



Weekly Financial Letter

By
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Weekly Newsletter from 4 July -8 August 2014

**USD Index is getting ready for 87.80 and Oil longer term bear cycle to start,
our target is \$32.00**

Dear Members,

I don't know what name I should give to the correlation of my visit to my birth country (India) and the volatile behaviour pattern of the markets. In the last 20 years I have been watching this correlation; in 2000 I told a few of my friends that the markets may collapse as soon as I reach India, this was my first call, and the world is a witness of the great crash of the tech bubble. I always try to match every event happening around with planetary movements and hidden waves of nature and I have always found an answer. Every single thing happening has a reason behind it, every event has unfold future in it. In a movie called Butterfly Effect it shows that a small move of butterfly in China creates a hidden impact in the other parts of the world. Understanding the hidden part of the behavior pattern of nature is amazing and I've always involved myself every second to understand this hidden part. I watch people in restaurants, airports, on the streets and try to capture each and every small thing and always ask why it is like this.

During every visit I've made to India there always has been panic which is created in the market. I still remember that in 2008 on 28 June I moved to India for one year and I knew that most tough time would come in the market but I never told anyone because I was scared. In July and August of 2008 markets started collapsing and created the most unpleasant financial situation on this planet.

We always try to tell you about the importance of the hidden part of nature which can be revealed by the astro cycle. Technical, fundamental, geopolitical and economical aspects can give you the overall picture, but to understand the oncoming wave in the market or in geopolitics or social life, the astro cycle can help us a lot. I know for you to understand my feeling and insight of what I want to say is very difficult because in this current world, actual facts and numbers are more important than the unseen wave of nature, and I don't blame our human race because the world is flowing with completely different waves in the current time. I wish that I had learnt English from birth so would be able to use proper words in my letters and would be able to make you understand my feelings in the proper way.

Anyway, I don't want to regret, I feel that it is important to pass on the message of what I feel and I am sure most of you will understand my messages.



Let's talk about markets now because everyone would like to know market trend from here onwards. This bull market is in control of Saturn since the last two years, North Node gave solid foundation to this bull market. In June this year major planetary movement took place and the north node moved into Virgo and Jupiter in Cancer and currently two weeks back Sun also joined Cancer. According to the current combination fundamentals haven't changed for markets, and in astro terms I can say some readjustment is taking place due to Sun, which common investors are not able to see because of Sunlight. Investors always get confused during these kinds of combinations because real picture remains hidden. When we were writing our book **"2014 financial predictions"** we knew that the uncertain market trend would take place due to the **12 Degree Sun with combinations of Jupiter and that is the reason we clearly mentioned in the book that "final bearish trend in market from "27 August to 15 September". We also mentioned that the most amazing bull market cycle will start in markets after 15 August and financial/housing would take lead.**

What's currently happening is already predicted, and it is a coincidence that we happened to be traveling in India at the same time.

Our advice is for you to remain calm, get ready to add stocks and Indexes in your portfolio within the next 20 days. Ignore those who are talking about bearish trends or crash in the markets, your job should be to get ready to plan well for the next three years.

USD is getting ready for the most amazing ride, Bond prices are ready to collapse and the overall trend of commodities will remain in a confusing zone so we need to take a longer term bet. Dollar and S&P should be in your longer positions.

Oil is starting longer term bear cycle, higher side will remain limited.

Watch 1905 level for S&P, 1282 for gold and 96.38 for oil as these are important astro support levels.

Here is this week's newsletter from 4-8 August 2014,

GOLD/SILVER/BASE METALS



Last week metals traded directionless, metal stocks also traded mixed. Gold stuck to the range of \$1312/\$1327 to \$1282 as predicted. Many big metal investors follow our work very closely, many are getting excited about our positive outlook of metals from mid-2015. In the past in excitement I always get into early trade and the same happens with many. We strongly recommend not to add any aggressive trades in market at this stage, stay away or for those



who like to take longer term call options should take a small bet in silver and gold for September 2015 and December 2015.

The current astro cycle is showing negative combinations for precious and base metals except palladium. We are not recommending any buying in futures in either in silver, gold or base metals.

This week gold and silver will trade mixed or on both sides so trading in and out is recommended but from next week gold and silver prices will collapse or we see sharp fall so don't hold or carry forward any positions in metal markets. **DUST, GLL and HUI index will also move huge from next week.**

This week is Scorpio Moon so metals will trade mixed to negative or precious metals will keep rebounding from lower levels. I don't have much to say for this week, but surely metals are ready to **fall big from next week because overall astro cycle is not positive at all for gold. In longer term silver looks far better trade compare to gold as we mentioned last week.**

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

GOLD: \$1300.80 to \$1283.30 Oct contract

SILVER: \$20.51 TO \$20.20

COPPER: \$324.20 TO \$319.20

PALLADIUM: \$870.90 TO \$856.00

PLATINUM: \$1469.90 TO \$1453.10

INDEXES



This week is Scorpio Moon, so there will be big volatility in all major markets or markets will move in both directions. Most of you are aware that we always recommend finishing other work during Scorpio Moon, and you should be spending time with family or friends rather than trading markets. Also on Scorpio Moon one shouldn't be trading aggressive otherwise there are 90% chances of losing money.

Last week markets fell sharply as expected, European markets performed very negative. Emerging markets also went down but compare to all markets, our recommendations of selling European market did well. DAX fell most and the concern is rising about European growth.



At this stage DAX looks most negative for the short term period but the down side is maximum three percent from here, we don't see DAX going below 8874. S&P will hold 1904 level and in the worst case scenario it can move towards 1883. Don't buy any aggressive positions until 15 August 2014 until Sun is in Cancer.

As per astro cycle **banking, housing, biotech and tech stocks will rock, stocks from these sector will move up crazily higher in the second half of 2014 and 2015**. According to our astro cycle S&P should **gain 10 to 15 percent in the second half of 2014**. We are also scared that media will hate the oncoming rally due to the North-Node in Virgo and they will keep publishing negative comments on markets.

This week Scorpio Moon will bring an unstable trend in market, on Monday markets will stabilize, some selling pressure will come during intra-day sessions but still we see market closing stable. Tuesday most of the markets will trade very aggressively on both sides, it clearly looks as if the market may move higher. Late Wednesday and Thursday once again some selling will come and Friday market will close stable.

Scorpio Moon will start from Tuesday morning and will end on Thursday, so avoid any positions.

Emerging markets will remain under pressure, watch 1905 level for S&P, in the worst case scenario it can touch 1883 but chances of happening this is 5%. Get ready with cash as once again great buying opportunity in market is coming. **According to our medium term theory USA market will enter in 4th bullish cycle which can last for the 15 months before it start final euphoria cycle.**

Here are Mondays' ranges: (September contracts)

AUSTRALIAN (SEP) – 5596 to 5565

NIKKEI (June) – 15537 TO 15255

NIFTY S&P (Spot) – 7650 to 7555

HONG KONG (cash) – 24689 to 24410

CAC – 4237 TO 4155

DAX – 9297 TO 9127

DEX EURO STOXX – 3099 – 3032

FTSE – 6651 TO 6560

FTSE/JSE – 45975 to 45477

S&P – 1934.00 TO 1910.50

NASDAQ – 3900.50 TO 3842.25



RUSSELL – 1119.90 TO 1103.00

DOW – 16539 TO 16330

THIRTY YEAR BOND



Thirty year bond prices traded mixed to positive during the last week. At this stage 139 looks like a great selling level, so don't miss any opportunity of selling; in the worst case scenario bond can move towards 141 but chances of it happening is 10%. Also bond prices won't be able to hold around the 141 level for more than two days.

Monday Bond prices will trade mixed, Tuesday and Wednesday we see aggressive movement in Bond prices on both sides. Thursday will be the best day to take more sell positions in Bond on the opening of US market. Friday Bond prices will fall sharply.

Our advice remains the same; keep adding put options of December contract, Thirty year bond prices will collapse in 2015 toward 118.

Monday trading range (September contract):

TREASURY BOND – 138-15 TO 137-14

SOFT COMMODITIES



Last week coffee prices moved very aggressively. We strongly recommend holding positions in coffee as the \$257 price will soon be achieved and once it starts trading above \$257 then we see \$375 to \$413. The astro chart of coffee is indicating a very positive time ahead, and so far our recommendations on coffee have done very well this year.

Now you should start buying cotton as we don't see it going below \$61.38, and the higher side \$65.55 will be the short term resistance level.

Sugar is trading negative as predicted, get ready to buy positions in sugar around \$15.82.

Avoid Lumber, Cocoa and orange juice.



On Monday the soft commodities will remain mixed, and from Tuesday onwards we see soft commodities trading positive.

Wednesday also we see soft commodities will trade positive, but at the end of the day some profit booking will come.

Thursday once again some weaker trend will come in opening hours but in the late evening buying will come. On Friday the softs will trade positive. At this stage \$212 is the most important resistance level for coffee so watch this level closely.

Monday trading range: (September/OCT 2014 Contract)

COFFEE: \$200.90 TO \$189.50

COTTON: \$63.10 TO \$61.80

SUGAR: \$16.50 TO \$16.23

COCOA: 3237 TO 3180

GRAINS



We are not changing any prediction in grains; wheat and corn look very positive so hold positions in corn and wheat. Soy products are looking negative. Wheat and corn are ready to move sharply higher, so expect 5% move in both these grains.

Monday we see grain prices moving down on opening but later in the day grains will gain value, soy products will remain mixed. Day traders should trade in and out in the predicted ranges mentioned here below. Higher side trades can take sell positions in Soy and lower side buy wheat and corn.

Tuesday grains prices will trade positive, Wednesday and Thursday a mixed to weaker trend will be seen but late Thursday sharp recovery will come in grains. Friday grain prices will trade positive.

Monday's trading range (September 2014 contracts):

CORN: \$356.50 TO \$348.00

WHEAT: \$529.00 TO \$544.50

SOY: \$1059.00 TO \$1050.50 (November)



SOY MEAL: \$361.80 TO \$353.00

SOY OIL: \$35.80 TO \$35.20

ENERGY



Oil failed to move higher above \$105.55, which gave a clear signal of weaker trend. Oil selling was good trade and now buy oil on Monday around lower side of day with stop-loss of \$95.80 should provide some profit. Tuesday and Wednesday looks positive according to astro chart. Thursday oil prices will fall sharply and Friday the same kind of trend will continue.

In the last 15 months oil has been trading in 10 to 15% range without any side major move. If oil breaks our astro support point of \$95.80 then we may see it is moving towards the \$86.00 level. Watch closely as still our astro combinations are not that encouraging for commodities. Also watch USD trend very closely as strong USD will put some pressure on commodities.

Heating oil and RB gas will follow oil, so sell these both energy products if oil breaks \$95.80.

Natural gas positive trend will start and it may gains ten percent from current levels, so buy gas with stop-loss of 3.70. On Monday gas prices will trade mixed but from Tuesday we see a positive trend starting and the whole week it will keep bouncing from lower levels. Our strategy is very clear, on daily basis you should add gas on lower sides and we are sure you shall make good money by end of this week.

Energy stocks traded negative during last week, we recommend holding positions in energy stocks until oil remains above \$95.80 level.

Most of you are aware that our longer term view is very negative for oil, we see oil be going back to \$32.00 in the next five years, oil companies will lose a fortune so longer term traders must implement a proper strategy. Many oil drilling companies will close down in the next eight years and that is the reason we are not recommending investing in new oil exploration companies. I don't want to write more at this stage on oil because still for a few years oil may remain in the same trading pattern if last two years.

Monday's trading range (All August 2014 contracts):

OIL: \$98.50 to \$96.70 Sep

NATURAL GAS: \$3.89 to \$3.75 Sep



HEATING OIL: \$2.8810 TO \$2.8400

RB GAS: \$2.7660 TO \$2.7210

CURRENCIES



S&P and USD bull market will walk together in the coming time.

Dollar formed a strong bottom around 79.50, this was great buying level. Many of our members are holding USD positions, keep adding USD around 81.00 level during this week because USD is ready to explode.

Since Jupiter moved in Cancer USD started moving higher, which confirms that Jupiter is ready to play its most powerful role in the support of USD after 15 years of bear trend. Day by day astro cycles are turning very negative for Euro and Franc. At this stage I don't know what the impact of crash of Euro on financial system and global equity market will be so I have to watch market trends closely when euro starts collapsing. At this stage we have good news that major astro cycles are supporting stock market trends so we shouldn't be too concerned even if euro started falling.

Also other currencies like Australian dollar and Canadian dollar will face a tough time. We already predicted the fall of Yen in 2012, our first predicted target got achieved once it reached 0.9700 in early 2013 and after that it has been trading in the narrow range. Higher side is very limited for Yen and the lower side lot to come yet but on other hand sharp fall in euro fall may support Yen as many central banks will start diversify back to Yen from euro. There is no doubt that an interesting time is coming in currency markets, surely we see US dollar coming back and ruling currency market.

This week indicates mixed trend with volatility, USD those who missed the opportunity of buying around 80.00 should get ready to load up USD around 81.00. We don't see USD Index going below 81.00 in the current time. On Monday Euro will gain but the higher side will remain limited, we recommend selling positions in Euro and Franc, add more selling Euro on Tuesday as well, from mid Tuesday weakness in Euro will start. Wednesday dollar will gain against most of the other currencies, some weakness in USD will come back on Tuesday but on Friday huge upside move will come.

Emerging market currencies will trade negative during this week for the first four days but from late Thursday small recovery will come and Friday recovery will continue.

Japanese Yen will gain value during this week on Monday and Tuesday. Wednesday and Thursday it will trade negative but Friday we see recovery.



In pound the down side is limited, buy British Pound if it reaches toward 1.6655 for the short period, and on the higher side it will struggle to move above 1.7300. This range will continue for the next 45 days. We see recovery in Pound from mid Monday.

Monday's trading range: (September contract)

DOLLAR INDEX – 81.57 to 81.25

AUSTRALIAN DOLLAR – 0.9319 to 0.9245

CANADIAN DOLLAR – 0.9180 to 0.9120

BRITISH POUND – 1.6870 to 1.6770

EURO – 1.3462 to 1.3407

JAPANESE YEN – 0.9789 to 0.9730

SWISS FRANC – 1.1087 to 1.1018

RUPPEE – 61.45 to 60.78 (Spot)

RAND – 10.74 to 10.60 (Spot)

In brief:

- Oil is ready to break if it moves below \$95.80, longer term bear market in oil has started
- Great buying opportunity in USD around 81.00
- Trade cautiously in markets until 14 September
- Coffee, corn and wheat should be in your buying list
- Cotton should be accumulated in longer term options trade
- S&P will hit 3200 and NASDAQ 9000 by 2016

Thanks & God Bless

Mahendra Sharma

4 July 2014, 4.00 AM Mumbai

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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