

Weekly Newsletter

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COLLAPSE OF EURO - Biggest threat to the world

Dear Members,

Last week we talked about:

- The upcoming problem in Indian Economy
- Rise of Microsoft and Uncertain future of Facebook from 2015
- Rise of dollar and short term uncertainty in commodities
- The Collapse of EURO and crumble of EU

Last week, we released these above mentioned predictions, but it looks like many didn't like the fact that they were released. We received many emails and few of them were very nasty, so I humbly apologize if I hurt anyone's feelings. Let me be brief and clarify.

Many of you are holding a very important position in the financial market and I aware that your respective firms have a lot of interests in countries like India. Many of you must have committed to invest in Facebook and many of you must be holding metals and metal stocks. European people will Mahendra where we go, and I understand love and respect toward their country. I can understand your concerns towards my statements and I am aware that a several respected personality from financial industry, known financial institutions, follow our predictions and statements that I make can affect that certain market because huge money (in billions) follow our predictions and they move in and out from certain area on our statement.

First, let me clarify that I am not as expert or as accurate as many market analysts, but our longer term views have always been fulfilled nine out of ten times. So if we see something which gives scary indications, then it is my moral responsibility to publish our views.

Let me give you a picture of India, Facebook, Euro/EU and metals a bit clearly here:

Metals:

Longer term: We have longer term predictions of silver reaching \$57 (will be achieved later in 2012) and \$300 in the next ten to fifteen years. Gold reaching \$2000 is still a very feasible target for 2012.

Shorter term: As per our theory, in the last two months, metals should have moved up a lot as these last few months were very positive for metals. You are all aware that metals performed very poorly; it is clear that we were 100% incorrect on the metal-bullish outlook. Another 19 positive days are pending and metals may hold at this level. However, the way they acted for the last two months doesn't give me high hopes.

Why have I lost hope?, In the last ten days, on the positive days both the precious metals acted negatively, and this means that the negativity is overruling the positivity. This doesn't happen quiet often, and yes if you remember 2006 when metals were moving up fast and I saw negativity coming but negativity never came for few months. The positivity was ruling the negativity, this can happen due to more than 80% brains action and money force in one direction or away from the other direction.

I am trying to present my case here but **I feel that if these last months were not positive then metals would have crashed to \$1200**, the price many knows analysts were targeting three months ago. Many tried to short metals but they failed so they targeted silver and influenced metal investors mind by bring down silver. When the wave of nature will be weaker that will be time metals may fall sharply. I hope gold holds \$1530 and silver \$26.30. Only time will tell what happens in the coming time.

Financial astrology can guide us accurately 90% of the time in normal conditions. It can guide 100% accurately even in the worst case scenario but it goes wrong when there is external influences and it destroys the path so nature takes time to rebuild that path. Like the longer term path for gold and silver is extremely bullish, and we may be the most

bullish for metals on this planet because we are predicting silver \$300 and gold toward \$3200 to \$5000 (in the longer run).

Short term advice for investors: Those who would like to build long positions in metals, as I like metals for the longer term and those who feel that metals is best investment instrument then don't put everything here during current running time. Below **is the strategy, If you are investing ten thousand dollar (\$10000) in metals then:**

Buy longer term call, and forget about short term volatility (Invest \$2500 out of ten thousand). Invest 15% here on Tuesday, 20% by end of June and 20% July and rest in Mid August.

Buy precious metal stocks in the end of July or early part of August (Invest \$2000 out of ten thousand).

Buy physical gold and silver (Invest \$4000 out of ten thousand). You should acquire some physical positions start from Tuesday of this week. If metals move up by the end of May then you should book half of your position and buy it back in the end of July.

You can trade in and out with the remaining 15% money as per market conditions, but take limited risks.

If you buying right now and would like to hold metals for the next three months which we see uncertain from June 2012, **you should hedge your position by buying dollar Index as it will be a great hedging.**

Many will say that what guarantee is there that my bull market prediction in metal will come true from August 2012. Yes, you have all reasons not to believe what I am saying however you can't discard our views because in the last 25 years our theory has given overall good investment guidelines so this is my hope that the coming time will help metals, even though financial giants like Buffet, Bill Gates and many other top names are not showing any respect to metals at this stage but metals will keep surprising many big names.

Most important note on currencies/gold:

Whether you like or not but once again I am loudly saying that Dollar has always remained a key currency for the world and played a central main role. **In the last eleven years it lost its shine but we see US Dollar coming back strongly from here.** For the last six months we have been constantly advising to invest in US Dollar and US assets.

The future of EURO and EU looks very scary, so I don't know why some people still like to hold Euro. A disaster is on the way for EURO, soon we will see Euro reaching 1.20 and ultimately par value surely within 18 months. We eventually see EURO losing and going to 0.81 against USD and may few countries they will restructure EURO again but with huge devalue price. I know it is hard to believe.

In this term **gold will gain handsome value against Euro.** If you see in the last two months gold lost value in dollar terms but in Indian Rupee terms gold is trading nearer to all time high and same will happen in EURO term in coming time. The World investor community, media and we always see gold rate in terms of dollar term but you will be surprised if you try to see its performance in terms of other currencies.

US Dollar is over favorite at this stage and Canadian dollar is next, and we don't trust any other currency apart from Pound. You have to think seriously that if Euro goes below par value then you will be already making 30% money without doing anything. Our

longer term view on gold, silver and dollar is very bullish so surely gold will perform far better against all other world currencies as well as US Dollar.

Here is chart of gold prices in Indian Rupee term: First two years chart and second one is ten years chart.



INDIA

Many people misunderstood our prediction for INDIA, the longer term outlook for India remains very positive, our view for India is negative until early August 2012. One should avoid any big investments in India for the next three months and after that you should start aggressively investing in India.

In the next three months India will perform negative, any negative economy news can sack the Indian market. Indian Rupee will remain very volatile.

I don't have anything against India, I was born in India and love my birth country however I am a little nervous and scared of the coming three months as there is a most negative cycle which can damage the reputation of the country. Investors can lose big.

Facebook

Mark Zuckerbergs Astro chart is very powerful: His Vedic Astro chart has great combinations of Moon, Mars and Saturn in the house of Libra. Planet Moon rules young age, Planet Mars hold authority in from age 18 to 28, Mars and moon together create wealth-Yoga, Mars, Moon and Saturn creates wealth and revolutions-Yoga. Mars represent Technology so he brought a revolution in technology and became the youngest Billionaire.

It was so much fun for me when from age 11 to 30 I was doing daily chart reading for people, and I used to advise industrialists, bankers and know personalities. Somehow I reduce taking clients. I want to do something for the world and so far I am happy with what I am doing but still many times I struggle for accuracy. No, complains here as nature has supported me and I enjoy guiding a few of my personal clients.

Back to Facebook, The birth cart of Zuckerberg has rare Astro combinations. He was controlling Facebook, but now it is going public and the day they started road-show for IPO with JP Morgan that day was very negative. I wish I was an astrological adviser of Facebook because I would have never recommended to start something on that scale on such a negative day.

The time cycle of Facebook – The next two years will remain good for Facebook, but after two years the value of Facebook will start falling down sharply. I won't recommend people to hold Facebook stocks after two years and within five years it will just become ordinary like any other social media company. Valuations of Facebook may drop drastically after two years from now and within five years it will come down more than 50%.

Keep this email as record, you must print and save it. We will talk again in 2016 about Facebook.

MICROSOFT

Sun and Saturn is rising for Microsoft after 11 years like Apple Astro chart changed in positive cycle from 2002. I highly recommend that each investor should have Microsoft in their portfolio as 11/11/2011 Astro chart gave re-birth to Microsoft when Saturn transit from Virgo to Libra. We predict Microsoft moving towards three digits from the current price of Apple, Microsoft and other tech companies will take Nasdaq toward 10000 in the next three to four years time frame so Keep adding Microsoft, Apple and Nasdaq call options in your portfolio.

First chart of MSFT is for the last six months chart and second one is 10 years.



THIS WEEK MARKET PREDICTIONS FROM 14-18 MAY

GOLD/SILVER



I am sure the above section on metals must have cleared doubts about metals trend. I understand the pain for short term traders who love to invest in gold in short and medium term basis. I also understand how many investors must be disappointed with our predictions of silver bull market. The current wave doesn't have any power and because Astro combinations are great so we highly recommend that you should trade in and out in metals rather than holding position. Our weekly newsletter and flashnews will guide you on short term trading.

From August onwards one the finest bull market may start in metals but before that period starts, follow the above mentioned strategy.

This week the positive time for gold and silver will start from mid Tuesday and it should last until Friday. If precious metals don't trade positively from Tuesday to Friday, then I will recommend get out from all position in precious metals and get in back in August 2012. If this week gold and silver don't move then it is clear that they fall slowly for the next two and half months and this correction can be painful, keep your emotions away and take a decision like a money manager.

On Monday and first hour of Tuesday metals will remain weaker, so watch day trading range.

Metals will rise from late Tuesday or after the opening of the USA market. Keep adding positions on any intra-day weakness from Wednesday to Friday.

Most scary indicators – If gold and silver doesn't rise from late Tuesday to Friday, then gold and silver can make new lows.

We will be watching the trend very closely and try to guide you accordingly.

Here is Monday's range:

GOLD: \$1592.75 to \$1570.70

SILVER: \$29.09 TO \$28.29

COPPER/PALLADIUM/PALTIUM



Avoid trading base metals, sell on rise. Last week was proven to be very disappointing so we are not recommending any buying position in base metals. The higher side is very limited for base metals, even if precious metal rises from here.

Another scary indicator – Commodities can just collapse in the next two and half months; oil can come to \$78, copper can reach \$300 and other commodities also can correct sharply, so I highly recommend commodity traders to stay away from bull market trades.

On Monday and Tuesday these base metals will remain weaker or directionless, but on Thursday and Friday these metals can move.



You should watch CRB index closely, here all there three charts (Daily, weekly and monthly).

Here is Monday's range:

COPPER: \$360.75 TO \$366.95

PALLADIUM: \$595.0 TO \$609.80

PLATINUM: \$1459 TO \$1479



INDEXES



I am not recommending any investment in indexes at this stage. There is only one company that you need to watch and that is Microsoft. It will be a great hedging stock against risk of market at this stage. I never talked about Microsoft in the last ten years because, in fact I always advised to start away from Microsoft as its Astro chart turned very negative from 2000. Currently

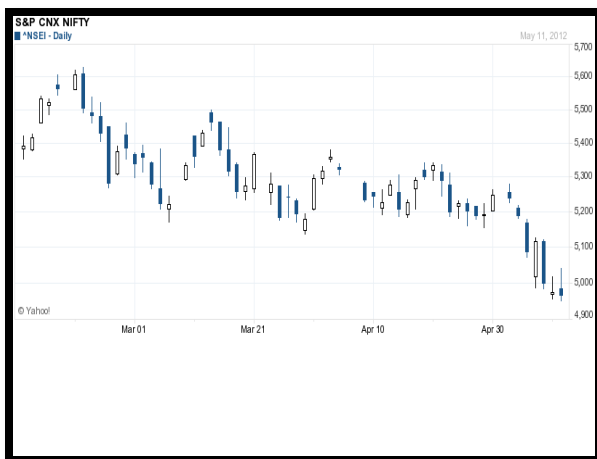
however, the planetary changes has given a clear indication that the company is ready to move up and may reach three digits in the next few years.

Avoid markets, Asia and Europe will struggle. I highly recommend international investors to keep adding positions in US Dollar assets on USD. Keep buying USA stocks on weakness. This week or short term we see S&P going toward 1292, watch this price.

Buyers of stocks and indexes shouldn't be trading with high leverage as the situations in the financial market will remain uncertain for the next two months because S&P takes lead. I clearly see USA stock market will outperform world indexes for the next three to five years. Money will keep flowing into USA markets, and all fund managers should watch this prediction very closely. No buying this week in stocks, sell all markets on rise.

I would like to put a few indexes longer term charts here with 2012 charts. You can see how money sifts from one market to another.

Here are two important charts, Indian Nifty and S&P USA. Lately Nasdaq and S&P kept moving toward highs but tow biggest emerging market struggling to keep their outperformance show which they did form 2004-2008. Last six months



charts for Nifty India, S&P and Shanghai.

Here is Monday's trading range:

AUSTRALIAN (Spot) – 4347 to 4302

NIKKEI – 9055 TO 8905

NIFTY S&P (Spot) – 4948 TO 4875

SINGAPORE (Spot) – 2887.7 TO 2873.00

HONG KONG (Spot May) – 19775 to 19551

CAC – 3077 TO 3039

DAX – 6539 TO 6401

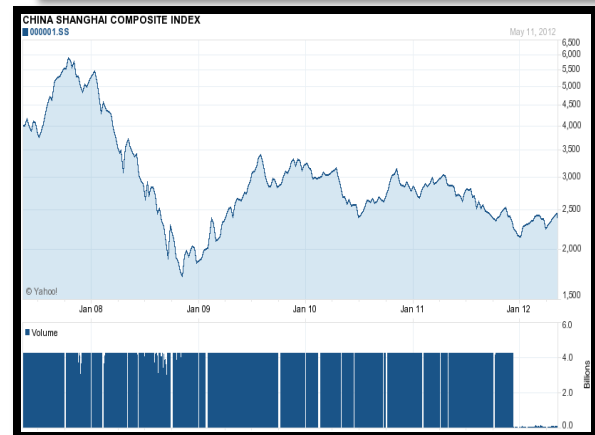
FTSE – 5515 TO 5439

S&P – 1353.75 TO 1336.50

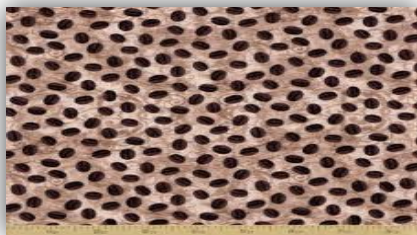
NASDAQ – 2609.5 TO 2565

RUSSELL – 792.50 TO 773.25

DOW – 12807 TO 12672



COFFEE/COTTON



Last week coffee trade far better, but cotton fell sharply after the USDA data on early Thursday. Avoid any investment at this stage in cotton for the 16 days. Two price targets on lower side, \$77.80 and if it breaks this then the next price is \$72.50. Coffee prices remained positive but the higher side is limited.

Avoid both these commodities.

Monday's trading range, all July contract:

COFFEE: \$174.05 TO \$178.80

COTTON: \$78.03 TO \$81.50

SUGAR/COCOA/ORANGE



This week you should avoid all three of these soft commodities. I will recommend that you should purely trade in and out with our predicted range rather than taking longer term trade.

Avoid all these commodities at this stage.

Monday's trading range, all July contract:

COCOA: \$2339 TO \$2277

SUGAR: \$20.01 TO \$20.39

ORNAGE JUICE: \$119.10 TO \$124.30

TREASURY BOND



USA thirty year bond prices will move up during the first two days and may try to breach its previous high of 146-50. Don't short thirty year bonds until we give clear indications. On Monday and Tuesday bond prices will move up, and from Wednesday some weakness will come but our flashnews will guide you clearly.

Monday's trading range for energy June contracts:

OIL: \$96.57 to 95.01 June contract, (sell oil)

GRAINS



We don't recommend any investment in grains, Soy selling around \$1500 has proven to be great for traders. We are clearly aware that as per the planetary movement that downfall in grains is limited in the medium term but at this stage our advice is to stay away from grains except RICE.

You should trade in and out of grains as per our daily flash news rather than taking any longer term positions.

Here is day trading range for Monday:

CORN: \$572.25 TO \$587.25

WHEAT: \$589.25 TO \$601.5

RICE: \$15.60 TO \$15.88

SOY: \$1391.25 TO \$1429.75

SOY MEAL: \$403.5 TO \$414.10

SOY OIL: 52.86 TO \$52.09

ENERGY



We highly recommend avoiding buying any positions in oil at this stage. I won't be surprised at all if oil breaks \$90 in the next three days. Planetary positions are giving clear indications that oil prices can move down sharply so avoid any buying at any rates at this stage.

The trading range this week for oil will be \$96.55 to \$88.80.

Natural gas may also trade weaker but the downside is very limited for gas. Trade in and out as per our flashnews in oil and natural gas.

Monday's trading range for energy June contracts:

OIL: \$96.57 to 95.01 June contract, (sell oil)

NATURAL GAS: \$2.45 to \$2.57 June contract

CURRENCIES



All our members should watch our dollar prediction very closely. We have been warning very strongly about EURO, and you shouldn't be ignoring this warning. The Astro chart for EURO is showing negative signs since 2008, and euro was never able to break its high of 2008. In 2011 we predicted that "Euro admitted to ICU" and in same article we mentioned that eventually "EURO WILL DIE".

We don't make any statements for fun, there has to be reasons to make these kinds of statement. In 2001 we stated that there would be a "crash of USD and sun shine for gold/silver/oil market". I understand the importance of this one line, and maybe a few of you do because in the last ten years a huge amount of sifting came but that time is ending now.

In simple words, don't buy euro, don't hold investments in Euro terms. Dollar will once again rule the world so its better if you walk with US dollar.

Investors should wake-up including metal investors because dollar is headed towards a great rise and metals should rise against many other currencies. Like above in metal sections I mentioned that gold is trading fantastically against many currencies (In Indian rupee terms) and against many other currencies. Don't always measure gold prices in dollar, dollar terms only apply for USA investors.

If you are a fund manager, banker or trader, trading with a huge amount money and if you are not holding dollar in your portfolio or investments in USA then you will be making the biggest blunder of you career at this stage. Our work has always paid handsomely (not always monetary but awareness wise), our job is to make you aware about the future coming time and so far our theory did wonders for longer term traders.

Anyways this week's Newsletter is getting too long so in brief buy dollar and sell EURO, Australian (because weakness in commodities) and emerging market currencies.

Monday's trading range is here:

DOLLAR INDEX – 80.24 to 80.97 (buy)

AUSTRALIAN DOLLAR – 0.9986 to 0.9917

CANADIAN DOLLAR – 0.9991 to 0.9933

BRITISH POUND – 1.6079 to 1.5965

EURO – 1.2898 to 1.2781

JAPANESE YEN – 1.2570 to 1.2489

SWISS FRANC – 1.0775 to 1.0677

RUPPEE – 53.37 TO 54.19

RAND – 8.06 to 8.19

BRIEF OUTLOOK

Short term Indian and emerging markets will keep underperforming

Hold investments in USD and USA

The Euro chapter will close and euro will become history (Already predicted in 2007/10/11) <http://www.mahendraprophecy.com/predictions.php?id=58>

EURO-Zone will crumble, (predicted in 20010/11) (Must read EURO chapter from previous and this year's book)

Commodities will struggle, and only final few positive weeks are pending for metals. Avoid medium term investments at this stage, but longer term traders a great buying opportunity is coming as we still see gold and silver moving up in multifold.

Humble request – Please don't forward newsletter to anyone, let them subscribe their own. You have been keeping trust in my work and I keep trust in you so please don't forward any of our Newsletters. Yes once this week get over then you can send to anyone.

Thanks & God Bless

Mahendra Sharma

Saturday, 12 May 2012, Santa Barbara