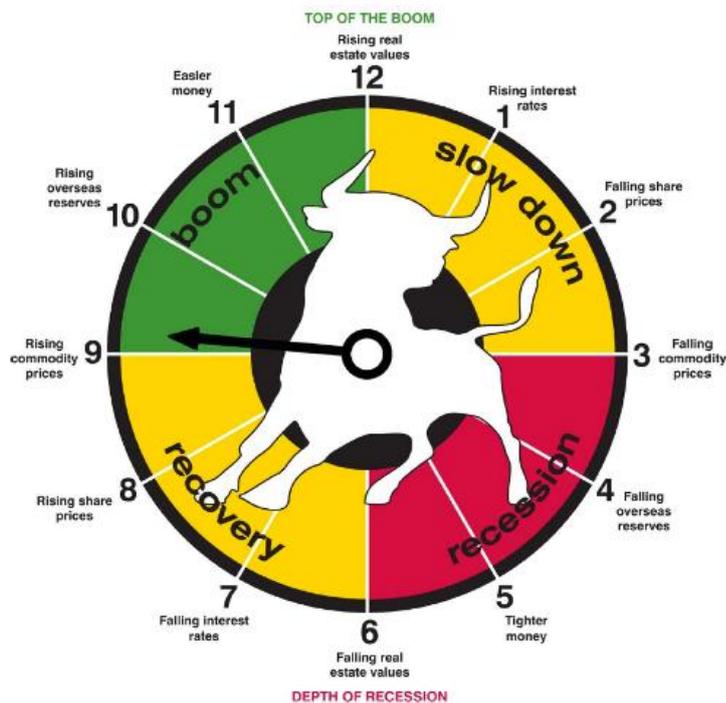


BUSINESS NEWS AUSTRALIA

MARKET ANALYST PREDICTS SHARE MARKET WILL REACH AN ALL TIME HIGH BY THE END OF 2018

Written on the 2 January 2018 by David Simmons



One of Australia's leading market analysts, Rod North, says that by the end of the 2018 calendar year the market will return to the all-time high of 6,800 points.

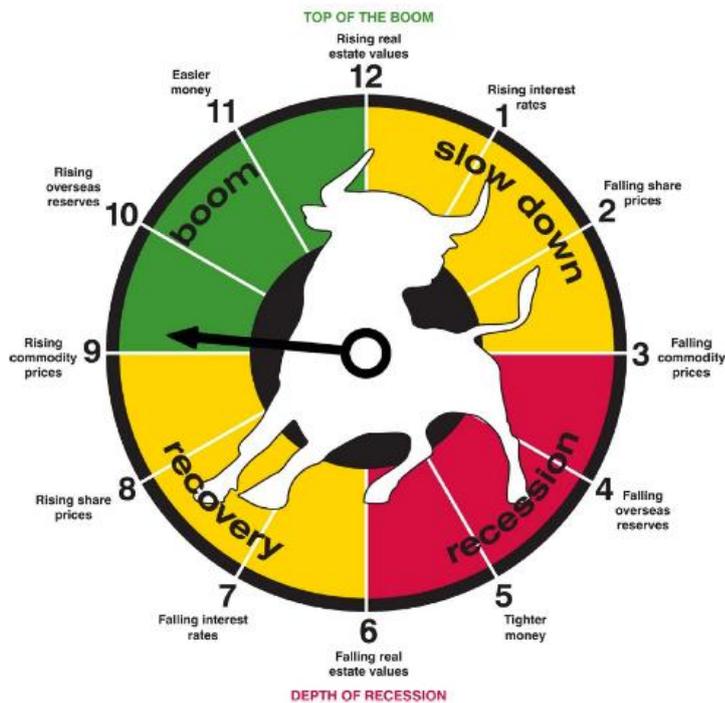
On the face of it, this might seem like a big call but North has been proven right before.

Back in April last year, North said the All Ords would hit 6,000 points by the end of 2017. On 7th November North was proven right when the All Ords finally reached 6,000 points it had been nearly 10 years since it reached this level.

North's predictions are backed up by 30 years' experience in the analysis of share market behaviour, and in-depth research into Australia's turbulent share market.

The last time the Australian market reached the 6,800 level was in 2007 right before the global financial crisis in 2009 when it plunged back down to 3,109.

North's predictions are based on a tool called the Investment Clock, with North saying we're currently sitting in the Boom Phase. This means the seeds of recovery have been sown, and have given rise to sustainable earnings. Share prices are set to rise as unemployment falls, commodities prices continue to increase, and overseas reserves are rebuilt.



However, North warns this period is a time for extreme caution as we enter the 'Greed' cycle.

North says 2018 will be a huge year for the big end of town, who will thrive with the backdrop of a strong global economy.

"2018 is going to be the year of the return of the big resource end of town, given a backdrop of solid global growth and higher commodity prices," says North.

"Stocks like BHP and RIO will be making a big comeback to assist and drive the All Ords higher. It is these types of stocks that will outperform the index."

North recommends watching AGL and Origin Energy in the resources sector, and Woolworths as a standout stock in the retail sector for 2018. North also says that banks have seen their best days in 2017.

"Bank stocks have had their day in the sun and with a spate of recent reporting being disappointing due to earnings pressure on this sector, it puts them into a neutral position for 2018," says North.

North also predicts that in 2018 there will be an increased level of mergers and acquisitions activity, and more 'Westfield' type takeover activity to drive the share market higher.

"Expect more M & A and takeover activity in 2018 as companies look to grow earnings strategically with a solid global backdrop," says North.

"Mining and resource majors will be watching exploration companies very closely to swoop on any significant prospects of a major discovery from the small caps in this sector."

Future technologies like AI are still wildly popular in 2018, with North saying to look out specifically for certain companies.

"Look out for companies like Dropsuite, EML Payments, Linius, Rightcrowd, and Fastbrick Robotics," says North.

In terms of retail, North says major players need to get their act together this year or they'll disappear completely.

"2018 is going to be a watershed year for retailers who are now having their Kodak moment in the sector," says North.

"If you don't innovate and reinvent your business with a strong customer service focus it's going to be light out. With Amazon turning up the heat in Australia, forcing consumers to buy the same item online that can be found in the high streets and major shopping centres, I don't need to leave my home at all."

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