



In the aftermath of a US election outcome that has shocked the world, but not the American people who have voted Donald Trump back into power..... and with that have ushered in a period of deep uncertainty for the world as a whole..... I see trouble ahead!

Will, for example, 'The Donald' be able to make good on his boasts that he will end the wars in the Ukraine and Palestine within days of his inauguration? And if so, at what cost to the peoples of those benighted countries who have endured so much in recent months? I for one doubt that anyone other than Mr Putin will be very happy with the outcome....and I seriously doubt that Putin sleeps too well at night!

Mid-year I spent a month in the USA immersed in their best newspapers and authoritative news feeds while attempting to get to grips with the conundrum that has been America's extraordinary romance with a man whom large swathes of US political opinion have long-labelled as "the worst President ever." What I wrote then to you, my readers, was that unless you were standing on US soil it was unlikely that you would be remotely able to understand why Trump was so popular....and why I told you last week that Trump would win.

In part it is because, like Rome 2 000 years ago and 16th Century Spain when both nations were at the height of their economic and political power, it was impossible to envisage that within a few years both would be plunging into absolute decline.....NEVER again to be world powers.....the US economy could well be in terminal decline!

Right now, unless of course you are one of the millions of unemployed Americans who have seen their jobs move to countries like South Korea, China and Malaysia - or if you are a member of a former entrepreneurial family whose industrial empire collapsed because it could no longer compete against imports from the East - you are unlikely to understand! Indeed, only once history gives us perspective will mankind likely understand.

More important is the need to understand that Trump's fundamental promise to "Make America great again," which is a subliminal comment understood by ordinary Americans as meaning "Make America White again," is NOT going to happen. There are more people of colour in the US today than Whites while a ruinous debt crisis has made childless couples a growing norm. The average White couple in the US cannot afford children....and that issue alone might offer some insight into the US abortion curiosity!

The New York Times

Today's Headlines

November 7, 2024, 4:10 a.m. Eastern time

Top News

Donald Trump Returns to Power, Ushering in New Era of Uncertainty

He played on fears of immigrants and economic worries to defeat Vice President Kamala Harris. His victory signaled the advent of isolationism, sweeping tariffs and score settling.



For Ukraine, Trump Victory Signals a Shift. To What, Is Unclear.

As U.S. president, Donald J. Trump will inherit a role as Ukraine's chief benefactor. But he has been skeptical about continuing aid to Kyiv.



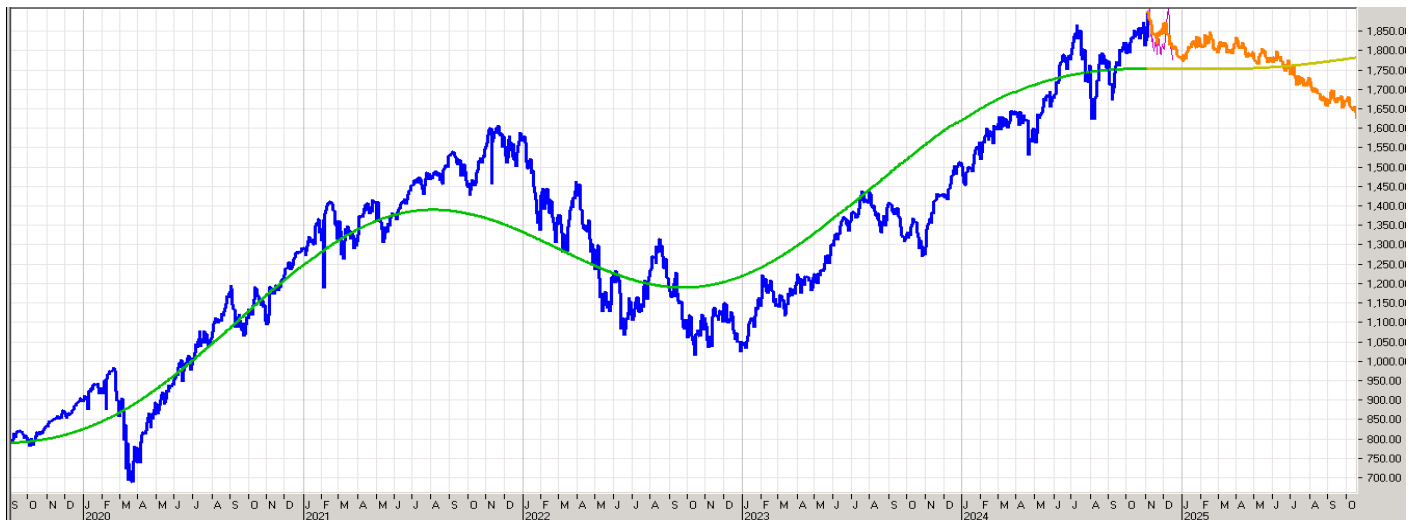
By Firing Gallant, Netanyahu Removes One Threat but Risks Another

Yoav Gallant, the departing defense minister, opposed Prime Minister Benjamin Netanyahu on key policies. His dismissal has stirred public discontent.



But you need to immerse yourself in the country to even remotely grasp the complex variables which explain why Trump will probably fail to deliver on his promises. That is why I have in this past week sent to all of you electronic copies of my latest book **Robbed** in which I have attempted to explain why the US is in probably terminal decline and why it's failed monetary system is currently pulling all of us down with it. So here is not the place to offer you another synopsis of it – though I do hope you will pass on copies to everyone you know in the interests of creating a dialogue that might help the world find a better way!

Meanwhile, that the markets have initially rallied to the election result is, I believe, a temporary thing. Certainly ShareFinder's usually highly-accurate market forecasts continue to give a thumbs-down for Wall Street in coming months. Here below is a long-range picture of what ShareFinder sees for the NASDAQ:



Importantly though, note the most powerful of all indicators, the smoothly-curving green sine wave, which highlights the long-term market cycle and then projects it forward in yellow. Though the orange medium-term projection suggests a year of market decline, the yellow line suggests that by mid-year the seeds of long-term recovery will likely be already asserting a recovery force which will inevitably prevail. It always does.

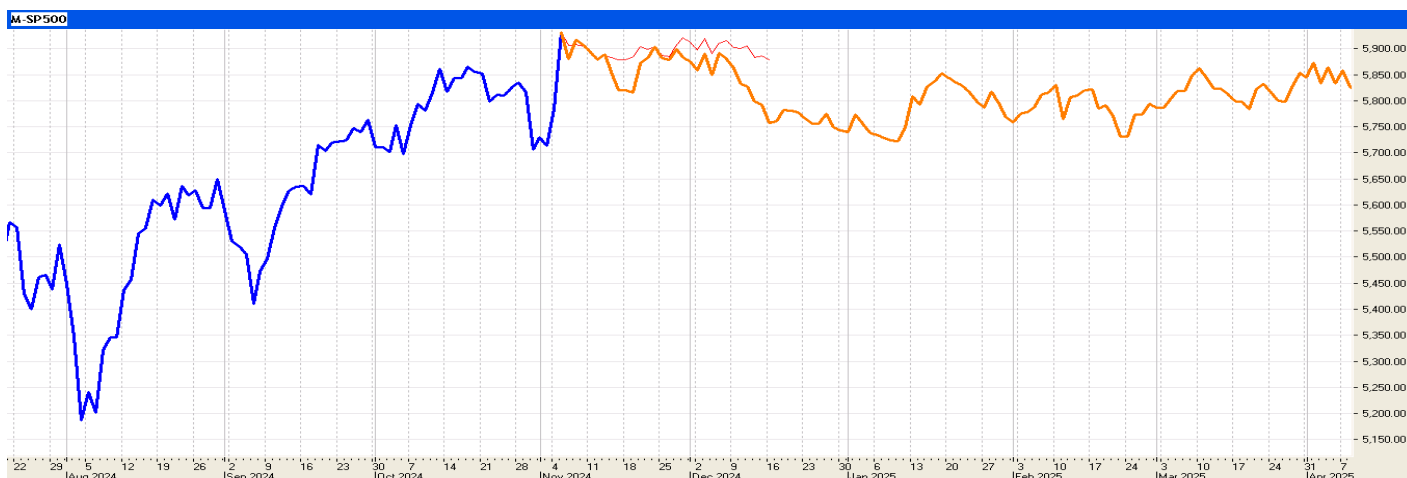
However, it is clear that the Nasdaq, which is a proxy for the big tech firms like Apple which legendary investor Warren Buffet has lately been selling off in huge volume, is not gripped with the same business euphoria which people like Elon Musk are presumably feeling today. The enormous trade barrier Trump has promised to erect against Chinese imports will undoubtedly help Musk sell more Tesla vehicles, but like they did in the opening days of the Great Depression, trade wars are never good for nations in the long term!

As Diane Brady wrote in Fortune Magazine in the Trump victory aftermath, "With a Republican sweep, the incoming president would probably not face much pushback on cabinet appointees or key legislation. Whether he will actually initiate mass deportation, end the Ukraine war on Day 1, create "freedom cities," or impose tariffs of 60% on China remains to be seen. Americans will soon find out if **Project 2025** is a blueprint or a pipe dream. If you have not read about Project 2025 I suggest you Google it!

More importantly, I also need to note that ShareFinder was a little out in foreseeing the market peaking on Election Day. However a day or two is neither here or there. ShareFinder continues to

be negative about most world share markets in the immediate future while the world gets to grip with what the Trump victory will mean.

Nevertheless, with the election behind us and Wednesday's sharp gains - The S&P 500 rose 2.5%, The Dow was up 3.6%. The NASDAQ gained 3%, both record highs, while the Russell 2000, an index of smaller counters, added 5.8% - ShareFinder still thinks these gains will be short-lived. Here is its projection for Wall Street's most representative index, the S&P500:



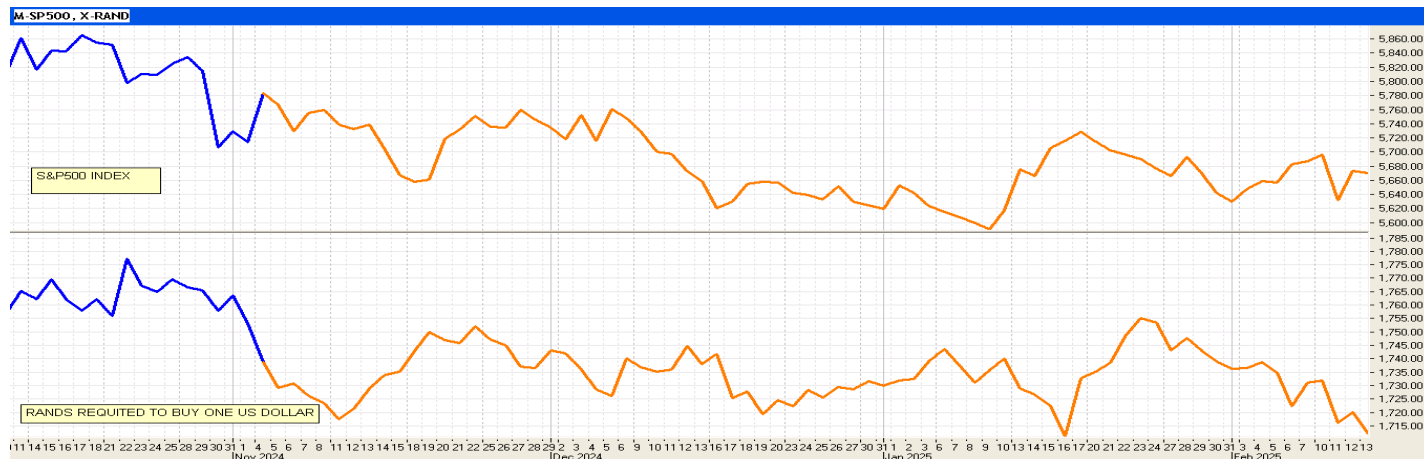
Meanwhile Sharefinder continues to project a three-months-long downward slide for the major US market indices while for South Africa might it mean the loss of our tariff-free ability to export to the US under AGOA – and the 13 000 jobs that are dependent upon it?

Analysts have long predicted little benefit for Africa were Trump to prevail – Trump's dismissal of the Continent as a "bunch of shithole countries" has always been there to remind us of that probability. Since the AGOA Act which gives African products duty-free access into the US, is up for review in the New Year, the Trump victory will logically put that in jeopardy while, of particular importance to millions of AIDS victims, the US funds most of the treatment action in Africa. Might that also go?

It is thus hardly surprising that ShareFinder continues to project that the performance of the JSE is likely to be considerably worse than that of Wall Street in the coming months. The following is ShareFinder's projection for the JSE Top40 Index.

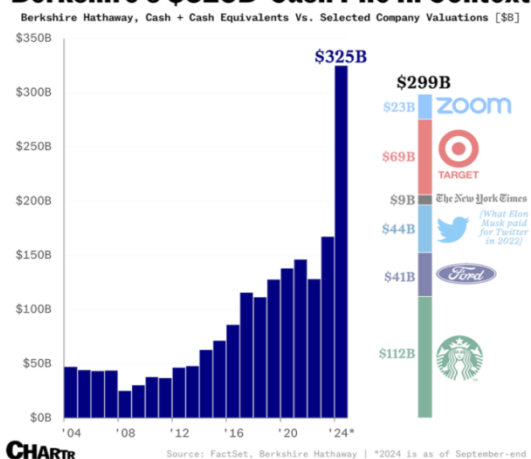


The topmost graph in the following panel sees the S&P500 continuing on down until May at least at an annualised rate of -8.3 percent and, in the lower panel, the Rand gaining against the US Dollar at an annualised rate of 11.7 percent.

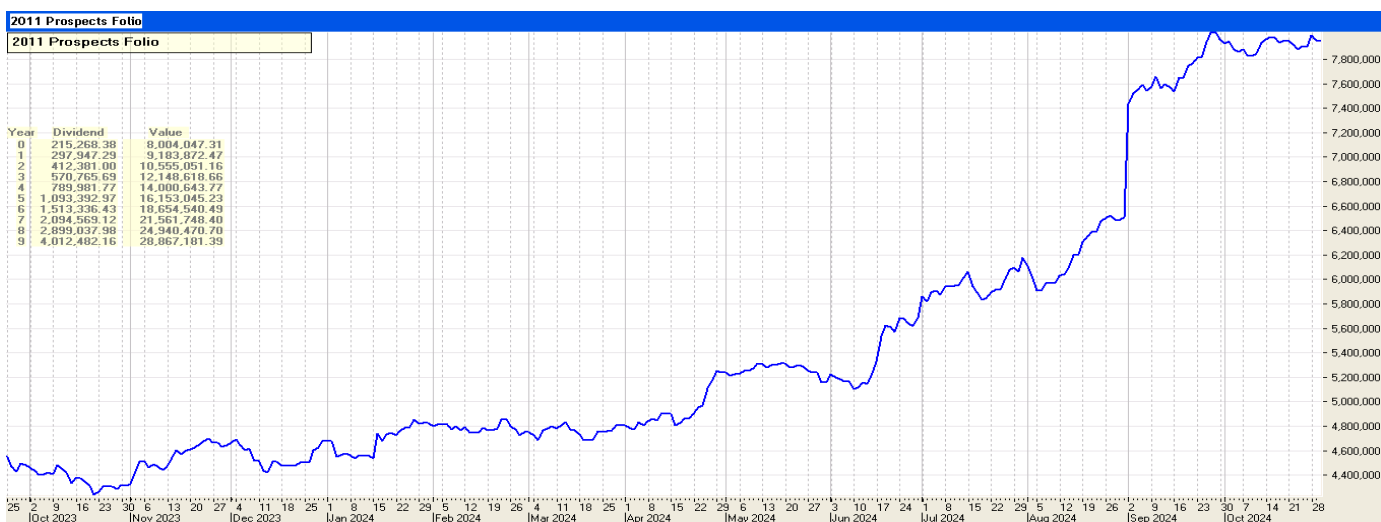


It has meanwhile been comforting to know that one of the world's most famous investors, Warren Buffet has adopted the same portfolio strategy as I have long advocated. Buffett has recently sold \$36-billion worth of stock holdings taking Berkshire Hathaway's cash pile north of \$325 billion — it's highest on record. The graphic from Chartr puts Buffet's actions into context!

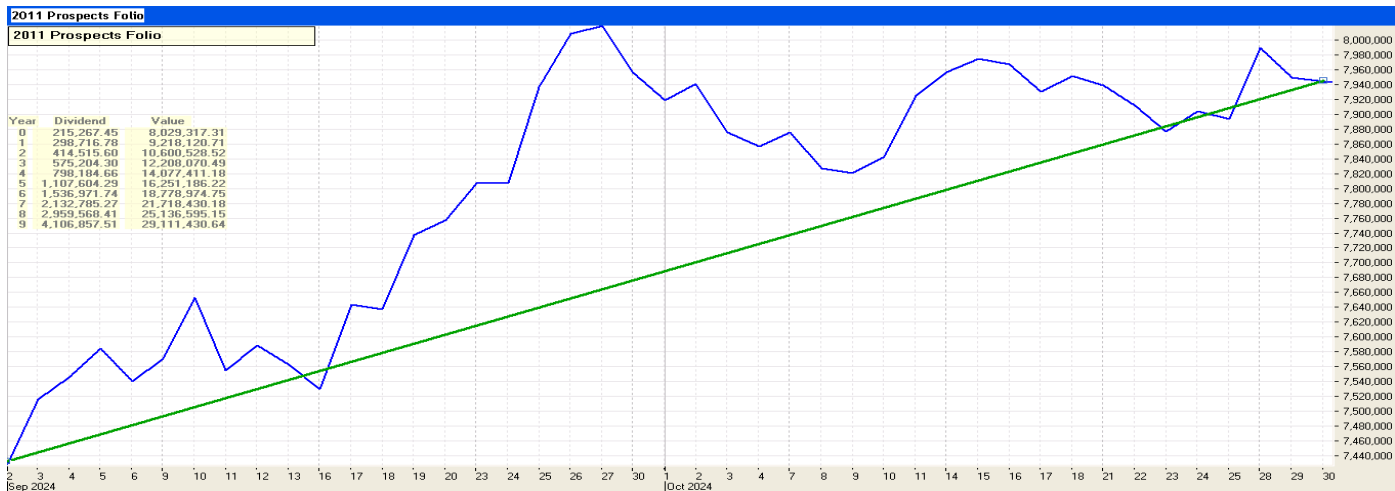
Berkshire's \$325B Cash Pile In Context



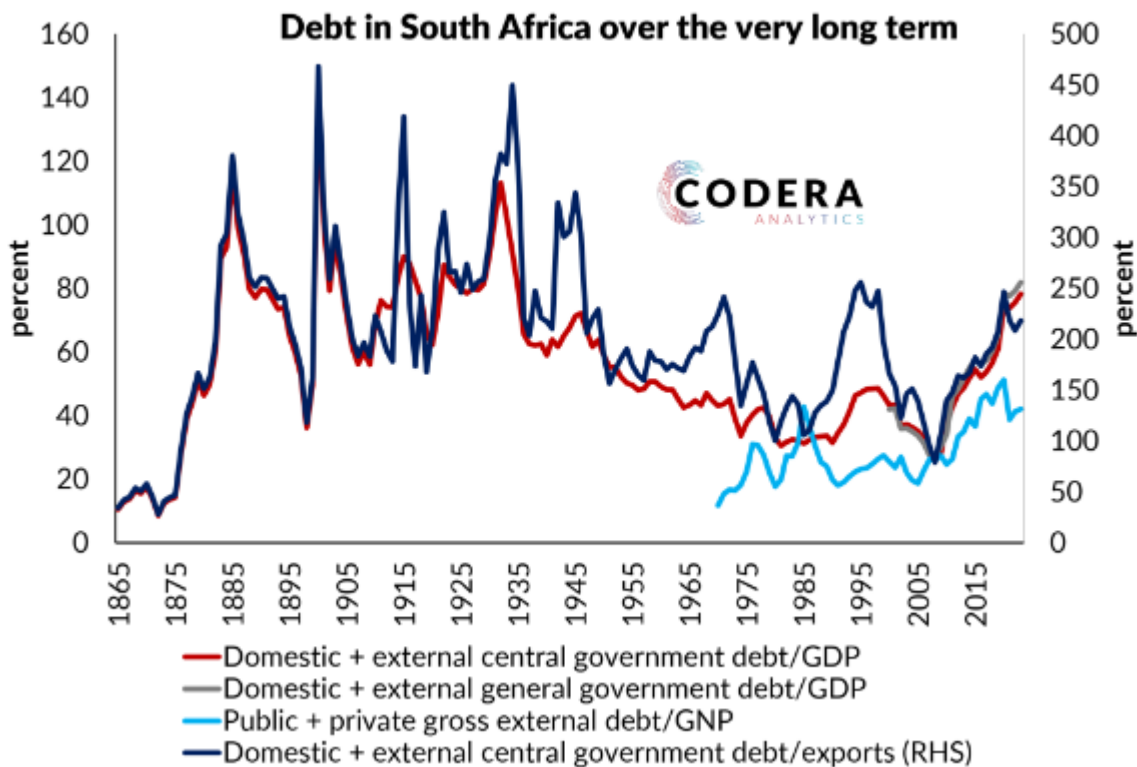
Doing the same as Buffet has done within my own South African Prospects Portfolio has allowed me to lock in the dramatic gains of the past 12 months which has taken the portfolio from a net value of R4.236-million last October to a recent peak of R8.1-million. The performance graph thus looks like this currently:



With 20 percent of that value in cash, the Prospects Portfolio is well placed to take up any bargains which might emerge in the weeks ahead. Meanwhile readers might be interested to note the resilience of the portfolio in the current market turmoil. To illustrate its strength I have expanded the graph to focus on performance for the past few months so that you can see the green trend line rising at a compound annualised rate of 52.2 percent since the start of September:



Finally, I thought this graph from Codera might interest you. It illustrates that South Africa's Government debt levels are much higher currently than they were when South African authorities renegotiated foreign currency debts in the mid to late 1980s.



Codera reports that Reinhart and Rogoff's long term external public debt estimates for South Africa show that in countries that have experienced sovereign default have generally had rapid increases in public borrowing and rising private indebtedness.

The month ahead:

New York's SP500: I correctly predicted a brief last gasp recovery. Thereafter I still see weakness FOR THE NEXT YEAR.

Nasdaq: Ditto the Nasdaq where I foresee a year-long decline. January could offer some temporary relief but other than that the outlook is bleak.

London's Footsie: I also correctly predicted the start of a lengthy decline that should continue until May. Here, the first quarter could offer brief relief but overall I see a weak 2025.

France's Cac 40: I correctly predicted a decline likely to last until early January before a sustained recovery sets in.

HongKong's Hangsen: I correctly projected a bottoming and now I see gains until early December. Like elsewhere, however, 2025 does not look promising!

Japan's Nikkei: I correctly predicted the recovery would continue to the end of November but thereafter I see losses for most of the year.

Australia's All Ordinaries: I correctly saw a very brief gain ahead of weakness to mid-February. Thereafter I still see a VERY volatile recovery until mid-May.

JSE Top 40 Index: I correctly warned that weakness would begin now and I expect it to last until mid-year. Brief gains for a week starting today are a probable short-term reaction.

ShareFinder JSE Blue Chip Index: I correctly predicted weakness. But it is probably over for now with modest gains likely to month-end. Thereafter I see weakness into early January ahead of six weeks of gains.

Rand/Dollar: I correctly predicted gains. Now I see weakness to late November but long-term I see gains lasting until late April.

Rand/Euro: I correctly predicted gains through to the end of June.

The Predicts accuracy rate on a running average basis since January 2001 has been 87.42 percent. For the past 12 months it has been 95.39 percent.