Our Weekly Paid Newsletter

Richard Cluver Predicts

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

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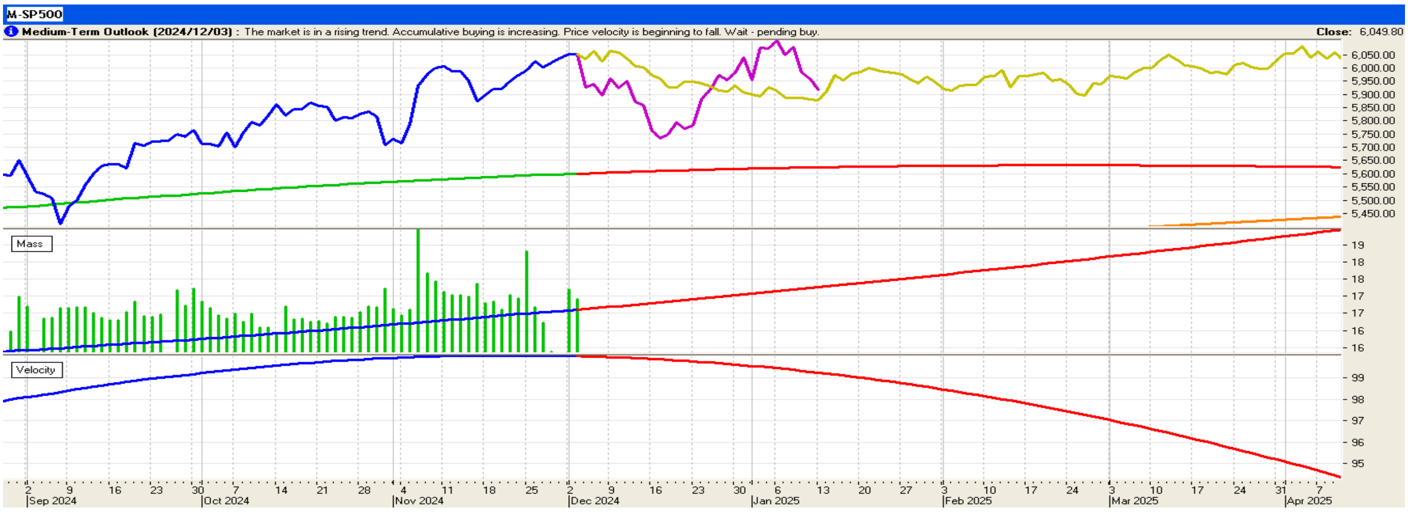
For many months, employing the nearly infallible ShareFinder AI market-projection tool, I predicted that markets would peak in October and, following the US, election go into sustained decline.

So, has ShareFinder been wrong on this occasion? The answer is yes and no! No for the JSE All Share Index and yes for US markets. Let's start by looking at the world's single most important share market index, Wall Street's S&P500:



For those of you unfamiliar with ShareFinder's analytical tools, let me explain that the smoothly-curving lines on all three panels which, in the case of the upper panel starts in green and turns red as it projects into the future, represents the long-term market cycle projection. Thus in the case of the S&P500 Index is currently projected to peak in February before beginning a long-term decline and in fact is unlikely to bottom before April 2026.

The index itself is represented by the blue line which did actually peak as I warned, on November 5, but ten days later it started recovering and, noting the yellow medium-term projection, it appears likely to peak again on Monday and then go into decline until January 13. But the subsequent recovery appears unlikely to last longer than the 21st before Wall Street again begins retreating until the end of February. Meanwhile the mauve (short-term) projection sees the weakness beginning today. All in all, however, ShareFinder sees nothing more than a sideways trend until at least early May.

So the projected overall decline has not happened, but ShareFinder still suggests that 2025 will be a weak year.

Nevertheless, the Mass Indicator in the second panel, which measures share accumulation/disposal, has been in steady daily decline (green bar graph) but its long-term cycle is still optimistic and continues to project optimism right into late 2026 and beyond implying, perhaps,

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Trump tax cuts (and perhaps galloping inflation) favouring blue chip share accumulation as a means of preserving investor long-term wealth.

The third panel represents my Velocity Indicator which measures the ebb and flow of share price activity and that suggests that fewer and fewer transactions will be happening in the New Year. Indeed, ShareFinder does not expect an up-tick in share buying volume until March 2028.

But by far the most pessimistic view is that of the tech-heavy Nasdaq Index which represents the area of the FAANGS category of software giants. This market also turned down on November 7 but began recovering on the 18th. However both the purple short-term projection and the yellow medium-term projection are projected to peak this week and thereafter go into continued decline for the rest of this decade!

Turning to the SA market, there is no questioning the accuracy. The market turned down on October 29 and is unlikely to turn optimistic before mid-April. Happily, by mid-August it will have recovered to present levels and is likely to continue to peak in early October before declining until May of 2027. However, the Mass indicator suggests that investors will slow their buying from the end of June and not turn optimistic again until early in 2026

Thus, in summary, a year of uncertainty and weakness still lies ahead and, accordingly in my Prospects portfolios I am still holding a margin of cash in order to complete my buying in, at this stage, April!

The month ahead:

New York's SP500: I correctly predicted gains from but now I see weakness starting until early January.

Nasdaq: I correctly gains to month-end and then five weeks of declines which have just started. From about January 8 I see a fortnight of gains but then it is likely to be downhill for the rest of the year.

London's Footsie: I also correctly predicted the start three weeks of gains and then five more down before the start of a very volatile year-long recovery.

France's Cac 40: I wrongly predicted a decline likely to last until early January. Events around the fall of the Government have, however temporarily boosted confidence. But weakness should resume next week until early January when a long recovery is likely.

HongKong's Hangsen: I correctly projected the start of a recovery which I still expect to last into the second week of December followed by weakness to late January when four months of gains should start.

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

Australia's All Ordinaries: I wrongly saw declines until late December followed by gains until January 17. I believe, however, that they have merely been postponed and I see volatile declines to early February.

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

ShareFinder JSE Blue Chip Index: I correctly predicted weakness followed by gains starting now to early January. Overall I see a sideways to gaining trend until July.

Rand/Dollar: I correctly predicted a long-term recovery resuming. Overall, however the rand is likely to remain weak and volatile until late January before the long recovery sets in.

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 87.44 percent. For the past 12 months it has been 94.86 percent.