



Weekly Financial Letter

By
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Weekly Newsletter from 29 Sep – 3 October 2014

Dear Members,

Once again we are entering the month of October and it has always proven to be the most uncertain month out of the twelve. The Month of April and July also fall under the same category. These months always impact the investors' psychology, behaviour pattern and fear enters into decision making which always brings selling pressure. It has been an interesting journey for me because it helped me understand the impact of planetary change on human behaviour pattern. Planetary movement helped me reveal the secret of the future coming trend.

We were simply able to make the most stunning prediction of a bull cycle trend starting in the market from 6 March 2009, and a powerful bullish trend from December 2011. These predictions are not possible without understanding the astro cycle. I know it is impossible for normal humans or all these MBA graduates to believe in our theory because for them it is an illusion or a mystery and they will always doubt it, but for me it is most amazing things with 100% truth.

Last week I was with my very dear friend Mike Krupp whom I highly respect. We spent the whole day together. While we were discussing he said that, "Mahendra it is impossible for people to give you recognition in the western world because until people don't see, feel or touch something it remains an illusion for them." He also gave me many example including god. I will request Mike to write a letter on his understanding of astrology and if he writes it then I will put in our weekly newsletter. He gets my weekly newsletter and I know his letter will be an interesting one.

For the last thirty months Saturn has supported the market without allowing any dent in its trend. There have been some short term negative planetary combinations but in November 2014 Saturn will change zodiac house. Get ready for the most volatile trend for six weeks until Saturn changes house. For the next three weeks the market will remain volatile, but after that a very powerful wave can come and the market can move 10 to 15% without any stop. I don't want to get you very excited because it will be very exciting rise with huge volatility.

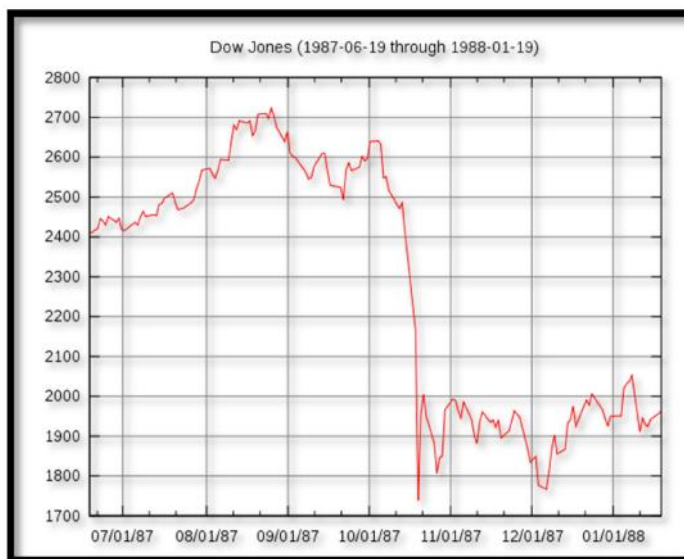
The market had a mini crash in 1987 during the Scorpio Saturn but overall during the Scorpio Saturn transit the market remained in a bullish pattern. Last week a few of members sent emails with a few charts suggesting that the market could fall 25% from here but we don't see this happening. Surely some corrections can take place but the overall trading pattern will remain bullish.



Before the crash took place in 1987, DOW Jones moved up 45% in first seven months. On 19 October Dow fell 22% in a day, and that was a very scary day for the market.

(Stock markets raced upwards during the first half of 1987, the Dow Jones Industrial Average gaining 44% in seven months. Beginning on October 14, a number of markets began incurring large daily losses. By the end of October, stock markets in Hong Kong had fallen 45.5%, Australia 41.8%, Spain 31%, the United Kingdom 26.45%, the United States 22.68%, and Canada 22.5%. New Zealand's market was hit especially hard, falling about 60% from its 1987 peak, and taking several years to recover.

The Black Monday decline was the largest one-day percentage decline in the Dow Jones. (Saturday, December 12, 1914, is sometimes erroneously cited as the largest one-day percentage decline of the DJIA. In reality, the ostensible decline of 24.39% was created retroactively by a redefinition of the DJIA in 1916.)



Following the stock market crash, a group of 33 eminent economists from various nations met in Washington, D.C. in December 1987, and collectively predicted that “the next few years could be the most troubled since the 1930”. However, the DJIA was positive for the 1987 calendar year. It opened on January 2, 1987 at 1,897 points and closed on December 31, 1987 at 1,939 points. The DJIA did not regain its August 25, 1987 closing high of 2,722 points until almost two years later.

In finance, Black Monday refers to Monday, October 19, 1987, when stock markets around the world crashed, shedding a huge value in a very short time. The crash began in Hong Kong and spread west to Europe, hitting the United States after the other markets had already declined by a significant margin. The Dow Jones Industrial Average (DJIA) dropped by 508 points to 1738.74 (22.61%). This part is taken from Wikipedia.

I will remain cautious and advise you to stay away from any aggressive buying positions or have hedging positions with some put options so any correction can protect you in Oct 2014, Oct 2015 and Oct 2016 because Sun will be transiting very close to Saturn, who guided this rally and we all aware that if the Sun comes closer to anything it can make that planets power disappear. We can't visualize any planets or stars in day time because of Sunlight.



Our view is very bullish for the market but take care for the next four weeks with hedging strategy as we don't want to take any chances and that is the reason we also warned in our book about a weaker trend from 18 September 2014. If October passes smoothly then we may see a huge up move in November and December in all major markets.

Last week President Obama delivered the most important and great speech at the UN. For so many years I have been writing that Muslim and Arab leaders have to take responsibility for their community and educate younger generations, the west shouldn't be taking the responsibility of fixing their problems otherwise in the future coming time these countries will have most serious fundamental and internal problems. It is very sad to see terrorists raping women and young girls in Iraq and Syria, this is big shame, and why not all major Muslim or Arab countries should get together and destroy these kinds of terrorist organization.

Look at a few Arab leaders who have done an amazing job, like Dubai, they brought all cultures together; they opened their ideology and socially they eased restrictions and now they have become a multi-cultural place. Many wealthy people are moving there as they feel more accepted and safer than in any other Arab or Muslim nation. Most Arab countries should learn from Dubai. They have to change their old ideology, and they should write new laws because these old religious laws are not helping any religion. We are accepting all technological changes because it is making our life better but are scared to bring changes in religion. We humans have advanced innovating so much in the last 50 years. I am no one to talk about what we should do but as a human I feel pain because it is sad to see that a larger number of their younger generation is unable to participate in the new world.

I am born Hindu but I keep my ideology open, I believe in one supreme, and I believe in nature as because of nature we are alive. We can't divide the air, sun light, sky as because of the five elements we are alive. One Christian, one Muslim, one Jewish and one Hindu in a room will have the same air to breathe, same Sun light share or drink water from same tap. Why do these religious leaders divide the air! We are just following old time orthodox religious rules which are made a few thousand years ago by people or religious leaders or during that era which suited them to keep small community together. Now the time has changed, the human race has progressed so much. Open minded societies like USA, have always done better in all areas because of freedom.

There is a reason for writing all these because the younger generations in many of these countries will suffer from all angles due to war, killing, raping their own people in their own regions, if the situations doesn't improve. These problems will spread like a disease in middle-east or Islamic world.

I always write about many other issues as I feel socially responsible to do something and you never know, I may be able to change one person's or reader's heart. I hope one day a large number of younger generations from Islamic community will start playing a role to remove fanatic ideology from society and may work toward to bring peace and prosperity so we all live together peacefully on this beautiful planet. Let me come back to the financial market as most of you subscribe to my letter to know about it.



Here is this week's newsletter from 29 September to 3 October 2014

GOLD/SILVER/BASE METALS



We were very nervous about the future trend of metals from the end of 2012 and now we are more scared about the future coming time. Gold has lost its shine, investors are badly stuck in gold, silver and metal stocks. Astro cycles are not showing any encouraging signs for the medium. Gold is in danger of collapsing sharply and holding risk of going below \$1000. We have been watching HUI and XAU gold bug indexes which just keep going down and metals stocks are

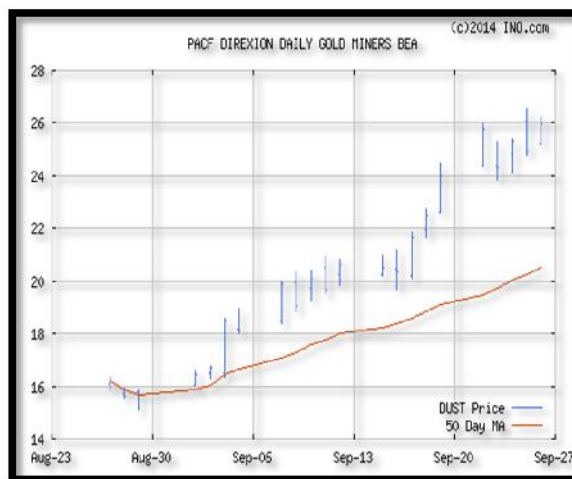
suffering a huge set back.

Many investors play in gold as a hedging trade against any geo-political tension or complete meltdown in the financial system but lately gold has not been doing anything under the uncertain geopolitical tension like ISIS and Russia. Also gold collapsed during the melt down of the financial market in 2008. Many metals investors lost a fortune in 2008.

Gold investors have to play smartly if they would like to still remain in the gold market. Buying gold against currencies which are fundamentally showing negative signs may be the right place to invest. Gold has done very well against Yen, Euro and Rand in the last one year. If Euro keeps falling then surely investors who are holding physical gold will gain value against Euro but there is still a risk of gold falling sharply more than the currency devaluing.

Simply put, we won't recommend buying gold and other metals for investment but surely we always write the short term trading strategy in our weekly letter and many might be taking advantage of trading in and out at this stage.

Metal stocks will trade mixed or will hold value. Our recommendations of buying **DUST** and **GLL** have done amazingly well. Dust moved from \$14 to \$26 level with in last four weeks.





This week is starting with Scorpio Moon so gold, silver and base metals will trade on both sides. On Wednesday and Thursday both sides again but Friday will be a negative day. It looks like Gold may try to regain again some value during this first four days and on Friday gold will give up gains. We are also recommend avoid buying in copper and platinum. Palladium will trade sideways. Avoid any positions in base metal stocks, but watch Alcoa and Aluminium stocks will keep outperforming other metal stocks.

From one of member: Some people invest in gold thinking that is it safest investment because they hate taking risk that is why they just buy and put gold in locker, but innovative people always take risk to create something, though I don't agree with him but surely creating new things makes sense to me because we are participating in giving something back to the world. Surely I will buy a farm and produce vegetable or grains rather than keeping money in gold. I am not against gold but right now gold is in a negative cycle and once the positive time cycle starts we will recommend buying gold as a financial instrument to make money or as an investment rather than falling in love with gold.

Note: Every starting investor starts trading in the market with the intension of making money, but more than making money it is important not to lose money in the wrong trades. This advice proven right for metals.

This is what we mentioned last Monday: *So far the astro cycles have guided us very well. On Friday gold prices closed below \$1243 level which is a negative sign because it has opened space for gold to move towards \$1193 which is the most danger point. On the higher side gold will struggle to move above \$1248.*

On Monday we see gold, silver and base metals trading mixed or on both sides. The higher side in precious and base metals will remain limited so we strongly recommend avoiding any buying. Don't buy metal stocks. Hold buying positions in our recommended ETF's GLL, DUST and DSLV.

This is what we mentioned two weeks back on Wednesday: *Gold breached \$1283 level which clearly indicating that is moving toward \$1243 to \$1153 and silver \$17.57 level soon. Metal stocks will also suffer setback.*

Here is Monday's range: (December 2014 contract):

GOLD: \$1226.90 to \$1210.80

SILVER: \$17.79 TO \$17.40

COPPER: \$306.90 TO \$301.10

PALLADIUM: \$796.90 TO \$773.90



PLATINUM: \$1315.90 TO \$1286.10

INDEXES



Last week the market traded very volatile which is not a good sign. We are recommending staying away from any aggressive buying in the market or in stocks. Take put options or some selling in the market as a hedging position. Don't get scared as our longer term view on the market is very bullish but sometimes you have to get prepare for short term volatility rather than ignoring.

As I mentioned many times in the last three years that USA will take the leading role in the positive trend of the financial market, growth in economy, improving the housing market, rise in USD and improving in labour market. There is no doubt that USA will play a leading role in reform of social and political structure in the world.

Look at tech and pharmaceutical companies in USA, they are taking the lead role and provide better future on health and technology. No other countries are playing a greater role than USA. We are very positive about USA stocks as money will keep coming into the USA market and taking part in developing and innovating rather than sitting on gold or silver.

Most important point: It doesn't matter how volatile the market becomes in the next four weeks but one thing is very clear and that is that the market will surely close at an all-time high by the year end. This clearly indicates that the months of November and December will turn out to be the best time for investors.

One can take aggressive positions in the market in the last week of October and hold positions tightly. There is a possibility that S&P could move towards 2130.

This week looks mix to negative, and there will be sharp moves on both sides. On the higher side we may see some profit booking coming in most of the market due to scarcity. Scorpio Moon and on coming retro mercury can bring some volatility in the coming time. We recommend staying away and watching the trend closely at least for the next two weeks rather than jumping into the market. Surely one can add more quality stocks like IBM, CSCO and INTC to your portfolio on any weakness. Watch many pharmaceutical stocks closely.

On Friday emerging markets gained value. Brazilian market gained more than 1200 points after falling sharply in the month of September. We are still recommending staying away from any buying in emerging markets.



European markets will struggle and we are not recommending any buying there as well. ECB will meet this week but we don't expect any news except for the gloomy face of Mr. Mario Draghi and concerns about the current economic situations in EU zone and promises to do more if the situations requires.

Asian markets will remain mixed. We don't much negativity in Japan, Shanghai and India so watch these markets closely as Shanghai can outperform all major markets in the coming time.

USA market will remain volatile as well, RUSSELL (small cap stocks index) suffered a big setback in the last few months as it refused to move higher. We are not recommending any naked short in the market but surely some hedging trades will be the right move to protect your investment against any short term fall. Tech and Biotech are our favorite sectors so watch closely and add more positions in these sectors on any sharp fall.

So far last week S&P held value of 1960 which is a good sign and on the upside 1988 level should be watched closely. S&P will remain in bullish mode if its trades above 1988 and turns negative if it closes below 1960. If S&P closes below 1960 then avoid buying it until 23 October. All major world markets will follow S&P's move. NASDAQ trend looks positive but let's watch the markets move closely.

This is what we mentioned on Friday: *Technically many markets got damage and may many new buyer won't come but surely smart money will keep moving into quality stocks. Our target for S&P reaching 3200 so ignore those who are talking about crash is happening like 2008.*

S&P may trade below 1959 but 99% chances that it will close above 1959. I would have recommended to put 100 all in but until 18 to 23 October markets may remain volatile on both sides that is reason we are not recommending strong buying. Must read carefully we mentioned in this week newsletter first part:

This is what we mentioned on last week Wednesday: ***We don't S&P going below 1959 level at this stage, in the worst case it can touch 1943 but chances are very less. Few of emerging market performed very negative. We are not recommending any buying in any market at this stage, though USA market down side will remain limited. Our target for December 2130 still can be achieved so get ready to buy stocks and indexes once S&P reaches 1959.***

Commodity (metals, energy and material) stocks will keep trading lower. Financial and tech stocks will still hold value. Emerging market will keep moving down on Tuesday as well. Some unpleasant new can arrive on mid Tuesday and any sharp weakness one can take buying. Get ready to buy stocks on mid Wednesday for short period. Those who like to trade for longer period can buy market aggressively from 16 October.

This is what we mentioned last month when S&P came down to 1905: ***S&P 1905 and NASDAQ 3842/3789 level should be watched closely as we don't see USA market falling much from***



here. We still hold our prediction of S&P moving towards 2150 by end of this year and NASDAQ 4500. Few other markets will follow but many other international markets will struggle to move higher.

Here are Mondays' ranges: (December **contracts**)

HONG KONG (cash) – 23850 to 23630

NIKKEI (June) – 16550 TO 16275

NIFTY S&P (Spot) – 8040 to 7917

CAC – 4432 TO 4352

DAX – 9632 TO 9447

DEX EURO STOXX – 3248 – 3177

FTSE – 6699 TO 6600

FTSE/JSE (Cash) – 44859 to 43403

S&P – 1988.50 TO 1966.00

NASDAQ – 4075.50 TO 4021.25

RUSSELL – 1122.50 TO 1107.10

DOW – 17145 TO 16921

THIRTY YEAR BOND



Thirty year bond trade will be a big one in the coming time. Our predictions have done very well in the last 12 years predicting bond trends. At this stage we recommend keep adding selling positions in bond on any rise. TMV will be great trades for those who don't trade futures.

On Monday and Tuesday Bond prices will remain in a mixed to positive trading pattern. On Wednesday and Thursday we see a bit weaker side trend but we still see it holding value. On

Friday we see a sharp correction in Thirty year bond.



At this stage the higher side 139-30 will be a great selling level as we don't see prices moving above this level. TMV will be a great buy or buy longer term call options in TMV.

This is what we recommended: *Short term traders should trade in and out as per the ranges mentioned below. TMV is trading around \$40, so this is a great level to buy longer term call options.*

This is what we mentioned in middle of August: *If Thirty year bond trade higher above 138 for more days, it will confirm that bond prices may move toward 141. Longer term traders should hold put options in bonds as current rising trends will remain for a shorter period.*

Monday trading range (September contract):

TREASURY BOND – 138-07 TO 137-00

SOFT COMMODITIES

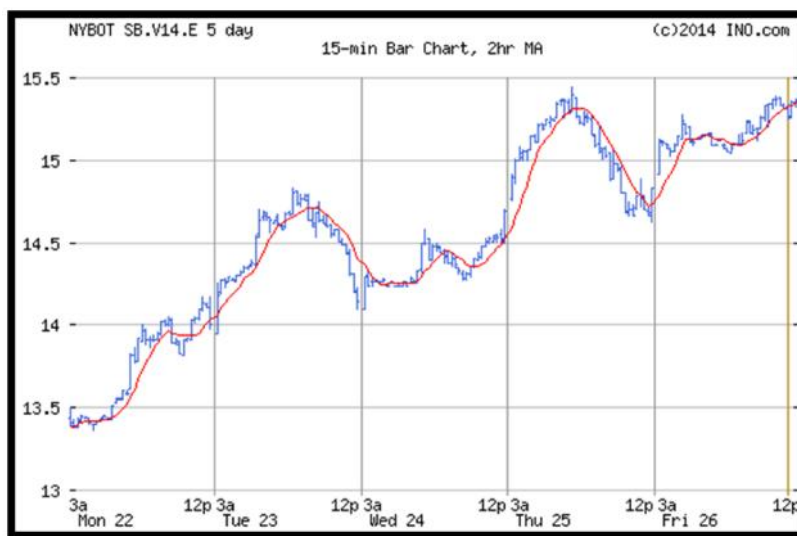


Last week Sugar's moves surprised everyone, and we strongly recommended buying sugar and right now we recommend buying more on any weakness. After making low's sugar moved from \$13.36 to \$15.40, almost 17% higher in a week which was a huge move.

Cotton is also a great buy below \$62 level so don't miss any buying opportunity. We strongly recommend buying cotton on

Wednesday but those who don't mind short term volatility should buy even on Monday. Buy March 2015 call options of \$68.

Coffee is holding value, and we see coffee holding above \$174, hold your positions in coffee. If it trades below \$174 then get out from all positions as this is an important astro point.





Avoid cocoa, orange juice and lumber.

This is what we mentioned early this month: *Coffee buying recommendations at \$107 done amazingly well, it gained 80% which is huge in commodity market and we are still recommending buying coffee. Those who bought can hold positions as our next target is \$237. Cotton buying recommendation at \$62 so far did well, hold positions in coffee. Today we recommended sugar, keep adding sugar without fear.*

Monday trading range: (December/OCT 2014 Contract)

COFFEE: \$188.55 TO \$182.00

COTTON: \$62.99 TO \$61.48

SUGAR: \$15.71 TO \$15.14

GRAINS

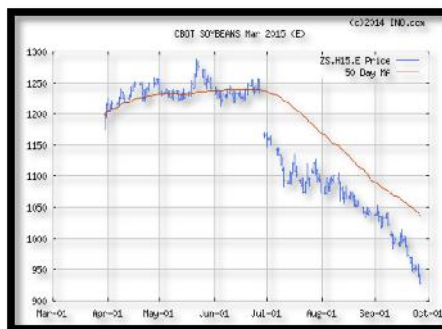


Once again grains selling prediction remained the best of 2014. Selling or not to buying grains in 2014 has done amazingly well for investors. Now we are very close to the bottom in wheat and corn, and we are also not recommending

any buying at this stage aggressively. Soy prices trading around multi year lows, and still trading pattern will remain under pressure. No buying in futures market but surely trading and out will be the right strategy of trading.

Corn and wheat will remain in a mixed trading pattern. During this week the down side is very limited in grains. From Monday to Wednesday trading in and out is recommended. On Thursday and Friday we see a rising trend in grains so buy some positions on Wednesday.

This is what we mentioned three week back: *Don't buy any position at this stage but wait for next week's newsletter for the right advice. Selling*





calls in soy around \$1550, wheat at \$730 have done very well and we targeted Soy to fall below \$1000 and wheat \$550. Both these lower side targets are closer to being fulfilled. Selling grains remained the best advice in 2014, yes gold and silver selling has also done well.

This is what we mentioned last month: *Avoid Soy products. We don't see soy going below \$930, wheat \$477 and corn \$330 so go aggressive if prices come to these levels.*

Monday's trading range (December 2014 contracts):

CORN: \$327.00 TO \$319.00

WHEAT: \$478.00 TO \$468.50

SOY: \$919.00 TO \$901.50 (November)

SOY MEAL: \$302.10 TO \$299.00

SOY OIL: \$32.47 TO \$31.80

ENERGY



Last week oil and natural gas prices held value as predicted.

This indicates that oil prices may move in a sideways directions so don't short oil at this stage. Mars, Sun and Moon are supporting so oil may keep bouncing back from lows. At this stage oil is holding value of \$90 but the higher side will also remain limited. We don't see oil moving above \$95.55. Heating oil and RB gas will keep following oil.

Natural gas is struggling to move above \$4.23 and holding value at \$3.72. At this stage these will be the ranges for gas.

On Monday and Tuesday oil prices will trade on both sides. Any unpleasant international news can push oil higher but lately oil has been ignoring every news from the middle-east.

A few months back we mentioned that the future of oil looks very shaky. We also mentioned that oil prices will keep moving down on a longer term basis.

During the next two years we see oil holding value due to Saturn in Scorpio but the higher side will also remain limited. Energy stocks will remain mixed so S&P won't have major support from energy stocks in 2015 and 2016.



Compared to oil, natural gas will hold value in the longer term.

Monday will be a mixed to positive day for the energy market and we see the same for Tuesday because of the Scorpio Moon. On Wednesday oil prices can come and weakness can continue on Thursday and Friday. Higher side ranges selling is recommended. Avoid buying in energy stocks and ETF's.

ERX lost its shine, and this energy bull ETF has lost 25% in the last two months. Investors who were very bullish on energy stocks went silent.

Monday's trading range (November 2014 contracts):

OIL: \$94.29 to \$92.57 Nov

NATURAL GAS: \$4.08 to \$3.95 Nov

HEATING OIL: \$2.7220 TO \$2.6800

RB GAS: \$2.4620 TO \$2.4120

CURRENCIES



Euro lost huge value, and many are still nervous about euro's trend. Now a few start believing our prediction of Euro going below par value in a few years' time.

This week looks mixed to negative for euro and other leading currencies. The higher side will remain limited. This current currency war is taking place between Yen and euro which we already mentioned two years back.

US dollar made amazing moves in the last three months. All major currencies are falling apart against USD. After grains, selling euro and other leading currencies remained the second best prediction or buying USD around 79.50. In every letter from early this year we constantly mentioned that USD won't fall below 79.50 from here onwards.





Japanese Central bank supported a weaker Yen from end of 2012. I still remember writing a big article about the fall of Yen and at the same time we also mentioned that the Euro zone won't have any options left except weaken their currency. Selling Yen at 131 and euro at 1.39 has proven the best two currency trades.

From here onwards we don't see any major weakness in USD but surely some sideways trends may take place in the month of October. We are not recommending buying Euro, Franc, Yen, Australian dollar or Canadian Dollar. Emerging market currencies will trade far more stable compared to all these leading currencies. Among emerging market currencies Indian Rupee, Rupiah, Mexican Peso and other South American currencies will trade positive. Rand, Rubble and Real will experience volatility on both sides.



The maximum down side in USD will be 2 points and the higher side moves can be big. Hold positions in USD without fear as this trade has performed well and will keep performing well.

This week on Monday and Tuesday we will more selling pressure in Euro, Franc and Australian dollar.

Buy emerging market currencies, as on Friday these currencies performed well. Add some more positions in these currencies from Wednesday onward.

Previously USD failed to move above 88.88 level twice but we are sure this time it will be able to cross this level and move above that.

This is what we mentioned in the month of May 2014: Keep adding USD on any weaknesses on Tuesday or around 79.50. Sell Euro around 1.3988, and Swiss Franc around 1.1470. Emerging market currencies will trade a bit weaker or sideways from Tuesday. We strongly recommend taking some buying positions in USD around 79.50.

Monday's trading range: (December contract)

DOLLAR INDEX – 86.09 to 85.48

AUSTRALIAN DOLLAR – 0.8750 to 0.8663

CANADIAN DOLLAR – 0.8961 to 0.8904

BRITISH POUND – 1.6268 to 1.6179



EURO – 1.2738 to 1.2655

JAPANESE YEN – 0.9188 to 0.9101

SWISS FRANC – 1.0550 to 1.0481

RUPPEE – 61.29 to 60.80 (Spot)

RAND – 11.25 to 11.10 (Spot)

Humble request: Please don't forward this letter, tell them to subscribe their own copy if anyone is asking for it.

Important notes for this week:

Avoid commodities and commodity stocks even though they look like an attractive buy.

Volatility will dominate in stocks so avoid any aggressive trades. We still see S&P and NASDAQ closing at an all-time high by December so get ready to go in aggressive buying from third week of October.

On Monday and Tuesday there is a Scorpio Moon, and both side movements are indicating in commodities and stocks. As usual we recommend spending time to finishing pending work.

Thanks & God Bless, Mahendra Sharma

28 September 2014, 3.00 PM Santa Barbara

Make wave of nature/astronomical cycle an integral part of your trading/Investment strategies!

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Reading daily range: When we predict a **weaker trend** it means prices can break lower side and they can trade below predicted lows. (You can cover short but don't buy extra at lower levels until our indicators give buy signal).

When we predict a **positive trend**, means daily price can break upside and they can trade higher than predicted price (you can book profit but don't short that market).

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