



Our Weekly Paid Newsletter

Richard Cluver Predicts

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



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For over a year I have predicted in all of my columns that, worldwide, investors would not be happy with the outcome of the US elections and that from November 5 markets would turn downwards in a dangerous fashion. Thus it is with mixed feelings that I can now record that precisely that has happened!

I am glad I got the prediction right but saddened at the losses I am seeing everywhere.

In the graph on the right it is clear that in respect of the JSE All Share Index the jitters began ahead of the election on October 28. But from November 5 the decline became a rout which steadily accelerated from that time until the 14th when it began what I believe was a false recovery. You can read those events by measuring the slope of those trend lines which registered overall (purple trend line) a decline rate annualised at minus 92 percent, and (red trend line) which accelerated to an annualised 97.6 percent after November 5.



False recoveries are, however, investment traps. Note in ShareFinder's projection (in yellow) a market peak is likely as early as Monday with thereafter a long decline likely throughout the first quarter of next year.

US markets initially reacted well to the result of the election with the S&P500 Index rising very strongly from October 31 before peaking on November 11. But since then they have also been in decline and ShareFinder predicts that the decline is likely to continue into the New Year as illustrated by the yellow projection line in the graph on the right.

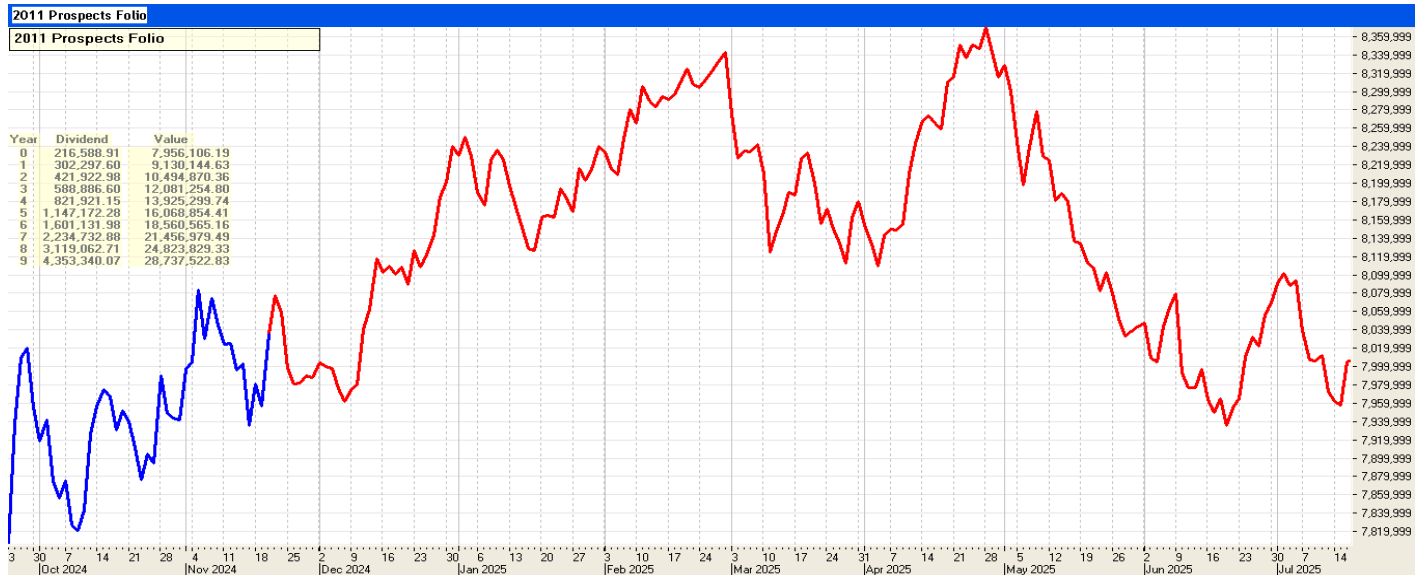


In Europe the mood has been even more pessimistic given the prospects that Donald Trump is very likely to end US support for Ukraine in its struggle to keep out Russian invaders, France's Cac40 index began falling on October 26 and ShareFinder sees no likely end to the rout until January at the earliest.

Accordingly my advice to readers to create cash in their portfolios ahead of the election is well vindicated.

I hope you listened!

Now for the good news...I hope. My Prospects portfolio which so many readers slavishly follow, did precisely as I predicted, turning down for the first time on November 5 but by this week was already recovering as you can see in the graph on the right. ShareFinder projects that it will have fully recovered before this week is out and that it will continue gaining until at least the end of February when some month-long weakness is anticipated:



The month ahead:

New York's SP500: I correctly predicted weakness until early January but within that I see gains from now to month-end.

Nasdaq: Ditto the Nasdaq where I correctly predicted a down-week followed by gains to month-end and then five weeks of declines. From about January 8 until the end of March I see a brief recovery followed by a year of declines.

London's Footsie: I also correctly predicted the start of a decline that should continue until early December. Thereafter I see a very volatile recovery through most of 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 the start of a recovery which I expect to last into the second week of December followed by weakness to early January. From January 21 to March 21 I see another recovery ahead of a long decline for most 2025.

Japan's Nikkei: I correctly predicted a recovery which should continue to month-end all within a long decline far into 2025.

Australia's All Ordinaries: I correctly saw declines from mid-week until late December followed by gains until January 17 then down to mid-February and a recovery to mid-March and down to late April.

JSE Top 40 Index: I correctly saw brief gains followed by weakness which I expect it to last until mid-year.

ShareFinder JSE Blue Chip Index: I correctly predicted modest gains likely to month-end. Now I see that followed by weakness to mid-January followed by strong gains to mid-February and then a three-month decline.

Rand/Dollar: I correctly predicted a long-term recovery resuming about now and lasting until August.

Rand/Euro: I correctly predicted a resumption of the recovery lasting until the end of February when another three months of weakness seems likely.

The Predicts accuracy rate on a running average basis since January 2001 has been 87.43 percent. For the past 12 months it has been 95.21 percent.