

# Weekly Newsletter

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## Weekly Financial Newsletter 16-20 January 2012

Dear Members,

S&P and all other major indexes are holding well as expected and this confirms that the global equities are ready to move up continually during this year. Finally the nine euro zone countries' ratings were cut by S&P however they did not touch Germany. I don't think this will have any impact on the market sentiments as this was bound to happen.

Let's talk about this week. The Astro cycle of the week is indicating that some volatility will come back in all major stock markets from Wednesday. Metals, energies and indexes will have a tough time. I highly recommend investors and traders to reduce their exposure from late Tuesday or early Wednesday.

Euro's fundamental weakness has been exposed to many countries around the world and are still holding euro in pity, but they are confused whether to hold Euro or diversify and get into Dollar or add more gold at this level. We all are aware that China is losing its charm, the housing market is in bad shape and India is also facing many economic challenges. In this kind of a scenario where should one go? Where one should put their money?

If, I say invest in gold then many will say that China already stopped buying gold. India is doing the same, as a matter of fact; recent reports suggest that India may sell some of its position. European countries are not in a position to buy gold; in fact these countries like to sell their gold holdings to reduce their debts. Gold miners are also thinking in the same direction to cash in on their holdings or to give commitment to their buyers at current prices because their cost is far lower than current prices. So fundamentally it looks very clear that not many take in gold at higher prices or even the current level but our theory suggests something different. USA will acquire gold. Believe me when I see that USA will double its holding in gold and a huge shift in gold holdings will take place.

Here is a chart where we can see that USA is at the top of gold holdings. Why do investors never talk about this? Why do they always talk about India and China buying gold. Experts

always talk about the USA debt problem and printing money, but the truth is that the Fed is doing a great job by managing their books. Why is Germany still surviving? The answer is simple; they are the second biggest holders of gold in the world.

**World top countries gold holding by December 2010**

1	 United States of America	8,133.5	76.6%	16	 Kingdom of Saudi Arabia	322.9	03.3%
2	 Federal Republic of Germany	3,396.3	73.7%	17	 Islamic Republic of Iran	320 <sup>[11]</sup>	00.0%
3	International Monetary Fund	2,814.0	N.A.	18	 U K and Northern Ireland	310.3	17.6%
4	 Italian Republic	2,451.8	73.4%	19	 Lebanon	286.8	32.2%
5	 French Republic	2,435.4	71.8%	20	 Kingdom of Spain	281.6	39.2%
6	 People's Republic of China	1,054.1	01.8%	21	 Austria	280.0	57.0%
7	 Switzerland	1,040.1	15.3%	22	 Belgium	227.5	41.2%
8	 Russian Federation	871.0	09.2%	23	 Algeria	173.6	79.5%
9	 State of Japan	765.2	03.5%	24	 Thailand	152.4	04.6%
10	 Kingdom of the Netherlands	612.5	61.9%	25	 Libyan Republic	143.8	05.6%
11	 Republic of India	557.7	09.6%	26	 Philippines	142.7	10.4%
12	European Central Bank	502.1	35.0%	27	 Singapore	127.4	03.0%
13	 Republic of China	422.4	05.9%	28	 Sweden	125.7	13.6%
14	 Portugal	382.5	89.2%	29	 Republic of South Africa	125.0	13.8%
15	 Venezuela	372.9	67.7%	30	Bank for International Settlements	119.0	N.A

**Foreign exchange reserve minus debt**



**Gold Reserve**



Rubble collapsed in 1991 due to not having enough gold and any country needs a back bone of gold to support their currency or debt. I believe that gold will be the most important financial instrument in the coming time and I mentioned these 10 years ago and I will say it once again. Silver also has a great time ahead so wait for our buying strategy as we would like to focus on silver and gold. Gold should be added on any weakness because in the coming time gold won't make you poorer, rather, it will make you richer and silver will add flavor to your life as it will move up multifold.

If you are holding assets in dollar terms then you are fin otherwise the time has come for you to seriously think about dollar, gold, silver and S&P because these investments will keep moving higher. If you are rich and have enough balance in your account but if your investments are not holding all these instruments then I don't know what the real value of your money will be in the coming 5 years.

### **Strategy for this Week:**

From late Wednesday to Friday we will see both side's movements coming in the markets and any sharp fall should be taken as a buying opportunity in intra-day trading and any sharp rise should be taken as a selling opportunity for intraday.

During the Middle of Friday trading session one can start accumulating grains and soft commodity position.

On Monday USA markets closed due to a holiday but the rest of the world markets will be trading. In future markets there will not be much volatility or volume due to USA close.

### **This week's newsletter from 16-20 January 2012**

#### **GOLD/SILVER**

On Monday and Tuesday metals will remain positive in the tight range however metals investors will experience huge volatility from Wednesday, but don't short metals on Monday and Tuesday. The volatility will continue from Wednesday until the middle of Friday.

Our longer term outlook on metals looks very bullish but the shorter term for the next ten days metals may find the bottom.

Silver will outperform gold in the medium and longer term so yes, if gold moves up 50% from here, silver will move up 150% from here. If you give me 100 dollars to invest in metals then I will surely place huge bets on silver by buying December calls with strike price of \$39 in three stages from here (The first stage will be on this Friday, the next one on the 25th of January and the last one on the 16th of February).

We believe that \$1550 should be the bottom for gold and \$26.80 for silver in 2012. We have mentioned the same in our book "2012 Financial Predictions". Ignore all experts those who are advising not to buy metals and stocks, buy at lower predicted range.

Reduce your exposure from gold and silver on late Tuesday or early Wednesday for just 36 hours and wait for our Thursday or Friday's flashnews for buying call.

**Monday's trading range:**

GOLD: \$1645.90 to \$1631

SILVER: \$29.99 to \$29.48

**BASE METALS**

Last week copper performed extremely well as predicted, but the story looks a little different for palladium and platinum. Copper will still remain in a bull cycle as Mars is in full support of copper, so do not sell copper!

Monday and Tuesday both look positive for base metals but from late Tuesday and early Wednesday you should start booking profits in all base metals. One can take a selling position in platinum and palladium but don't go short in copper.

**Mondays Trading Range:**

Copper- \$368 - \$357

Platinum - \$1501 - \$1486

Palladium - \$638 - \$630

**STOCK MARKETS**

Many beaten stocks in alternative energy. The alternative energy area moved up big time during last week. ENER is a stock that four years ago was around \$75 and then came down to \$0.20 but last week went to \$1. Many investors are finding value here if the companies don't go bankrupt. The next turn is coming for housing stocks to move up so watch these stocks closely.

At one point in time, two major giant companies like FMCC and FNMA trading around \$0.20. If the house turns around, (which we were expecting), and if the Fed support housing mortgage finance companies then these two stocks will go back in dollar value.

This week one should be booking profit from stocks, booking profit in indexes and hold trades for the longer term. As we already recommended buying June and December call options of this year. From late Friday or next week Monday one should start buying indexes.

Last week Uranium and alternative energy stocks gained sharply in USA and Europe, we advise to add more these stocks in on any weakness. In Indian market; solar and energy stocks should move up sharply, I highly recommend Indian investors to buy Suzlon, Moser, Techno and Websol.

From late Wednesday some selling pressure may come in market and volatile trend can continue until Mid-Friday, so trade accordingly. Our daily trading range and Flash will guide you. On Monday and Tuesday we are expecting sideways or positive trend so buy on weakness.

**Monday's trading range:**

Australian – 4105 TO 4152  
Nikkei – 8342 TO 8455  
Hang Sang – 18950 TO 19050  
CAC – 3205 TO 3172  
DAX – 6238 TO 6059  
FTSE – 5609 TO 5538  
S&P – 1290 TO 1277  
NASDAQ – 2370 TO 2347  
RUSSELL – 763 TO 759  
DOW – 12390 TO 12330  
NIFTY – 4820 TO 4883

**COFFEE/COTTON**

Monday soft commodities will remain closed but these are buying opportunities in coffee and cotton so watch the trend closely. ON Tuesday we may see some recovery coming back in coffee as last week on Friday Coffee prices can go down to \$221.30 and cotton \$93.70.

Monday markets will be close so here is Tuesday's trading range for coffee and cotton.

COFFEE - \$224.30 TO \$230.70  
COTTON - \$96.60 TO \$94.90

**COCOA/SUGAR/ ORANGE JUICE**

This week cocoa should trade sideways or we can say in consolidating zone so no need to buy as the prices will remain in a tight trading range. One can trade in and out with our trading range.

Sugar is another commodity which can move up sharply so no shorts are recommended in sugar and one should start accumulating it at lower range of the day.

Orange juice has been trading very volatile because of unusual weather pattern in Florida which threatening orange crops. Florida grows 5% of the world's production of oranges. One should be buying it on any news but also shouldn't be shorting on fall as prices may remain volatile so follow our day range.

COCOA - \$2309 - \$2350  
SUGAR - \$23.60 - \$24.28  
ORANGE JUICE - \$178 - \$190

## TREASURY BOND

Last week bond prices moved on both sides, around 146 is a great level to sell thirty year bond prices. This week however is indicating some volatility in indexes and may push prices higher but one should be taking complete advantage of selling on rise on late Thursday or Friday. Bonds future market is almost at the top and soon the downwards journey will start.

### Tuesdays Trading Range:

\$145.10 - \$144.01

## GRAINS

Get ready to take positions in grains from middle of Friday. Current whole week grains will either trade weaker so avoid any buying position. The best strategy will be trade in and out as per our daily trading range. Any rise should be taken as a selling opportunity from Tuesday onwards and cover all your shorts on late Thursday or early Friday.

Here is the trading range from Tuesday as on Monday grains won't be trading.

CORN - \$610 - \$593

WHEAT - \$611 - \$595

SOY - \$1172 - \$1148

SOY MEAL - \$298 - \$304.8

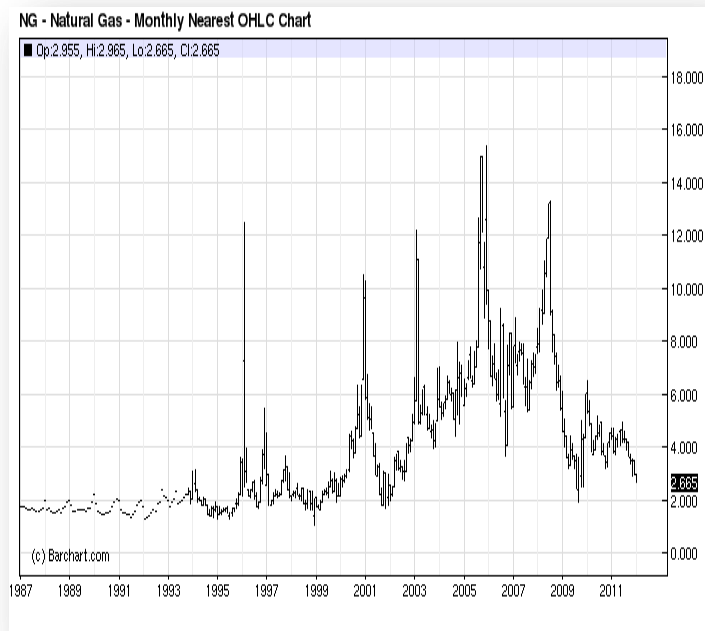
SOY OIL - \$50.75 - \$49.75

RICE - \$14.60 - \$14.32

## ENERGY

Last week natural gas made another low, one thing is clear that we are coming wrong on gas so don't follow our predictions on gas until our accuracy comes back on track. Just follow our trading range in gas as that has been coming accurate. **BUT, build up call options in Natural gas and I am sure you will make fortune in the next five months.**

Twenty five year chart is here below; it is always very difficult for buy something at bottom or selling at top. In the last ten years we have discovered that buying call at bottom when astro indicators are showing great price movement for the medium term, buy puts at top when something at top and astro indicators



show huge negativity in medium term. Last year our recommendations in Swiss Franc trade made many new millionaires in Swiss trade.

Oil prices are trading in a tight trading range. This week there will be a huge amount of volatility in oil so trade carefully. This week going to be a very confusing week for traders and the market will behave a bit negatively from Wednesday onwards so any rise in oil should be taken as a selling opportunity.

In electronic market Monday energy will be trading but the volume will be very light. Oil may trade positively Monday and Tuesday but from Wednesday oil can fall with metals.

**Monday's trading range:**

OIL - \$100.15 - \$97.10 (March contracts)

NATURAL GAS - \$2.73 - \$2.61 (March contracts)

**CURRENCIES**

US dollar is outperforming as predicted and this is not new news to us as emerging market economy and Europe is facing tough changes. Higher interest rates in many African nations is concerning or threatening to their local growth. China's housing market is struggling and many developers are having a tough time to find buyers. India is currently facing its own problems. Interest cost is going higher also creating threats to the growth rate.

As I said in the start of the newsletter, Euro's fundamental weaknesses have been exposed. Germany has to take over Euro otherwise euro will remain in a problem. The future for Dollar looks great, so don't go up against USD. Keep adding dollar or any assets class which is in dollar.

This week dollar will perform well and I would like to see dollars trading pattern on Wednesday, Thursday and Friday.

**Here is Mondays Trading range for all Currencies:**

DOLLAR – 82.18 TO 81.55

AUSTRALIAN DOLLAR – 1.0252 TO 1.0161

BRITISH POUND – 1.5351 TO 1.5235

CANADIAN DOLLAR – 0.9789 TO 0.9729

EURO – 1.2715 TO 1.2605

JAPANESE YEN – 1.3052 TO 1.3001

SWISS FRANC – 1.0502 TO 1.0429

RAND – 8.04 TO 8.14

INDIAN RUPEE – 51.30 TO 51.78

We will try to send Tuesday's trading ranges before the Asian market opens. Investors and traders should subscribe for quality newsletters because they will help you understand market sentiments, technical and fundamentals. In the last ten years, our services have added value in

the investors' life, and that is the reason serious global investors started subscribing to our services to understand the market better. **That's why we say, "Make Wave of Nature/Astro indicators an essential part of trading strategy." Don't risk blindly in the markets or trading, follow experts to make trading or investment decisions; once you get your own conviction, then go ahead and place the trade. Treat trading like a business similar to anyone who is about to start one, and the amount of research he/she does to excel should apply in trading too.**

Thanks & God Bless  
Mahendra Sharma  
Sunday 8.00 PM Santa Barbara

Our New Book received a warm Welcome around the globe. Great notes are coming from those who bought our book "2012 Financial Predictions". I thank everyone for supporting our work. For many years I was thinking about write this kind of a book but the challenge was too big. Writing the detailed outlook for each month for all commodities, currencies and stocks indexes a year in advance and if they don't go the way we predicted, it could damage the image that I have built over 20 years in the financial community. Last year finally I decided because I trust my theory and finally I finished this book in September 2011, and then eventually it was released in 2011, 16 December.

So far all last fifteen days all major short financial predictions are matching with what we mentioned in the book, and **if the next eleven and half months future of financial market unfolds the way I saw, then I will say, yes this book is unique or a first of its kind to ever came out in the history of Wall-Street.**

Only time will give the answer. Thanks & God Bless Mahendra Sharma

#### Book review by commodityonline.com

Sunday, 15 January 2012

#### Media/Magazine name - Commodityonline.com

<http://www.commodityonline.com/news/commodities2012-to-be-volatile-blame-it-on-planetary-positions-45140-3-1.html>

#### 2012 Financial Predictions - Book launched covered by major media

Monday, 19 December 2011

#### Media/Magazine name - USA & Europe media



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<http://www.marketwatch.com/story/mahendraprophecycom-2012-financial-predictions-book-released-worldwide-2011-12-19>

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<http://www.neaminvest.ro/Mondorama/23215-Profe%C5%A3iile-lui-Mahendra-pentru-anul-financiar-2012,-lansate-sub-forma-unei-c%C4%83r%C5%A3i>