



Weekly Financial Letter

By
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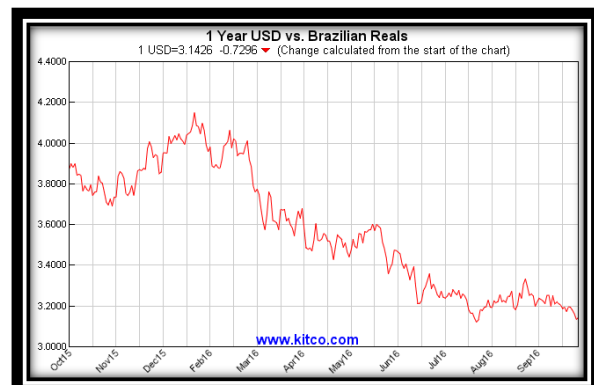
Weekly Newsletter from 24 - 28 October 2016

Techs will take lead, please don't forward letter

Dear Members,

We have a lot to talk about in this letter because the lower interest scenario is about to end in the next six weeks. I just sent a special letter to our corporate clients regarding 2017 and the new era of the rate rise. 2015 and 2016 remained one of the best years for corporates because money was easily available and available at the rate where one feels shy to ask for a better rate when they are making a deal. We have closed many deals smoothly and last week on Friday we learnt that AT&T is planning to buy Time Warner Cable which shall close soon and it is a big deal. Conservative companies like Microsoft also bought LinkedIn by paying a higher premium. Unfortunately, we can't publish that letter which we write every year to our corporate clients but they have done amazingly well by playing with currencies since the last three years. Their hedging trades have benefited them greatly by selling low yield currencies in the last three years against USD.

In 2016 our recommendations were buying emerging market currencies which provided corporates great Yield and appreciations in these emerging market currencies. Look at **Real, which gained almost 25% in 2016, Rubble gained 35%, Rand gained 25% and in the last 30 days Mexican Peso gained almost 7%**. There is no doubt that big transactions are taking place in the books of all these central banks and very tight negotiations must be happening. In the past few months, we have been recommending aggressive buying in **Mexican Peso, Indian Rupee, Indonesian Rupiah, and Argentina Peso and Malaysian Ringgit**. In the last 9 years, Dollar went up against Argentina Peso from 2.71 to 15.10. Those who invested in Argentina will make a great amount of returns in the next five years. In fact, most of the emerging market currencies look great even at this stage. Many (banks and financial institutions) are a bit





worried about the oncoming rate hike because always emerging market currencies and emerging markets suffered first whenever USA hikes the rates but we don't have that concern now. I feel honoured to let you know that our members from two central banks used to subscribe our services, I don't know whether they subscribe right now to our services or not. Yes, open minded people want to know the view about what off-street analysts are saying and my work comes under the title of an off-street analyst. Most of our members are wealthy traders, investors and hedge fund managers and they subscribe to our letter purely to make money but I felt very blessed that such high-ranking economists wanted to see our view.

In the last two weeks USD has been gaining value aggressively but emerging market currencies are not getting affected at all by the strong dollar. We don't see the medium-term dollar affecting emerging market currencies trend.

By the year end you may see many more corporate deals taking place as they want to put takeover bids right now with the current low rate scenario with so watch the tech sector closely; dig our previous takeover noise or rumors as they will turn into reality. It is time to make money. Yes, one concern that I have of the elections is that if Trump wins then we will change all major predictions which we never did in the past because our outlook came as per the expected except for the Brexit. I failed terribly in predicting the Brexit and thank the lord that the astro time was very positive so the market was not impacted negatively. My problem is that Trump's astro chart is so negative that he can make everything so uncertain and unpredictable. I don't want to write about the elections as many Trump supporters are getting unhappy.

I am sure 8 November will be a very crucial day for investors; many polls are showing tight race, and many are showing in Hillary's favor. The race is tight in a few battle grounds; Trump is leading in Ohio. We already predicted in 2008 that the new era for USA politics with First Black President and Woman president is on the way so let's see now whether our Woman President comes or not. Yes, I have some concern about Hillary's health, as her chart on the health side is getting a bit weaker in 2017 and in 2020.

On the other hand, our predictions of S&P hitting 3200 haven't been achieved but hopeful this will be happening if Hillary wins because her chart are very pro towards the equity market.

I know luck plays the most powerful role; a few intellectual people those who believe in god describe that luck as "**God's will**". I believe 100% in the luck factor and luck come is one's life due to some sudden circumstance, incidence or coincidence. These circumstances, incidences or noncoincidences force you to make sudden decisions and these decisions changes the life of the decision maker. Like the 200 Moving day average in technical charts, **luck is one of the most powerful indications in life because it changes your whole life's direction** but it is very difficult to understand when the favourable lucky time coming. I greatly enjoy researching about the luck factor, how some people's lives change so suddenly, and it is all available in the ninth house of the astro birth chart and one can easily find out from there about your luck.



Another subject I enjoy is reading about is the human behaviour pattern and the current thinking pattern of the living world populations. Thousand years back we were the same human being but **humanity tries to find out about themselves and that's how religions role came in but still God or the creator remained unfound or a mystery**. Many messengers keep coming up and few messengers provided the adoptable meaning of God which got adopted by people. In the past Religions became a powerful tool to make a society or a group. Now the world has changed, and in the last thirty-years humanity has changed everything so drastically and progressed unbelievably. The same human brain existed 2000 years back and the same brain is there right now but our progress journey kept revealing things beyond our imagination. Yes, God or the creator is still there in human thoughts but we if research (we call it meditation) then we find that it is within us, it doesn't matter whether we accept it or not. When you put electric connections, you put the bulb in the holder and wire from the main connections and in between you put switch, the bulb won't light until you don't turn on that switch. I greatly enjoy talking about God and Luck because they are both close to my heart. These both subjects will be there once again in my new book 2017 Financial Predictions. I will try to keep this book to the point but will cover most of commodities, currencies, stock market and bond.

Here is this week's weekly trend newsletter from 24-28 October 2016, metals, indexes, currencies, energy, grains, softs and bond

GOLD/SILVER/BASE METALS



Last week Precious metals traded mixed, but surely they bounced back from the lower levels as predicted. Out of all metals Zinc remained one of the best performing metals and it may hold value around the current prices but we don't see it moving any further higher from here. During the last two weeks, USD has been moving up aggressively but the rising trend of USD was not able to play any major negative role for gold.

Gold and silver are trying to stabilize, after having 16 days of negative trend. As we predicted in the third week of August, gold may not break \$1378 level and we predicted that the positive time has ended and that negativity would start from end of August, and that happened. At the same time, we predicted that from 1st October more negativity is coming and we witnessed prices falling sharply. At that time we also predicted that anytime from 1st November gold prices may lose value sharply and the fall could be non-stop so watch this prediction because we are just one week away from 1st November. Silver is following gold and at this stage it will continue to act as per gold's directions.

This week is Diwali and investors will like to see big buying coming from India. Indians buys physical gold/silver on the auspicious occasion of Diwali; it is tradition and religious belief to bring wealth or



Laxmi home. I also buy gold coins two days before Diwali and we perform rituals on gold/silver with the belief that the goddess of wealth will stay permanently in our home and in our life.

I will release the time to buy physical gold and silver on Friday and after bringing home, just wash it with clean water and keep it in your safe with a blessed feeling. There is not much time is left for gold because the negative astro time cycle is about to begin.

For the next ten days, gold traders will be looking to events like Diwali, Fed and USA elections. Gold traders feel that these events may support gold prices and yes, but this is only a short-term phenomenon because the medium and longer term outlooks are very negative and have already turned negative so any rebound in gold and silver shall be taken as a selling opportunity.

Last week when Kitco asked us about gold predictions on Diwali, we provided them brief predictions and we are sure many of you must have read. We stated that the bull market in gold may only resume once prices test \$775. **Two major cycles in gold took place, first one from 2001 to 2007 (price moved from \$271 to \$1033) and second one from 2009 to 2012 (\$682 to \$1923), in these both cycles gold tested an all-time high.** I am not giving any importance to the 2016 rising cycle because we never saw gold hitting a new high. 2016 cycle is an intermediate cycle in which we see normal moves up and down.

<http://www.kitco.com/news/2016-10-21/Gold-Needs-to-Drop-To-775-Before-Bull-Market-Resumes-Financial-Astrologer.html>

In my astro cycle theory the bear cycle which started in 2012 from \$1923 shall test \$775 level and that will be an important astro cycle level for gold. If gold starts trading out of this circle level, then gold can move into a historic bear market. Gold going up to \$775 will be normal as per the astro cycle because the rally started from \$272 and we predicted that time in 2001 that gold may hit \$1800 so the major bullish cycle got over and we must wait until the next cycle is born.

This week is supportive week and on the higher side it may test \$1278 to \$1293 This week trading in and out will be the best strategy; on Monday, we may see gold/silver holding lower side levels. On Tuesday, we may see a positive trend coming from the lower sides. On Wednesday, weakness will come from the higher levels. Thursday the trading pattern in precious metals will remain mixed. **On Friday, gold prices will bounce back from lower levels so short term or day traders should adopt their strategy according. Silver will follow gold prices. Metal stocks will trade mixed.** DUST should be in your buying list on weakness, \$38/39 level will be a great buy in DUST.

Except Zinc, the rest of the base metals remained in mixed directions or followed gold's pattern. Zinc remained one of the best performing base metals as it gained 100% value from the lower side. Copper prices will trade mixed during this week, buying around \$205 may provide you some nice profit. At this stage copper, will hold \$205 level.



During 2016, Gold has underperformed against Brazilian Real, and Russian Rubble. Gold will struggle against emerging market currencies in the coming time. Look at Gold's chart in Brazilian Real terms, gold is trading 12 months low in Real terms and trading 20% in USD term.

Gold performed extremely well against British Pound in 2016. Gold gained 45% value in British Pound term.

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Monday's trading range: (December 2016 contract):

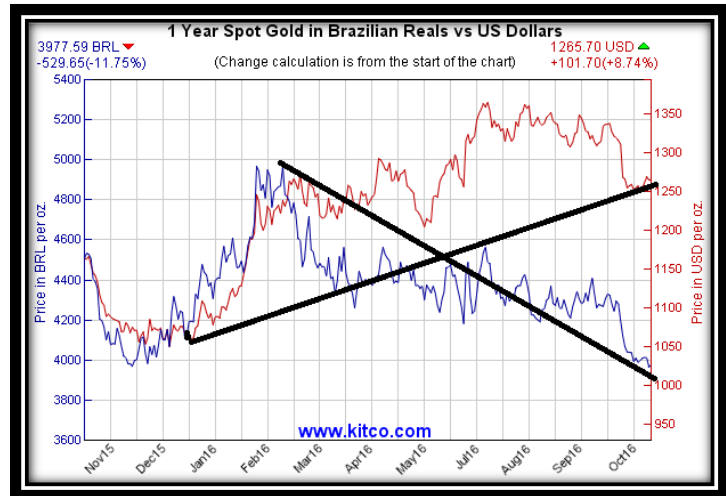
GOLD: \$1273.90 to \$1261.50

SILVER: \$17.79 TO \$17.35

COPPER: \$210.80 TO \$207.10

PALLADIUM: \$628.90 TO \$611.00

PLATINUM: \$934.50 TO \$921.50



INDEXES



Last week the USA market performed very mixed; most of the global markets also traded in mixed directions. The earning sessions have started and traders will be focusing on earning; most of the financial haven't disappointed and it looks like the tech earning will be good so now traders will only have two worries; the first one is elections and the second, FED. Elections outcome will be on 8th November, but FED worries will continue as every month we approach the FED meeting date.

Many say that China will be a problem but in my astro cycle combinations we see a positive time for China and the Chinese market so that worry is not there at all. The Italy referendum is coming in on 4th December so this event will be a market mover. Surely EURO should be on your watch list. We also see FED hiking rates in December and becoming very hawkish; we must watch how the traders take to this new hawkish face of FED.



This week we still recommend staying sidelined; trading in and out will be the best strategy. Tech stocks will rule this week as Apple, Google, Amazon and many big tech names will be announcing earnings and we are all aware that these stocks movement can influence the market move. Apple earning will be a difficult one, because USA numbers will show some contrast but the international growth will be very strong which may support stock prices. The picture is identical for Netflix, because Netflix moved 20% due to international growth.

Brazilian Real made another high, it is one of the best performing currencies of 2016, and due to positive Real the Brazilian equity market also performed amazing well. Dollar lost value from 4.15 to 3.12, which is almost 28% value. The Brazilian market gained from 37200 to 63500 in 2016, it remains the best performing market in 2016. Hardly anyone believed in our call of buying Brazil because everyone was talking so much about the problem in Brazil. We recommend holding positions in Brazil. Watch **INDL (India)** and **YINN (Shanghai)** market closely, they should be in your buying positions. Put your hard-earned money in both these indexes and you will enjoy the fruits in 2017.



Anyways, our job is to predict the market trend, not to talk like market experts. S&P has been holding 2117 level, and in the worst-case scenario it may test.....

Monday's trading ranges: (December 2016)

HONG KONG (cash) – 23541 to 23327

NIKKEI – 17365 TO 17145

NIFTY S&P (Spot) – 8737 TO 8665

Singapore Straits (Spot) – 2848 TO 2822

CAC – 4565 TO 4517

DAX – 10783 TO 10683

DEX EURO STOXX – 3083 – 3057

FTSE – 7038 TO 6969

FTSE/JSE (Cash) – 45275 to 44701

S&P e-mini – 2145.75 TO 2125.00

NASDAQ 100 e-mini – 4868.00 TO 4823.00

RUSSELL e-mini – 1221.00 TO 1207.00



DOW e-mini – 18128 TO 17978

VIX (Cash)- 14.25 to 13.17

THIRTY YEAR BOND



Last week bond prices traded negative and directionless. This week the same kind of move will continue. Watch 162 short term support.....

Monday's trading range (December 2016 contract):

TREASURY BOND – 165-12 TO 164.05

SOFT COMMODITIES



Last week soft commodities traded mixed without any clear directions. We are still recommending.....

Monday's trading range: (December 2016 Contract)

COFFEE: \$157.95 TO \$154.25 Buying recommended at \$112.50 and \$118.00

SUGAR: \$22.95 TO \$22.52 First bought at \$12.78 – Now book profit above \$19.98

COTTON: 69.89 TO 68.01 Buy recommended at \$65.00

GRAINS



Last week grains traded positive as predicted. Soy oil did very well, in fact, it achieved the very important price level of \$35.55....

At this stage, corn will have a strong astro support point at \$343, wheat \$405, soy bean at \$961, soy meal at \$302.50 and soy oil at \$34.25 so keep these levels in mind to build longer term buying positions in all these grains.

The prospect of grains looks

Monday's trading range (December 2016 contracts):

CORN: \$355.00 TO \$347.75



WHEAT: \$416.00 TO \$410.00

SOY: \$992.00 TO \$975.00

SOY MEAL: \$309.90 TO \$304.10

SOY OIL: \$35.43 TO \$34.69

ENERGY



Last week oil prices traded positive or we can say they held value very tightly. We witnessed in the last ten days that oil prices held value above the \$49.88 level which is a bullish sign for oil but at the same time on the higher side we see astro resistance points at \$52.25...

Note – Neither are we recommending any buying nor any aggressive sell for this week. Mars is changing houses during next weekend that will decide the future directions in oil. At

this stage, adopt a trading in and out strategy in oil, natural gas and heating oil. RB Gas may gain some value.

Monday's trading range (All December 2016 contracts):

OIL: \$51.50 to \$50.01 November

NATURAL GAS: \$3.38 to \$3.30

HEATING OIL: \$1.6075 TO 1.5650

RB GAS: \$1.5318 TO \$1.4811

CURRENCIES



Last week dollar gained further value against frontline currencies like Euro and Swiss Franc. Euro is heavily weighted in Dollar Index, so any directional move in Euro pushes USD in the opposite direction. Euro is approaching the most important support level of 1.0817 so watch this level closely to.....

We are still recommending to keep building positions in emerging market currencies like Rupee, Mexican Peso, Argentina Peso, Malaysian Ringgit and Indonesian Rupiah.

Keep adding positions in these currencies on any further weakness from here and hold positions tightly in 2017 because in 2017 these currencies will have major movement.



This week on Monday we are strongly recommending selling USD around 99.00 level....

Monday's trading range: (December futures)

DOLLAR INDEX – 98.99 to 98.35

AUSTRALIAN DOLLAR – 0.7617 to 0.7555

CANADIAN DOLLAR – 0.7525 to 0.7468

BRITISH POUND – 1.2283 to 1.2180

EURO – 1.0941 to 1.0861

JAPANESE YEN – 0.9695 to 0.9615

SWISS FRANC – 1.0128 to 1.0061

RUPEE – 66.99 to 66.77 (Spot)

RAND – 14.07 to 13.86 (Spot)

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Tokyo	7:16	🇯🇵	Shanghai	6:16	🇨🇳	Bangkok	5:16	🇹🇭	New Delhi	3:46	🇮🇳	Dubai	2:16	🇦🇪

Thanks & GOD BLESS

Mahendra Sharma

23 October 2016, 3.05 PM Santa Barbara

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Reading daily range: When we predict a **weaker trend** it means that prices can break on the lower side and can trade below the predicted lows.

When we predict a **positive trend**, it means that the daily price can break on the upside and can trade higher than the predicted price.

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