Our Weekly Paid Newsletter

Richard Cluver Predicts

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

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I have some happy news to share with you this Friday. If you care to study the following graph you should know it is the work of our new ShareFinder algorithm which has been able to replicate my own share selection techniques: the approaches which have given the Prospects portfolios their considerable edge over the years.

Running on ‘autopilot’ it assumed we started with a R1-million investment back on January 1 2011 when we launched the first Prospects portfolio. And, though there are still a number of tweaks to smarten its work further, it has now convincingly shown that it can soon render me superfluous in the future running of our four Prospects portfolios:

That yellow trend line is drawn from the date that I first launched the Prospects Portfolio in January 2011. It tracks what the new algorithm would have done over the same period and, as the yellow trend line neatly underlines, the graph represents a compound annual average growth rate of 14.5 percent.

On the right is the actual performance of the Prospects Portfolio over the same period with a similar trend line which delivers compound 14.4 percent. QED, as we would as schoolboys write at the end of a maths theorem all those years ago, the algorithm has for the first time just beaten me!

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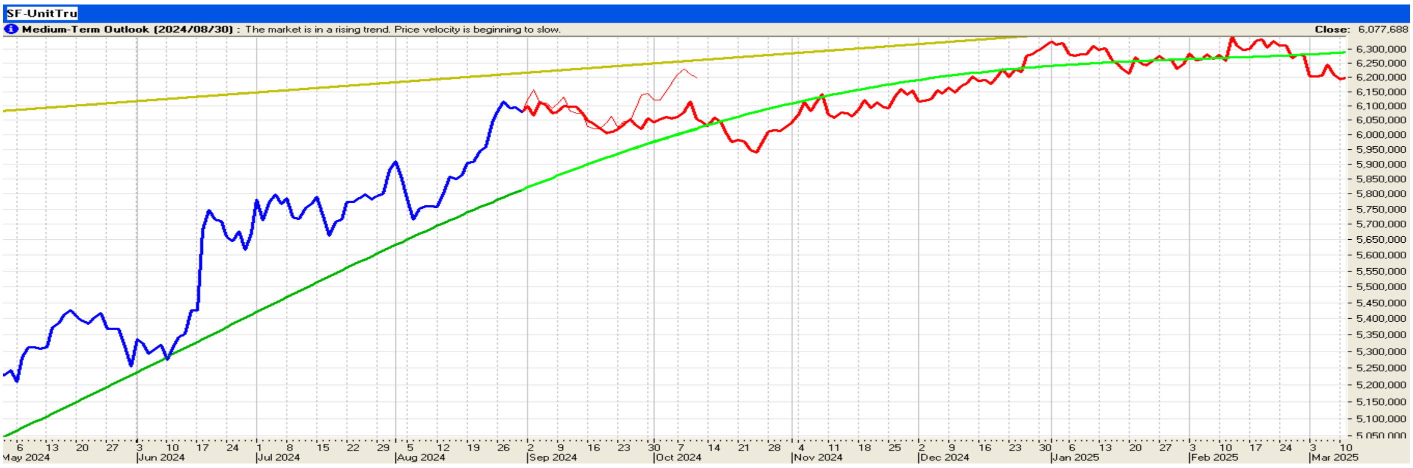
Moreover, it has done that growth more consistently and without as much price volatility which speaks of far greater peace of mind in future for all of you who follow this column.

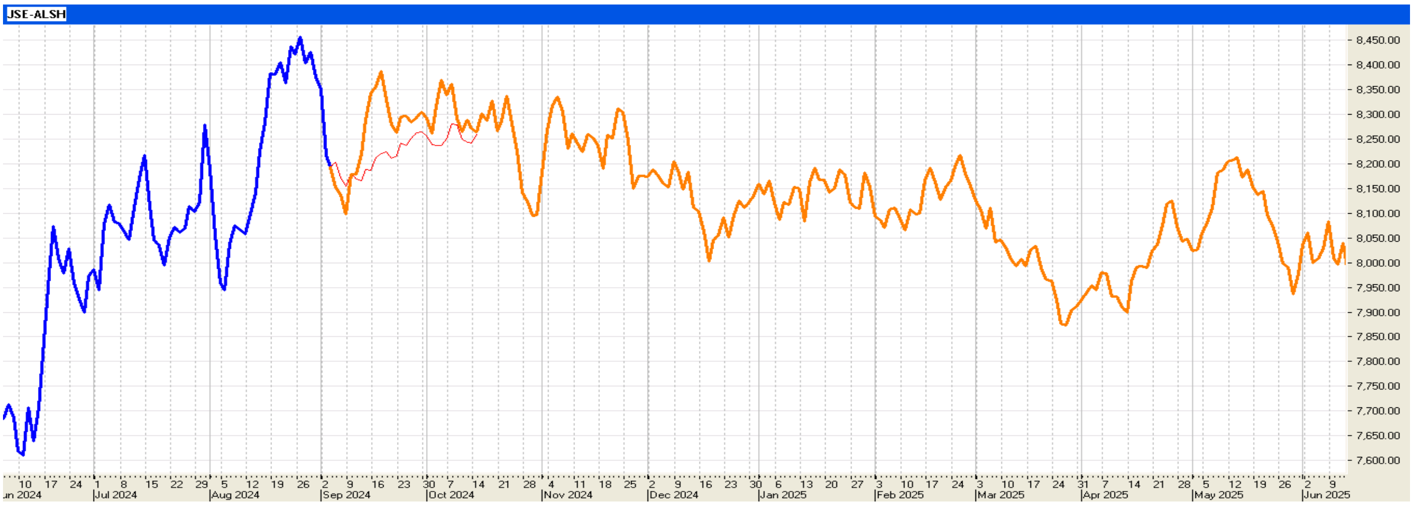
I always knew it would eventually do all of these things because, once you have perfected their replication of human processes, computers continue to work without error hour after hour, year after year and they do not miss a single nuance in the data they are fed. Thereafter, the only remaining human task is to make sure the data they are fed remains accurate – and the computers can even check this latter fact and warn when humans slip up or some random electronic wobble enters the system. And then they unerringly beat us at our own game!!

If I might modestly exclaim what this development represents, I would say it is the software equivalent of the Industrial Revolution which, though it never rendered humans irrelevant; just massively multiplied their productive ability. Wealth beckons!

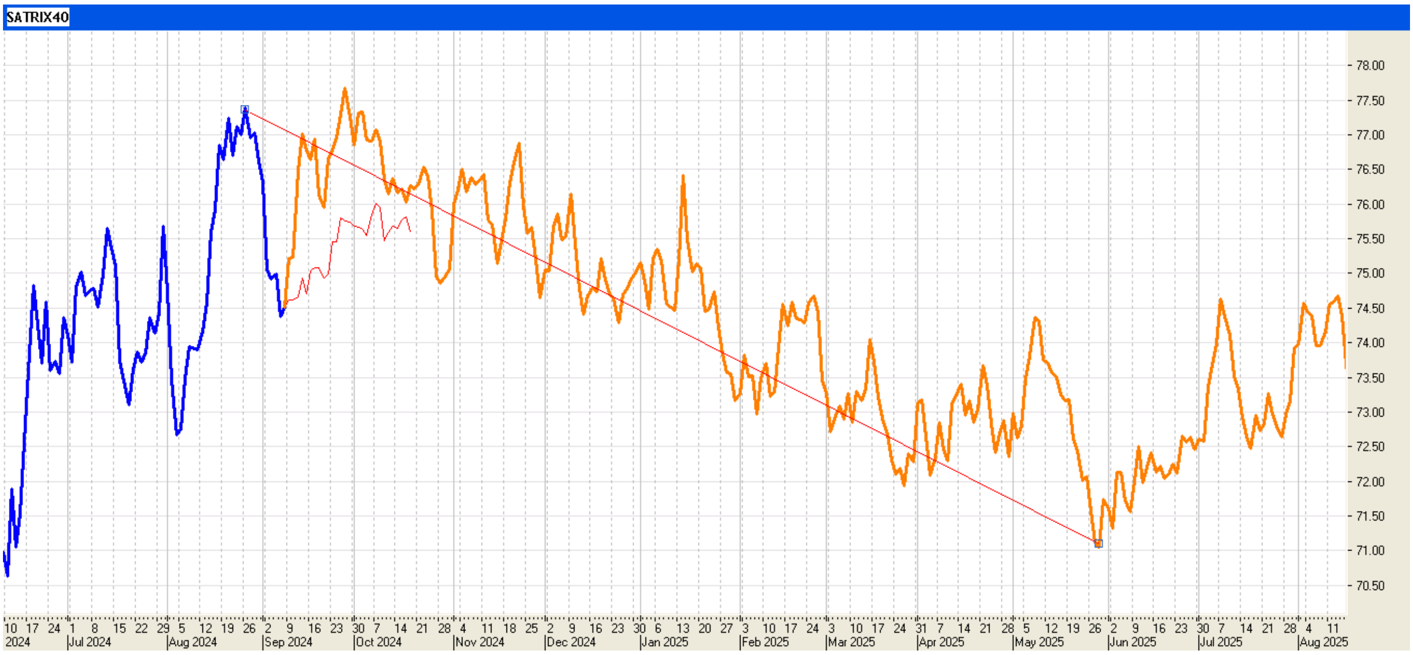
More importantly, presented with the same database that I have always employed, the algorithm has made some significant changes in its share choices and their percentage weightings with the result that, while most of the world's share markets are projected to turn negative in the New Year, the new Prospects Portfolio is projected to continue growing as the following graph illustrates:



In sharp contrast, here is what ShareFinder says is due to happen to the JSE All Share Index over the same period: A steady decline at an annualised compound minus 11.4 percent until the end of March 2025!



And it is nearly as bad for the Satrix40 with ShareFinder projecting an annualised minus 10.6 percent from now to the end of next May:



So you will well understand that I just can't wait for what this means for my own portfolio which ShareFinder projects will double in value over the next 12 months under the guidance of the new algorithm!

And while I am sure that most of you who have followed my writings over our long history together will exercise understandable caution before you learn to fully trust this new development it, I firmly believe 2025 will be a game-changer for us all. The future looks more exciting than I can ever remember!

Meanwhile readers have continued contacting us in considerable volume to express their support for this initiative and to indicate the sums they are likely to invest once we have registered the proposed Unit Trust. Sadly, however, the total sums pledged are a long way short of what the proposed management company requires in order to proceed with the project so, if you intend participating, please contact us on **fund@sharefinderpro.com.**

In next week's issue of my Prospects newsletter, I have provided complete detail of the portfolio changes ShareFinder has recommended. You will receive it on Wednesday.

The month ahead:

New York's SP500: I correctly predicted the gains would continue but that some leveling off was now likely – and even some short-term weakness - as the market heads to an end of October peak. I continue to hold that view with a dip likely from the 23rd

Nasdaq: I wrongly expected some slowing of the up-surge and I now see it continuing until the 23rd before a week-long dip will precede the next short-term upsurge to the end of October.

London's Footsie: I also correctly predicted the start of a lengthy decline that should last to mid-December.

France's Cac 40: I correctly predicted declines to early October when a month-long recovery is likely to precede further declines to year-end.

HongKong's Hangsen: I correctly predicted a mid-September brief retraction likely to precede further gains in October/November ahead of a weak December.

Japan's Nikkei: I correctly saw weakness from early September until month-end followed by gains until late November when I see a very long decline beginning.

Australia's All Ordinaries: I correctly saw the start of losses to early-October when another month-long recovery is likely. But the overall trend is likely downwards to year-end.

JSE Top 40 Index: I correctly warned that the gains were nearing their end followed by volatile weakness lasting well into the New Year.

ShareFinder JSE Blue Chip Index: I correctly saw gains to mid-September ahead of fresh weakness likely beginning around the 23rd ahead of an October recovery and then a far longer decline likely until next May.

Rand/Dollar: I correctly predicted a brief wobble representing mere short-term volatility within a longer-term recovery well into the New Year.

Rand/Euro: I correctly predicted weakness would begin this week lasting until about October 6th followed by a month of volatile sideways movements and then gains for the next nine months.

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.

Birth rate panic and the global MLM of a society built on infinite growth

Several of you emailed me recent articles from *The Economist* and the *Wall Street Journal* about the so-called "birth rate panic," pointing out that the intersection of economic policy with people's decision to have children felt a little…off.

This week, I decided to do an impromptu, solo deep dive into the coverage, some of the gaps I see, the cultural scapegoats, and of course, the bigger picture: The reason population decline is alarming is because our society is built on an infinite growth scheme that only works if there are always more young people than old people, and now we're a little like a worldwide Rodan + Fields downline running out of new recruits. Unsurprisingly, nearly all of the focus is on women who are, apparently, girlbossing too hard to put the future of humanity on their backs.

Roughly 30% of households in the US are single people living alone, a rate that's increased slowly but steadily since the 1990s. It's a given in personal finance circles that dual-income households have a financial edge over single people, but in this week's Rich Girl Roundup, we're taking a closer look to better understand the economies of scale. Theoretically, pairing two earners and spenders together should just increase everything proportionally, but that isn't what happens. Why not? (And, of course, we're tackling the most realistic way singles can reasonably duplicate this benefit.)

"The collapse in housing starts really began in 2007, and it hasn't rebounded. Something is wrong with the market, as price signals aren't working," writes Matt Stoller. His hypothesis? Nationwide housing unaffordability isn't due to hordes of "annoying people" trolling city hall to preserve the charm of their neighborhoods, it's consolidation in homebuilding. An industry that used to be decentralized with hundreds of thousands of contractors has been consolidated into the hands of a few players, and these players "aren't builders, they are financiers that borrow cheaper than real developers and use that cheap credit to speculate in land, hiring contractors to do the work. They are, in other words, *middlemen."*