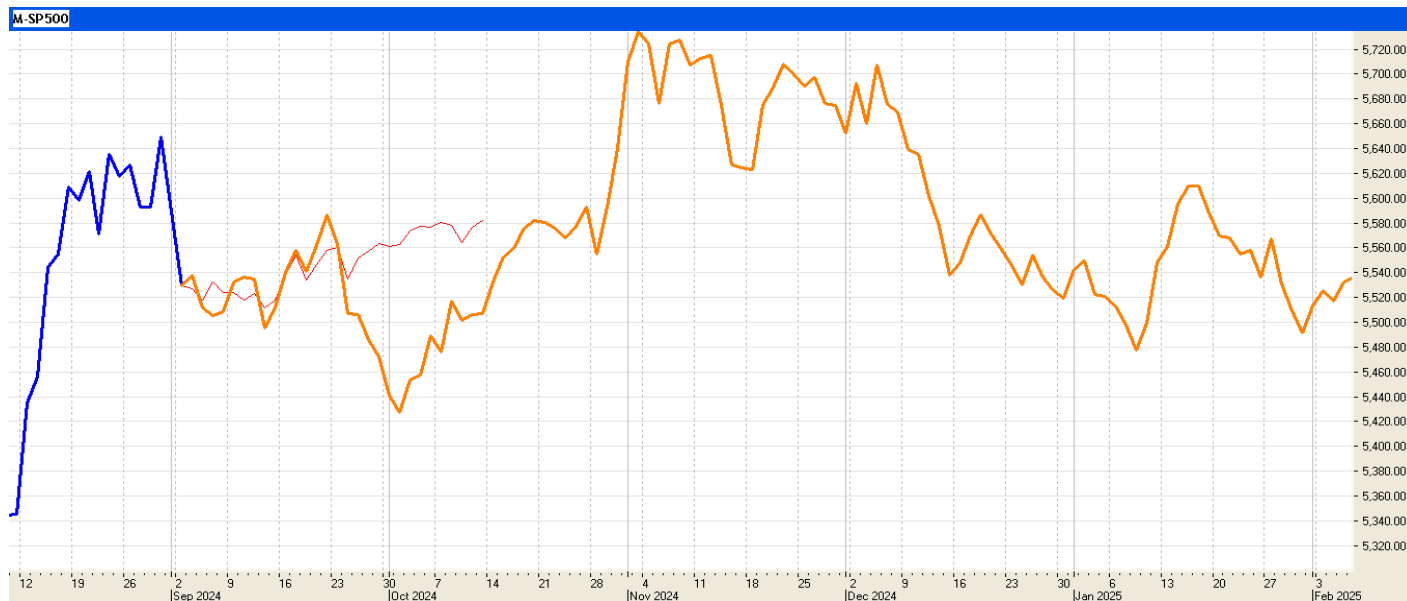
Mass Accuracy of this indicator is: 60% (Upper) and 70% (Lower) and it predicts change 55 (Upper) and 104 (Lower) days in advance

Moreover, I have included ShareFinder's Mass indicator and the average recent share volumes to collectively indicate the enormous recent increase in local trading volumes which speak to the new spirit of optimism that is sweeping South Africa.

And to put the local market into proper perspective, it is important to note in the following graph that Wall Street's S&P500 Index has similarly soared over the past five years but is now looking topy. Furthermore, this week's dramatic 9.5 percent tumble of the most favoured stock on the market, Nvidia, is pulling down the entire tech sector and shaking confidence in the ability of the market to continue upwards.



It is as if the US market has had an excess of enthusiasm in anticipation of the probability of an interest rate reduction when the US Federal Reserve next meets mid-month. And, of course, if the unlikely happens and the Fed does NOT reduce rates, you can surely expect quite a strong retraction. Quite a lot worse than ShareFinder is projecting in the following expanded graph:



And here is what ShareFinder thinks will happen to the JSE All Share Index between now and January:



Note the green long-term projection line which becomes yellow as we move into the future; an unbroken upward curve into the New Year. Furthermore the thin purple line representing ShareFinder's short-term projection is sensing sharp further gains ahead of the red medium-trace.

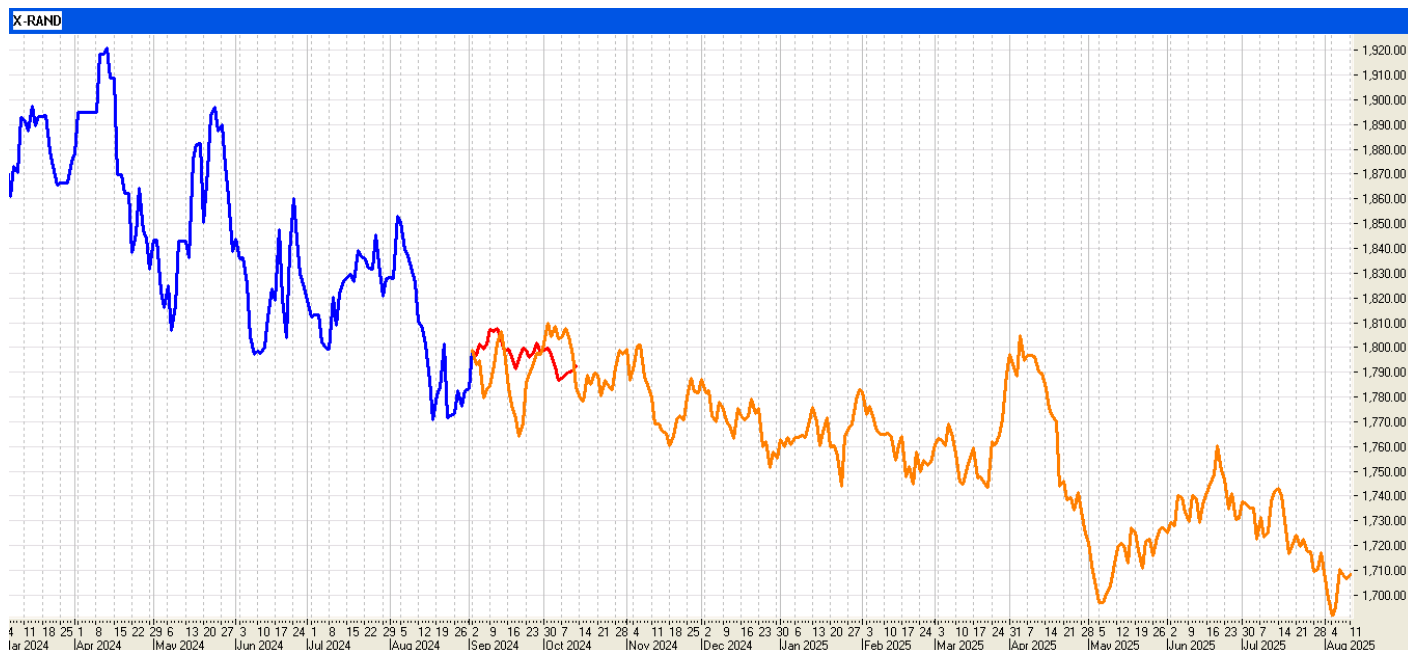
What those lines, all pointing in the same direction, imply is that the South African market could soon be one of the world's greatest gainers. And given that for well over a year now I have been publishing similar optimistic projections for both the JSE and the Rand (which have proved to be extremely correct) and that I long ago concluded that the only thing that could account for such ShareFinder optimism was that the 2024 General Election would bring about favourable change: it is probably very fair to accordingly trust these latest unwavering projections!

Of course there is a long road ahead and there are some potent forces gathering to try and bring down the Government of National Unity. Happily, however, few South Africans are unaware that those in opposition represent a rogue's gallery of folk who, if our courts were not so cluttered, should by now all be wearing orange overalls.

So there are real grounds for optimism and, given that Wall Street's average PE ratio is currently 29.513 compared with the JSE's 10.24, it is clear our investments are massively under-priced.

For overseas investors watching our market, this must surely represent an extremely tempting morsel, particularly at a time when such uncertainty is gripping countries like the UK which have traditionally led investment into this country.

So let's consider ShareFinder's latest projection for the Rand/Dollar exchange rate, noting that the software has been unwavering in this projection for over a year, sensing that within 12 months we could be looking at R16.91 to the US Dollar.



Imagine what that would do for our inflation rate and, coupled with the probability of something like a 20 percent decline in international lending rates over the next four quarters, along with matching local declines, what that would do for government debt and, far more importantly, for the SA national psyche.

Finally it all seems to be happening.

Meanwhile, scores of you have written in to say you will back my proposed ShareFinder-driven Unit Trust initiative and the potential investment sums you have promised are piling up steadily. However, there is a very long way to go to allow us to attain critical mass, so if you have not yet done so, please communicate your views and, hopefully, the extent of your possible future commitment.

You can write to us in confidence to Fund@ShareFinderpro.com

The month ahead:

New York's SP500: I correctly predicted some short-term weakness which is likely to continue with some significant volatility before turning upwards again at month-end as the market heads to an October peak.

Nasdaq: I correctly predicted the gains were over though I did not expect such a sharp decline. However that is now nearly over and one might now look towards nearly two months of gains starting around September 9.

London's Footsie: I also correctly predicted a lengthy decline that should last well into the New Year.

France's Cac 40: I correctly predicted gains until now followed by declines to early October. But from the end of October I see another dive to year-end.

HongKong's Hangsen: I correctly saw further gains but my predicted brief retraction came sooner than I expected. However it has set the scene for a lengthy recovery well into the New Year.

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<http://www.sharefinderpro.com>

richard@rcis.co.za

Japan's Nikkei: I correctly saw the gains continuing until now with this week's Wall Street reflective decline precipitating further slight weakness until the recovery begins in October.

Australia's All Ordinaries: I correctly saw losses starting now until early-October when another month-long recovery is likely. But the overall trend is likely downwards until February.

JSE Top 40 Index: I correctly called the start of volatile weakness to mid-month followed by very volatile gains to mid-October. In the longer-term however I see declines until mid-April.

ShareFinder JSE Blue Chip Index: Again the weakness came a little earlier than I expected but from mid-month I see a recovery to a mid-October peak. Thereafter I see declines into the New Year.

Rand/Dollar: I correctly predicted short-term volatility within a longer-term recovery well into the New Year. It will likely be mid-March before we see any sign of brief weakness!

Rand/Euro: Again the weakness came sooner than I predicted and the overall weakening trend is likely to continue amid great volatility to an early-November peak. Thereafter I see a long period of gains.

The Predicts accuracy rate on a running average basis since January 2001 has been 87.36 percent. For the past 12 months it has been 94.86 percent.