

# PROSPECTS

The Richard Cluver Investment Newsletter in continuous publication since 1987



## December 2016

**South Africa is poised on the cusp of a decisive year in which the entire complexion of our young democracy will probably change. But whether it will be for the better or the worse is in the hands of the politicians, many of whom demonstrably have little interest in the welfare of the economy as a whole, seemingly solely focussed only on keeping their positions at the feeding trough**

So it is anyone's guess what the outcome will be and investors will have to learn to move quickly in order to ride with the punches the politicians are likely to deliver. Accordingly, let us start this month's analysis with where I have started for several months now with the health of SA Pty Ltd as measured by the JSE All Share Index. In October I warned that the market was poised to break out of a pennant formation which was a dangerous portend of impending investment gloom. And last month I highlighted that the bad-news prophesy of that graph had been fulfilled with a downward break-out as shown in the graph below:



ShareFinder was, however, taking an optimistic view that recovery was imminent and economic news at that stage was relatively favourable and so I suggested that the orange line of the computer projection was a strong probability. Sadly, however, the market took a relatively less optimistic view. The graph below shows the latest position, indicating that the market decline continued into the first week of December before beginning a comparatively strong recovery. In other words, ShareFinder was right in its prediction but optimistic about how soon it would begin:



The bad news, however is that if ShareFinder maintains its usual forecast accuracy, the likely trend for the next nine months will be downwards. So let us poise to consider some of the

fundamentals facing our economy. Setting aside the imponderables of local politics, the greatest influence upon emerging economies like ours will probably be Donald Trump's promise to re-energise the US with a refurbished Hoover plan which has profound implications for the world economy and might ultimately prove to be the last straw that forever destroys Keynesian economic theory: the idea that debt-fuelled economic growth is sustainable in the long term.

Trump's plan to spend billions of borrowed dollars on a grand series of huge infrastructure improvement projects will obviously be good for commodities and that point cannot be more adequately demonstrated by what has happened to the copper price since Trump's election victory as illustrated in the graph below:



As a commodity exporting nation our balance of payments situation is accordingly poised to improve; more so if China continues in its attempts to artificially maintain its growth levels at 6 percent or more in order to quell a restive populace. Add in a Euro zone which, as illustrated by the Italian referendum failure this month, has no stomach for the austerity that is needed to rein in mounting debt. So Italy is now likely to witness major bank failures within the next few months. Meanwhile Britain faces the pain of Brexit while Holland and France face elections which means there will be little chance that their politicians will opt for austerity.

Collectively then, global debt appears headed inexorably upwards driving interest rates upward. Anticipating this, long bond rates in the US have already soared in recent months with the yield on 30-year debt up from 2.11 percent in July to a current 3.09 percent and rising as illustrated below:



The consequence has been to see an outflow of bond investment money from countries like South Africa putting pressure upon our own interest rate structure which in the immediate future implies upward pressure upon our inflation rate and, particularly so in the US where household mortgage rates are significant contributors towards GNP movements.

So global inflation is likely to rise, possibly rise explosively, and our Reserve Bank will not be able to ignore this. Readers should accordingly recognise that rising interest rates inevitably impact upon share market values for, in the absence of commensurately-rising dividends and earnings rates, the only way the share market can match rising bond rates is by driving down equity prices: which explains why the medium to long-term outlook for the JSE All Share Index is likely to be downwards.

Happily, as I have so often pointed out over the years, Blue Chip shares have become the ultimate store of wealth; the safety net that once was represented by long bonds and gold bars before the politicians began tampering with both. Discerning investors have come to recognise that in the face of a financial storm, their safest bet is Blue Chips which, in the case of the JSE, have risen in value by a constant 19 percent over the past five years as illustrated by my next graph:



Furthermore, as my expanded graph on the right illustrates, ShareFinder calculates that the Blue Chips are likely to accelerate their growth rate during 2017 as defined by the mauve trend line.

The implication is that one should treat this period as an opportunity to buy at a point of relative weakness in the market.

Finally, take note that Trump is opting for a 15 percent corporate tax rate: a realistic



answer to a global trend where nations are enticing major corporates with a 15 percent rate. The world is moving towards a globally competitive tax regime which in the long-term will force politicians to temper their promises with realism. This is likely to be the death knell for socialism.

### The Prospects Portfolio



Our virtual portfolio continues to track a long-term growth rate of 22.6 percent annual but, like the market as a whole, it took strain from late October until mid-November before beginning to recover. In anticipation of this weakness, we disposed of relative underperformers and created significant cash in the portfolio in anticipation of an impending buying opportunity. So, with R516 850 cash on hand I planned to add five additional shares in order to broaden our spread and reduce our overall portfolio risk rating.

Readers will recall that I identified five potential situations to take advantage of. I proposed adding to our holdings of Italtile late in December or early January if the shares reached a range of R13.80 to R14. So this week I bought at R13. My second choice was AVI which I got this week at R84. My third choice was Clicks which I recorded that I hoped to buy at between R110.85 and R113. I bought this week at R111. Also on my list was Discovery which I expected to bottom at between R106.70 and R110 and I accordingly bought at R109.56 this week. With the remaining cash I hope to buy Advetech which I hope to get this week at R17.35, or, failing that Adaptit which I hope to buy in late March at between R14.27 and R14.90.

# JSE Blue Chips to consider:

SF-BLUEC

Medium-Term Outlook (12/7/2016) : The market is in a rising trend. Very strong distribution selling is taking place. Price velocity is accelerating. Wait - pending buy.

Close: 604,512



Name	Close	3 Month Price G...	5 Year Price Gr...	Dividend Growth	Grade	Risk	Total Return	Rating	Strategy	Likely Date	Likely Price
ShareFinder Blue...	6,04...	-33.12	19.44	17.39	3,196.43	-6.64	19.54				
Quality List Avera...		6,705.30	19.58	20.32	1,676.9	28.96	22.51				

The following shares, combine exceptional fundamental quality with high historic dividend growth rates:

RICHEMONT	89.75	21.25	15.81	50.94	1,320.9	-8.66	17.62	Very cheap.	Selling op. ne...	24/11/2017	86.44
MTN-GROUP	122.79	28.07	-4.62	45.22	482.1	-14.16	2.85	Very cheap.	Buy.	08/09/2017	106.54
EOH	166.19	64.32	44.73	31.57	895.4	21.47	45.68	Fair.	Too late to bu...	13/11/2017	109.93
CASHBIL	368.72	-25.49	27.10	31.45	1,236.3	16.46	29.41	Fair.	Optimum sell ...	04/10/2017	296.45
CAPITEC	667.52	51.63	28.56	31.25	665.8	6.37	30.00	Fair.	Wait - pendin...	13/07/2017	578.25
A-VI	90.70	-0.75	18.63	30.54	575.7	-23.95	22.10	Fair.	Wait - pendin...	15/12/2016	90.02
ADAPTIT	16.00	105.75	87.09	28.66	840.1	88.09	87.80	Fair.	Wait - pendin...	30/03/2017	14.26
MRPRICE	155.91	-2.83	12.69	25.58	697.5	26.25	16.22	Very cheap.	Prepare to buy.	25/05/2017	96.79
TRENCOR	31.50	-29.12	-3.20	24.60	453.2	11.51	4.90	Very cheap.	Wait - pendin...	24/11/2017	20.01
TRNPACO	27.10	-18.24	12.78	23.98	491.4	-35.87	17.49	Costly.	Too late to bu...	20/12/2016	26.89

Though the following shares may carry a greater degree of risk, these have achieved the highest historic dividend growth rates:

TEX	7.90	-22.81	2.16	341.93	4,537.2	-21.46	15.28	Cheap.	Buy! Buy! Buy!	19/06/2017	7.69
OLDMUTUAL	33.40	-26.63	17.07	106.84	1,262.3	-18.55	21.70	Very cheap.	Wait - pendin...	16/11/2017	25.33
SABVEST	29.00	-36.61	28.55	67.62	3,274.0	38.94	30.07	Very cheap.	Wait - pendin...	06/06/2017	20.92
REBOSIS	10.90	2.19	2.28	63.84	613.1	-37.30	13.20	Fair.	Wait - pendin...	09/11/2017	8.86
ITLTILE	13.80	-17.28	24.29	59.59	815.8	-17.55	26.07	Fair.	Optimum sell ...	11/01/2017	13.64
NIUWORLD	29.90	52.13	11.78	57.67	812.3	10.33	16.90	Fair.	Wait - pendin...	24/11/2017	24.61
MONDILTD	269.07	-28.79	36.25	50.17	828.9	8.82	39.21	Cheap.	Wait - pendin...	04/10/2017	228.23
METROFILE	4.78	-26.92	13.92	46.51	568.1	-18.65	19.26	Fair.	Wait - pendin...	30/08/2017	3.71
MONDIPLC	270.23	-27.28	36.14	44.43	1,248.8	9.21	39.10	Cheap.	Wait - pendin...	27/06/2017	233.76
PNR-FOODS	155.25	-36.91	20.80	43.98	1,155.6	-1.26	22.80	Very cheap.	Prepare to buy.	14/11/2017	104.52

The following shares, combine exceptional fundamental quality with high historic rates of price growth:

EOH	166.19	64.32	44.73	31.57	895.4	21.47	45.68	Fair.	Too late to bu...	13/11/2017	109.93
CASHBIL	368.72	-25.49	27.10	31.45	1,236.3	16.46	29.41	Fair.	Optimum sell ...	04/10/2017	296.45
CAPITEC	667.52	51.63	28.56	31.25	665.8	6.37	30.00	Fair.	Wait - pendin...	13/07/2017	578.25
ADAPTIT	16.00	105.75	87.09	28.66	840.1	88.09	87.80	Fair.	Wait - pendin...	30/03/2017	14.26
FAMBRANDS	152.59	1.63	28.18	23.74	527.0	-9.56	29.38	Fair.	Wait - pendin...	19/05/2017	135.05
DISCOVERY	114.21	-2.78	20.56	17.19	237.3	-7.96	21.86	Very cheap.	Prepare to buy.	26/05/2017	101.88
CLICKS	114.79	-29.74	20.99	17.06	416.6	-3.91	23.00	Fair.	Wait - pendin...	24/01/2017	110.69
NASPER-S-N	1,96...	-56.29	41.30	14.25	499.6	21.89	41.53	Cheap.	Wait - pendin...	05/01/2017	1,910.15
ADVTECH	17.35	39.99	23.47	6.22	438.0	-15.74	24.96	Costly.	Too late to bu...	31/03/2017	17.09

Though the following shares may carry a greater degree of risk, these have achieved the highest historic price growth:

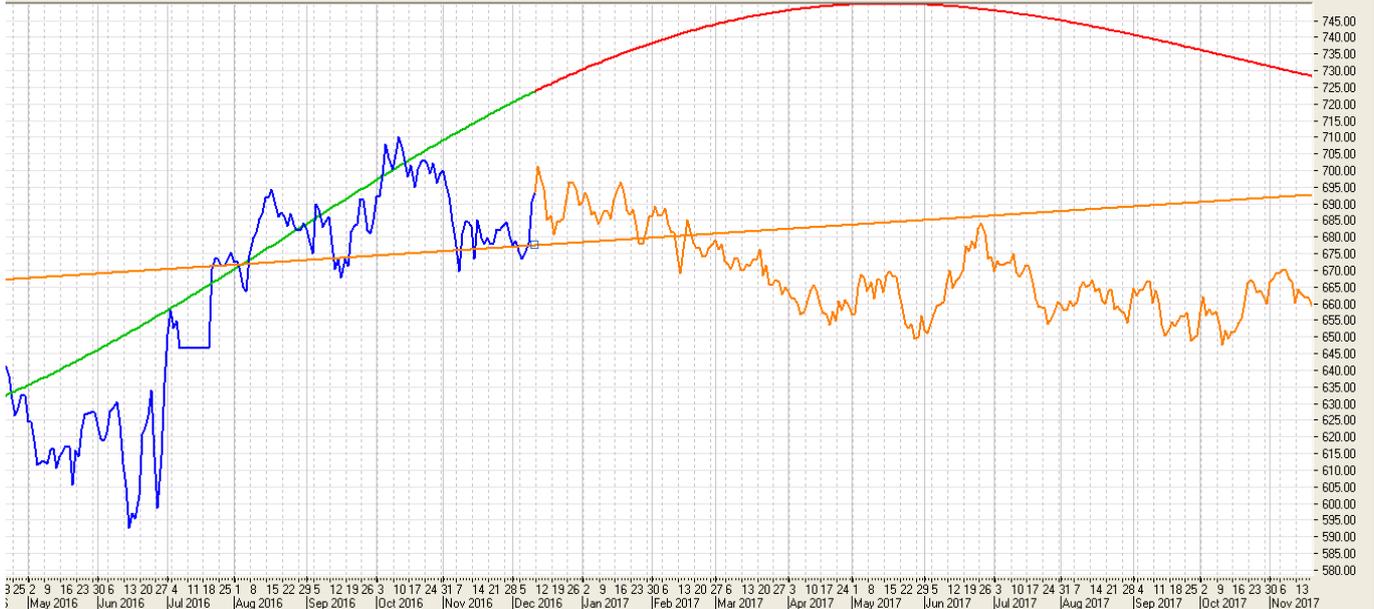
SABVEST	29.00	-36.61	28.55	67.62	3,274.0	38.94	30.07	Very cheap.	Wait - pendin...	06/06/2017	20.92
ITLTILE	13.80	-17.28	24.29	59.59	815.8	-17.55	26.07	Fair.	Optimum sell ...	11/01/2017	13.64
MONDILTD	269.07	-28.79	36.25	50.17	828.9	8.82	39.21	Cheap.	Wait - pendin...	04/10/2017	228.23
MONDIPLC	270.23	-27.28	36.14	44.43	1,248.8	9.21	39.10	Cheap.	Wait - pendin...	27/06/2017	233.76
PNR-FOODS	155.25	-36.91	20.80	43.98	1,155.6	-1.26	22.80	Very cheap.	Prepare to buy.	14/11/2017	104.52
MARSHALL	18.70	0.00	26.79	41.83	709.4	-6.68	29.31	Fair.	Wait - pendin...	12/12/2016	18.70
BRAIT	84.99	-70.71	34.11	39.03	2,801.0	68.53	35.48	Very cheap.	Optimum sell ...	18/09/2017	62.16
LONFIN	8.75	85.58	24.69	38.77	4,614.8	16.97	26.68	Fair.	Wait - pendin...	12/07/2017	7.20
PERGRIN	29.00	-0.85	23.25	35.14	468.0	-5.89	27.79	Cheap.	Selling op. ne...	06/10/2017	24.66
STEINHOFF	73.95	-32.52	21.85	27.05	431.2	2.18	24.49	Very cheap.	Wait - pendin...	18/10/2017	67.40

# Top London Stock Exchange Performers:

M-FT-100

Medium-Term Outlook (12/12/2016) : The market is in a rising trend. Strong accumulative buying is taking place. Price velocity is falling very fast. Wait - pending buy.

Close: 693.16



Code	Full Name	Close	3 Month Price Growth	5 Year Price Growth	Dividend Growth	Grade	Risk	Total Return	Rating	Strategy	Likely Date
The Following shares, combine exceptional fundamental quality with high historic dividend growth rates :											
AHT.L	ASSTEAD GROUP	11.15	99.98	49.12	36.67	278.00	55.03	50.12	Cheap.	Wait - pending buy.	2016/12/05
STJ.L	TULLOW OIL PLC	8.37	-10.50	30.48	31.01	239.00	7.44	32.38	Cheap.		2016/12/05
CRD.A	CRODA INTERNATIONAL PLC	32.74	-22.15	9.13	26.73	81.00	-23.23	11.13	Cheap.	Wait - pending buy.	2016/12/05
ARM.L	ARMOR DESIGNS INC	11.88	1811.85	14.06	27.33	110.00	8.39	14.56	Fair.	Your selling opportunity ...	2016/12/05
AME...	AMEC PLC	10.58	-33.40	4.99	23.53	97.00	-13.84	8.99	Cheap.	Wait - pending buy.	2016/12/05
TUW.L	TULLOW OIL PLC	2.25	139.40	-45.61	36.67	94.00	59.11	-40.31	Cheap.	Your selling opportunity ...	2016/12/05
SPT.L	SPIRENT COMMUNICATIONS	0.78	0.00	-14.83	46.67	108.00	14.41	-11.03	Cheap.	The optimum selling poi...	2016/12/05
RRS.L	RANDGOLD RESOURCES	90.55	-68.89	-5.91	39.86	43.00	54.28	-5.31	Fair.	Wait - pending buy.	2016/12/05
HTG.L	HUNTING	4.58	91.99	-13.50	25.27	-45.00	33.60	-6.50	Cheap.	It's too late to buy now.	2016/12/05
BG.L	GB GROUP	10.62	-0.41	-7.58	24.48	23.00	-6.89	-4.88	Fair.	Wait - pending buy.	2016/12/05

Through the following shares may carry greater degree of risk, these have achieved the highest historic dividend growth rates :											
CCT.L	CHARACTER GROUP	4.73	-21.42	71.45	73.33	407.00	12.84	72.85	Cheap.	The optimum buying poi...	2016/12/05
WKP.L	WORKSPACE GROUP PLC	6.75	-23.24	53.47	164.22	593.00	54.38	55.07	Cheap.	The optimum selling poi...	2016/12/05
COST.L	COSTAIN GROUP	3.20	8.34	12.82	164.37	324.00	-18.59	16.42	Cheap.	Wait - pending buy.	2016/12/05
INV.L	F&C PRIVATE EQUITY TRUST	3.61	-40.11	14.50	180.67	3232.00	11.39	20.20	Cheap.		2016/12/05
FPEO.L	F&C PRIVATE EQUITY TRUST	2.38	31.00	9.94	182.00	399.00	-6.67	14.44	Cheap.	Wait - pending buy.	2016/12/05
CRW.L	CRANEWARE PLC	8.73	-34.61	15.03	231.38	483.00	27.85	17.43	Cheap.	Wait - pending buy.	2016/12/05
SGR.L	SHORE CAPITAL GROUP LTD	2.50	-29.73	0.00	85.00	507.00	80.09	1.80	Cheap.	The optimum buying poi...	2016/12/05
BIT.L	BHP BILLITON	9.98	239.60	-14.81	161.56	330.00	6.65	-3.11	Cheap.	Wait - pending buy.	2016/12/05
AVV.L	AVEVA GROUP	18.40	-54.71	-0.71	109.63	191.00	9.29	0.79	Cheap.	Your selling opportunity ...	2016/12/05
ANT...	ANTOFAGASTA	5.04	413.16	-20.22	104.02	1234.00	9.14	-16.02	Cheap.	The optimum buying poi...	2016/12/05

The Following shares, combine exceptional fundamental quality with high historic price growth rates :											
AHT.L	ASSTEAD GROUP	11.15	99.98	49.12	36.67	278.00	55.03	50.12	Cheap.	Wait - pending buy.	2016/12/05
PFG.L	PROVIDENT FINANCIAL	25.81	-16.67	34.77	6.66	146.00	1.70	38.07	Cheap.	Your selling opportunity ...	2016/12/05
LSE.L	LONDON STOCK EXCHANGE GROUP	25.86	12.27	34.89	4.69	129.00	-7.29	36.09	Cheap.	Wait - pending buy.	2016/12/05
HSX.L	HISCOX LTD	10.43	-2.66	26.69	11.94	181.00	-30.90	28.69	Cheap.	Wait - pending buy.	2016/12/05
REL.L	REED ELSEVIER	14.21	-28.34	24.57	4.65	88.00	-28.60	26.27	Cheap.	Your buying opportunity ...	2016/12/05
STJ.L	PROVIDENT FINANCIAL	8.37	-10.50	30.48	31.01	239.00	7.44	32.38	Cheap.		2016/12/05
BNZLL	BUNZL	23.49	-49.31	22.65	8.54	97.00	-17.01	24.05	Cheap.	Wait - pending buy.	2016/12/05
GPO...	GREAT PORTLAND ESTATES PLC	6.51	-30.65	21.45	2.50	53.00	-11.07	22.85	Cheap.	Wait - pending buy.	2016/12/05
ATK.L	ATKINS(WIS)	13.34	-7.53	21.75	3.99	72.00	-1.25	24.25	Cheap.	Wait - pending buy.	2016/12/05
CCC.L	COMPUTACENTER	7.45	6.38	21.75	13.88	138.00	2.80	24.15	Cheap.	The optimum buying poi...	2016/12/05

Through the following shares may carry greater degree of risk, these have achieved the highest historic price growth rates :											
STAF.L	STAFFLINE GROUP PLC	7.64	-44.31	187.25	33.19	813.00	65.83	188.55	Cheap.	Wait - pending buy.	2016/12/05
RNW...	RENEW HLDGS	3.34	59.82	123.34	16.67	646.00	16.26	124.44	Cheap.	Wait - pending buy.	2016/12/05
CCT.L	CHARACTER GROUP	4.73	-21.42	71.45	73.33	407.00	12.84	72.85	Cheap.	The optimum buying poi...	2016/12/05
GBGL	CHARACTER GROUP	2.75	-84.68	71.11	20.00	296.00	23.81	71.71	Cheap.		2016/12/05
POW...	POWERFLUTE OYJ	0.67	58.62	67.03	0.00	232.00	16.29	68.53	Cheap.	Buy.	2016/12/05
BET.L	BETFAIR GROUP PLC	43.85	130.99	69.37	36.10	420.00	50.24	69.87	Cheap.	Wait - pending buy.	2016/12/05
CHRT.L	COHORT	3.53	279.81	50.92	16.67	206.00	-8.12	52.12	Cheap.	Wait - pending buy.	2016/12/05
CRPRL	CROPPER(JAMES)	7.35	60.78	52.34	-20.00	141.00	6.50	53.44	Cheap.	Wait - pending buy.	2016/12/05
WKP.L	WORKSPACE GROUP PLC	6.75	-23.24	53.47	164.22	593.00	54.38	55.07	Cheap.	The optimum selling poi...	2016/12/05
PIC.L	VPHASE PLC	11.50	1873.72	68.06	39.00	408.00	282.41	68.46	Cheap.	Your buying opportunity ...	2016/12/05

# Top New York Performers:

M-SP500

Medium-Term Outlook (12/12/2016): The market is in a falling trend. Strong accumulative buying is taking place. Price velocity is nearing maximum. Wait - pending buy.

Close: 2,259.53



Code	Full Name	Close	3 Month Price Growth	5 Year Price Growth	Dividend Growth	Grade	Risk	Total Return	Rating	Strategy	Likely Date
Qual...		62.05	0.00	8.02	18.43	9.35	7.03	12.45			
Blue...	Blue Chip Index Average:	71.00	0.00	8.83	17.34	82.70	3.50	12.01			

The Following shares, combine exceptional fundamental quality with high historic dividend growth rates :

LUV	Southwest Airlines Company	42.40	188.08	118.74	90.51	889.00	45.00	119.04	Cheap.	Wait - pending buy.	2016/12/05
AET	Aetna Inc.	119.18	42.27	35.10	221.47	732.00	23.35	35.80	Cheap.	It's too late to buy now.	2016/12/05
HCI	HCI Group, Inc.	29.49	1.90	4.93	89.80	262.00	-100.00	8.13	Cheap.	Wait - pending buy.	2016/12/05
JPM	J P Morgan Chase & Co	63.16	116.33	14.57	89.94	292.00	-4.74	16.87	Cheap.	Wait - pending buy.	2016/12/05
MLR	Miller Industries, Inc.	22.18	99.29	7.21	80.63	227.00	-7.74	9.71	Cheap.	Wait - pending buy.	2016/12/05
AGU	Agrium Inc.	92.87	31.99	2.73	116.58	333.00	-18.80	5.43	Cheap.	Wait - pending buy.	2016/12/05
ESV	ENSCO plc	10.33	94.16	-23.26	220.02	525.00	70.98	-1.46	Cheap.	Sell.	2016/12/05
CLB	Core Laboratories N.V.	121.64	-21.73	-0.04	83.84	365.00	33.46	1.06	Cheap.	The optimum selling po...	2016/12/05
CF	CF Industries Holdings, Inc.	26.92	92.88	-19.13	74.95	494.00	113.58	-17.53	Cheap.	Wait - pending buy.	2016/12/05
APH	Amphenol Corporation	58.00	44.37	1.27	138.56	461.00	35.18	1.77	Cheap.	The optimum selling po...	2016/12/05

Through the following shares may carry greater degree of risk, these have achieved the highest historic dividend growth rates :

ATLS	Atlas Energy L.P.	0.68	-89.42	-13.74	358.39	719.00	188.00	208.36	Cheap.	Wait - pending buy.	2016/12/05
UNH	UnitedHealth Group Incorporat...	141.48	68.67	29.98	519.58	1229.00	-10.64	30.68	Cheap.	It's too late to buy now.	2016/12/05
AET	Aetna Inc.	119.18	42.27	35.10	221.47	732.00	23.35	35.80	Cheap.	It's too late to buy now.	2016/12/05
WBS	Webster Financial Corporation	35.55	222.63	17.42	149.68	496.00	-3.50	19.02	Cheap.	Wait - pending buy.	2016/12/05
HAR	Harman International Industrie...	77.76	221.14	28.30	142.00	474.00	58.55	29.80	Cheap.	It's too late to buy now.	2016/12/05
SPG	Simon Property Group, Inc.	224.24	-57.81	9.61	155.10	356.00	-23.72	11.71	Cheap.	Wait - pending buy.	2016/12/05
STT	State Street Corporation	54.81	63.57	12.89	446.10	941.00	2.20	14.79	Cheap.	Your selling opportunit...	2016/12/05
WU	Western Union Company (The)	19.89	-0.20	3.39	196.59	428.00	-8.64	5.89	Cheap.	Your selling opportunit...	2016/12/05
LHO	LaSalle Hotel Properties	24.85	32.02	5.71	145.36	499.00	20.41	9.61	Cheap.	Wait - pending buy.	2016/12/05
ESV	ENSCO plc	10.33	94.16	-23.26	220.02	525.00	70.98	-1.46	Cheap.	Sell.	2016/12/05

The Following shares, combine exceptional fundamental quality with high historic price growth rates :

LUV	Southwest Airlines Company	42.40	188.08	118.74	90.51	889.00	45.00	119.04	Cheap.	Wait - pending buy.	2016/12/05
LMT	Lockheed Martin Corporation	255.90	53.79	34.49	18.73	210.00	-17.19	36.39	Cheap.	Wait - pending buy.	2016/12/05
LII	Lennox International, Inc.	148.15	-28.59	42.01	15.53	251.00	22.67	42.61	Fair.	Wait - pending buy.	2016/12/05
CI	Cigna Corporation	130.19	26.81	40.22	0.00	133.00	19.42	40.22	Fair.	Wait - pending buy.	2016/12/05
EFX	Equifax, Inc.	133.42	-43.55	32.89	50.39	278.00	0.54	33.59	Fair.	Wait - pending buy.	2016/12/05
CMN	Cantel Medical Corp.	69.25	-9.50	42.49	15.27	176.00	49.72	42.59	Fair.	Sell.	2016/12/05
AET	Aetna Inc.	119.18	42.27	35.10	221.47	732.00	23.35	35.80	Cheap.	It's too late to buy now.	2016/12/05
MCO	Moodys Corporation	101.72	-37.41	31.61	23.43	241.00	17.42	32.51	Cheap.	Wait - pending buy.	2016/12/05
FICO	Fair Isaac Corporation	118.20	-47.69	34.19	0.00	114.00	21.57	34.29	Fair.	The optimum selling po...	2016/12/05
BMA	Macro Bank Inc.	77.53	-25.40	53.44	16.57	243.00	151.38	53.44	Cheap.	Wait - pending buy.	2016/12/05

Through the following shares may carry greater degree of risk, these have achieved the highest historic price growth rates :

LUV	Southwest Airlines Company	42.40	188.08	118.74	90.51	889.00	45.00	119.04	Cheap.	Wait - pending buy.	2016/12/05
AVI	Acuity Brands Inc	261.16	-30.73	69.29	0.03	245.00	43.93	69.49	Cheap.	Wait - pending buy.	2016/12/05
NOC	Northrop Grumman Corporation	221.78	121.90	45.36	-17.26	112.00	-5.82	45.36	Cheap.	Wait - pending buy.	2016/12/05
EXR	Extra Space Storage Inc	94.38	-44.67	41.28	38.49	321.00	4.74	42.78	Cheap.	The optimum selling po...	2016/12/05
LII	Lennox International, Inc.	148.15	-28.59	42.01	15.53	251.00	22.67	42.61	Fair.	Wait - pending buy.	2016/12/05
CI	Cigna Corporation	130.19	26.81	40.22	0.00	133.00	19.42	40.22	Fair.	Wait - pending buy.	2016/12/05
UHS	Universal Health Services, Inc.	136.61	0.67	40.61	5.42	150.00	32.92	40.81	Cheap.	The optimum buying po...	2016/12/05
JBT	John Bean Technologies Corpor...	64.62	290.58	41.60	25.46	227.00	37.94	42.10	Cheap.	Buy.	2016/12/05
CMN	Cantel Medical Corp.	69.25	-9.50	42.49	15.27	176.00	49.72	42.59	Fair.	Sell.	2016/12/05
BMA	Macro Bank Inc.	77.53	-25.40	53.44	16.57	243.00	151.38	53.44	Cheap.	Wait - pending buy.	2016/12/05

# Top Australian Performers

M-AUST

Medium-Term Outlook (12/12/2016): The market is in a rising trend. Very strong distribution selling is taking place. Price velocity is rising very fast. Wait - pending buy.

Close: 56.16



Code	Full Name	Close	3 Month Price Growth	5 Year Price Growth	Dividend Growth	Grade	Risk	Total Return	Rating	Strategy	Likely Date
The Following shares, combine exceptional fundamental quality with high historic dividend growth rates :											
FNPAX	FREEDOM FOODS GROUP LIMITED	4.64	-0.86	99.71	46.67	483.00	25.17	100.61	Fair	Wait - pending buy.	2016/12/05
MTU...	M2 TELECOMMUNICATIONS GRO...	12.17	46.25	47.11	31.98	399.00	-18.80	49.71	Fair	Buy.	2016/12/05
REAAX	REA GROUP LTD	62.50	-43.11	43.36	53.60	390.00	-10.14	44.46	Fair	Wait - pending buy.	2016/12/05
TGR...	TASSAL GROUP LIMITED	4.18	-25.21	35.45	48.33	401.00	-17.60	38.35	Cheap.	Buy.	2016/12/05
CII.AX	CI RESOURCES LIMITED	2.65	-45.88	39.14	56.67	1175.00	-3.46	39.54	Cheap.	Wait - pending buy.	2016/12/05
BYI.AX	BEYOND INTERNATIONAL LIMITED	1.16	22.69	9.77	31.67	179.00	-21.68	16.67	Cheap.	Your buying opportunity..	2016/12/05
TOXAX	TOX FREE SOLUTIONS LIMITED	2.70	1.71	2.71	31.51	46.00	-39.19	6.81	Fair	Buy.	2016/12/05
RCR.AX	RCR TOMLINSON LIMITED	1.85	-24.33	2.32	34.08	154.00	10.63	9.42	Cheap.	Wait - pending buy.	2016/12/05
MNF...	MY NET FONE LIMITED	3.99	63.72	0.00	53.33	145.00	59.65	1.50	Fair	Wait - pending buy.	2016/12/05
FMG...	FORTESCUE METALS GROUP LTD	4.22	211.30	-17.06	114.01	94.00	42.26	-10.16	Cheap.	The optimum selling po...	2016/12/05

Through the following shares may carry greater degree of risk, these have achieved the highest historic dividend growth rates :

REAAX	REA GROUP LTD	62.50	-43.11	43.36	53.60	390.00	-10.14	44.46	Fair	Wait - pending buy.	2016/12/05
GEM...	G8 EDUCATION LIMITED	3.94	47.19	45.35	80.52	451.00	18.78	49.65	Cheap.	Wait - pending buy.	2016/12/05
CII.AX	CI RESOURCES LIMITED	2.65	-45.88	39.14	56.67	1175.00	-3.46	39.54	Cheap.	Wait - pending buy.	2016/12/05
KAM...	K2 ASSET MANAGEMENT HOLDIN...	0.38	11.75	6.58	59.05	34.00	41.47	43.38	Cheap.	Wait - pending buy.	2016/12/05
GXLAX	GREENCROSS LIMITED	6.56	45.66	37.97	55.61	381.00	24.26	40.27	Cheap.	Wait - pending buy.	2016/12/05
CCPAX	CREDIT CORP GROUP LIMITED	12.76	3.42	19.05	65.76	269.00	-25.21	23.25	Cheap.	Your buying opportunity..	2016/12/05
FLTAX	FLIGHT CENTRE TRAVEL GROUP LI...	31.98	-53.74	14.50	56.25	200.00	-23.52	21.00	Cheap.	Buy.	2016/12/05
MXI.AX	MAXITRANS INDUSTRIES LIMITED	0.47	-12.65	-2.36	90.34	55.00	41.21	21.04	Cheap.	Wait - pending buy.	2016/12/05
MLD...	MACA LIMITED	1.50	-17.19	-19.66	55.86	66.00	29.65	-8.36	Cheap.	Wait - pending buy.	2016/12/05
FMG...	FORTESCUE METALS GROUP LTD	4.22	211.30	-17.06	114.01	94.00	42.26	-10.16	Cheap.	The optimum selling po...	2016/12/05

The Following shares, combine exceptional fundamental quality with high historic price growth rates :

SRXAX	SIRTEK MEDICAL LIMITED	29.04	-47.90	155.66	15.82	688.00	5.64	156.26	Fair	Wait - pending buy.	2016/12/05
FNPAX	FREEDOM FOODS GROUP LIMITED	4.64	-0.86	99.71	46.67	483.00	25.17	100.61	Fair	Wait - pending buy.	2016/12/05
MTU...	M2 TELECOMMUNICATIONS GRO...	12.17	46.25	47.11	31.98	399.00	-18.80	49.71	Fair	Buy.	2016/12/05
RHC...	RAMSAY HEALTH CARE LIMITED	72.60	-44.95	42.00	14.80	212.00	-32.81	43.50	Fair	Buy.	2016/12/05
REAAX	REA GROUP LTD	62.50	-43.11	43.36	53.60	390.00	-10.14	44.46	Fair	Wait - pending buy.	2016/12/05
CSLAX	CSL LIMITED	112.84	-19.26	33.46	13.41	236.00	-39.61	34.46	Fair	Wait - pending buy.	2016/12/05
TGR...	TASSAL GROUP LIMITED	4.18	-25.21	35.45	48.33	401.00	-17.60	38.35	Cheap.	Buy.	2016/12/05
CII.AX	CI RESOURCES LIMITED	2.65	-45.88	39.14	56.67	1175.00	-3.46	39.54	Cheap.	Wait - pending buy.	2016/12/05
MNY...	MONEY3 CORPORATION LIMITED	1.16	7.49	29.24	7.33	188.00	-6.02	34.44	Fair	Wait - pending buy.	2016/12/05
RFG...	RETAIL FOOD GROUP LIMITED	5.61	-40.44	20.95	19.04	175.00	-26.19	26.35	Fair	Wait - pending buy.	2016/12/05

Through the following shares may carry greater degree of risk, these have achieved the highest historic price growth rates :

SRXAX	SIRTEK MEDICAL LIMITED	29.04	-47.90	155.66	15.82	688.00	5.64	156.26	Fair	Wait - pending buy.	2016/12/05
AMA...	AMA GROUP LIMITED	0.93	-32.06	139.62	20.00	613.00	17.71	141.82	Cheap.	Buy! Buy! Buy!	2016/12/05
GBTAX	GBST HOLDINGS LIMITED	4.19	-38.64	111.72	19.62	551.00	12.01	114.32	Cheap.	Wait - pending buy.	2016/12/05
FNPAX	FREEDOM FOODS GROUP LIMITED	4.64	-0.86	99.71	46.67	483.00	25.17	100.61	Fair	Wait - pending buy.	2016/12/05
HSN...	HANSEN TECHNOLOGIES LIMITED	3.62	-40.72	68.97	0.36	209.00	-25.07	71.17	Cheap.	It's too late to sell now.	2016/12/05
IIN.AX	IINET LIMITED	9.52	-5.00	47.64	39.89	431.00	-22.24	50.74	Cheap.	Buy! Buy! Buy!	2016/12/05
RCG...	RCG CORPORATION LIMITED	1.84	-60.70	51.57	9.33	210.00	6.38	54.87	Cheap.	Wait - pending buy.	2016/12/05
MTU...	M2 TELECOMMUNICATIONS GRO...	12.17	46.25	47.11	31.98	399.00	-18.80	49.71	Fair	Buy.	2016/12/05
REAAX	REA GROUP LTD	62.50	-43.11	43.36	53.60	390.00	-10.14	44.46	Fair	Wait - pending buy.	2016/12/05
GEM...	G8 EDUCATION LIMITED	3.94	47.19	45.35	80.52	451.00	18.78	49.65	Cheap.	Wait - pending buy.	2016/12/05

Quality Shares List Underperformers (Based on 5yr Price Growth)