



Weekly Financial Letter

By

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Weekly Newsletter from 1-5 April 2013

Dear Members,

It has become crystal clear that S&P will double from current levels because from 15 March 2013 negative planetary combinations has not been able to give any major negative results to the markets, meaning positivity is overruling a negative cycle. We haven't seen such a powerful force of astro combination for any market expect during the rise of Nikkei from "1983 to 1987" and the tech bubble from "1995 to 1999". Look at both charts above mentioned period. If you ask me which astro cycles were the most powerful among the previous two and current one, we will say that the current one is, because current rising trend is going through smoothly from worst patch of uncertainty and EU bad news.





It is also becoming clear that S&P will reach 3200 without fail, and we will see the most unique bubble era for US stocks. There is no doubt that during this rising cycle we may see some small corrections but the overall trend will be very positive. Saturn and the North node combination will push the market in one direction and we don't have to go against the market. Yes, we can reduce exposure or hedge positions whenever a short term negative cycle starts but there is no need to short the markets.

In the last month we have constantly been writing about the S&P level 1548. Yes this level is important for S&P until 15 April 2013, and once 15 April is over you can start accumulating positions in stocks and Indexes. In this year's book as well as in every newsletter we have been persistently writing that S&P will go towards 1700 to 1750 by end of 2013. If you ask me that Mahendra, are these targets achievable by the end of 2013? Our answer will be **"We won't be surprised even if S&P reaches to 1800 or 1850"**. Yes, I wanted to be very clear, I want to forget about this small negative time cycle, which is irrelevant at this stage. S&P is just trading 15 points above our target and we should start adding buying positions on weakness around 15 April. We shouldn't be shorting the market at all because the current force of astro combinations looks too powerful. Stay with S&P, and avoid any new trades on Monday and Tuesday due to Scorpio Moon. Those who like to wait until 15 April can keep cash aside but must hold some positions in stocks. **Our Favorite sector is Uranium, food and housing stocks. Buy EFTs' as well, two our favorite stocks are FNMA and FMCC, and both these stocks can turn multi-folds.**

Early this year we mentioned three simple predictions:

- **Buy USA equity and Indexes**
- **Avoid precious and base metals or any commodity in general**
- **Buy US Dollar**

So far all three of these recommendations have proven very wise, so why don't we just simply follow these three predictions without trying much. A few of our members "Nanik, Michael Krupp and many others" made great money just by investing in metals from 2001 to 2011. They never cared much about the shorter term cycle, in fact they were taking buying opportunities during short term corrections during those eleven years. So we should adopt the same strategy here for Indexes because equity markets will outperform all other asset classes. Since 2012 astro medium term outlook changed and we have been recommending them to stay away from any big position in metals.

On the other hand don't put too much focus, energy and money in commodities, because the trend of commodities will remain confused. Look at the way metals are trading, a great example is grains during last week, they crashed so badly that investors, farmers and buyers lost a huge amount of money in a single day. **In short, commodities are trading directionless without clear path because most of the astro indicators are not supporting commodities during 2012/13 and we have been constantly writing this.**

US dollar Index should be on your buying list because overall astro combinations are not positive for Euro as well as other currencies. Your deposit, withdrawals and Investment should be in USD terms because in the coming time we see most of the currencies losing huge value against USD and Yen.



We are sure this first part of this week's newsletter will clear all your doubts and feel free to write so I can include your questions in the next week's newsletter.

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GOLD/SILVER/BASE METALS



There is no doubt that metals investors are getting frustrated because uncertainty in EU is not pushing gold prices higher; the stock markets are trading nearer to all-time highs but metal stocks are struggling. Copper, which should move up together with the economy is not doing anything; platinum and palladium prices are not catching fire when globally auto sales are at their peak, so there is a serious disconnection between metals price movements and

fundamentals.

Our astro indicators have been guiding well because these indicators kept us away from any investment in precious/base metals and metal stocks and we are not regretting not investing in metals at all. In the month of March 2013 out of nine, a total of five astro points were in favor of metals but metals are not moving up so it is clear that overall what we mentioned for metals for 2013 "staying away" advice should be adopted. In our 2013 financial prediction book we predicted "metals trend may remain positive during the month of March" but they are not so far.

Anyways, metals are struggling and they will struggle in this week even though North Korea threat is there, EU uncertainty is still there. As per the astro cycle, we see metals trading positively on opening of Asian and European markets on Monday but they will give up gains during USA trading sessions so trade in and out on Monday.

On Tuesday we will see precious and base metals trading positively so buy on weakness as we may see a rising trend during USA trading hours. Tuesday is positive day so we are expecting positivity.

On Wednesday again prices will come down during USA trading hours but the down side will be limited in precious metals; base metals will trade weaker.

On Thursday and Friday we don't see any exciting trend so selling on rise should be the strategy in precious metals as well as base metals.

HUI has been struggling, and our advice is to stay away from metal stocks, if our members like to have mining exposure then they should buy Uranium stocks as these stocks are very close to blowing on the upside.

Gold will struggle to move above \$1618, and silver \$29.35. On the down side risk is higher. Copper, silver and platinum could hit new lows of 2013.



Note – We have notice that investors have done well only when they invested in astro favored markets, like lately indexes and dollar buying call did well and will do well so stay with market and dollar as per astro cycle. From 2001 to 2008 metal buying call did well because astro cycle was favoring metals so go with favorite the astro cycles.

Here is Monday's range: **(April/May 2013 contract):**

GOLD: \$1603.90 to \$1593.10

SILVER: \$28.57 TO \$28.10

COPPER: \$343.90 TO \$338.50

PALLADIUM: \$773.00 TO \$759.20

PLATINUM: \$1586.00 TO \$1566.10

SOFT COMMODITIES



Slowly soft commodity investors are getting away from soft commodities due to nonperformance. It is always tough to hold any investment product which is trading negative or sideways for a long period of time. 2012 remained negative for soft commodities and so in 2013 also these soft commodities were not able to perform but soon the astro time is changing.

In the first quarter of 2013, cotton performed extremely well, by moving up 20%, which is huge for any commodity market. Now we are looking at coffee and cocoa which should start performing well from this week. Coffee may take a bit longer than cocoa but surely it will be on among the best performing commodities of 2013.

This week we recommend buying Cocoa and cotton, due to the astro chart changing and showing more positivity. **Cocoa should be a great buy around \$2155** as cocoa is represented by planet Mercury, 17 degree Mercury away from Sun always push prices higher, we don't need any fundamental news for prices to move higher. Buying cocoa could be best call of this week.

Coffee is also acting well but if you ask me whether we should buy aggressively, our answer will be "no" because all the major planets have still not started supporting coffee astro chart. **Surely \$132 price has proven a great buy in coffee**, and prices recovered from this level. The down side is limited and on the higher side we may see at least \$146 in coming few weeks.

Sugar prices are trading near multi-year low in a directionless market, sugar and silver are supported by the planet Moon and currently the house of Moon "Cancer" is sitting empty without any power so we should avoid any investment in sugar and silver.



Orange juice will trade weaker during this week, we recommend you to stay away or you can sell some positions.

After mid-session on Monday we may see a positive trend coming in cocoa, cotton and coffee. On Tuesday prices will remain sideways to bit weaker but from late Wednesday prices of these three soft commodities will gain and this positive trend will continue until mid-Thursday. Late Thursday we may see profit booking coming in.

Monday trading range: (May 2013 Contract)

COFFEE: \$138.30 TO \$135.50

COTTON: \$89.50 TO \$87.65

COCOA: \$2192 TO \$2150

SUGAR: \$17.75 TO \$17.50

ORANGE JUICE: \$136.25 TO \$132.50

INDEXES



Last week under the most uncertain environment we saw USA market showing strength and that is the most amazing sign. One has to play the role of a leader to guide, this also applies in real life and family. A great example is gold, It brought all commodities and mining sector into the spot light after 2001, because it showed leadership and aggressiveness. Now look at gold, it seems like it lost that leadership and power; and in fact

lately oil has been playing the leadership role in commodities but unfortunately oil is not able to pull all the other commodities higher. Gold is the father of commodities so the rest of commodities will remain directionless as long as gold remains sideways.

It could have been disaster for investors during last week if USA market didn't show leadership and aggressiveness. I withdraw my call of selling markets here for the five percent gain, because we don't want to adopt the strategy which won't give us gains in the medium and longer term. Yes, we can play with some put options with little money but surely staying light during dangerous periods is always recommended.

The current uncertain time will get over around 15 April 2013, and stock prices will start moving sharply higher so our advice is to get ready to add more positions.



Emerging market: Last three months emerging market were not in our buying list and that advice did very well as the rest of worlds market performed extremely well but emerging markets did horribly but from this week we are putting emerging market on our top pick. India, Russia and Brazil is in our top three picks among emerging markets.

European market: During the last three months European markets did well, but for the next three months we are not recommending any new investment in European markets. During the last two weeks headline from Europe is dominating sentiments so it is becoming clearer to us that 15 of March 2013 to 15 April 2013 is a bad period for Europe and European equity market and not a bad period for the worlds equity market. This thought just came, because in September 2007 we came out with the prediction that “disaster and crash in emerging market equity”, and after this predictions most of the emerging markets did well for the one year but Chinese market kept moving falling and lost almost 60% value from 6000 to 2300. In the November 2007 we realized that this negative astro cycle is only affecting the “Shanghai” market, not any other stock market.



Same way from 15 of March a negative time cycle will only affect Europe not the rest of world so investors should start getting into the market. Buy good quality stocks that are trading lower because emerging markets and USA equity markets may remain in positive directions without falling much. It has become so clear that European equity markets will struggle and suffer setback not the rest of the world.

USA equity market will trade strongly because S&P already traded above 1548 for more than 48 hours, so the next target is 1573 and 1608. The Best strategy will be selling European market as a hedging trade and holding positions in US equity market, these trades will do wonders for you.

We want to you make great returns in the next sixteen months biggest bull market of equity, because this kind of time won't come again in our lifetime. I will be the most disappointed advisor if you don't make great money in these next sixteen months. Put your focus back, trade without fear



because **“Saturn and North-Node”** this astro combination doesn't like fear and weak thought person. In the last six months I mentioned many times about this combinations because this is a unique time so take full advantage of it.

On **Monday** the markets will remain directionless due to **Scorpio Moon**, and you should not be making any new decisions on Monday. The market may open positive but give up some of gains during closing hours.

On Tuesday we see a positive day so all major markets will remain in positive directions, and this is a good day to buy positions in emerging markets like India, Russia and Brazil.

Mid Wednesday onwards we see positivity coming back in USA market, but European markets will remain directionless, Moon in Sagittarius says that European markets may come down from higher levels.

On Thursday and Friday all major markets will trade in a tight range, so one can trade in and out. Hold positions in emerging market, and avoid any buying in European markets and USA markets will take some breathing. In short USA market will give space for emerging market to rise.

Monday's trading range (June 2013 Contract):

AUSTRALIAN (Cash) – 5005 to 4979

NIKKEI – 12538 TO 12379

NIFTY S&P (Spot) – 5710 to 5665

SINGAPORE (cash) – 3328 TO 3311

HONG KONG (cash) – 22429 to 22250

CAC – 3670 TO 3623

DAX – 7873 TO 7791

DEX EURO STOXX – 2584.75 - 2538

FTSE – 6386 TO 6308

S&P – 1568.75 TO 1552.75

NASDAQ – 2823.75 TO 2796.25

RUSSELL – 953.20 TO 941.10

DOW – 14535 TO 14445



TREASURY BOND



During last week thirty year bonds performed very well, but we don't see any great momentum because the overall astro cycle is negative so the higher side will remain limited. If you ask me how high thirty year bonds can go from here? Our answer will be 145-18 so not much but surely two points is good returns in any futures contract.

On Monday we see a mixed trend and prices will struggle to move higher. On Tuesday we also both side trends will dominate so the astro chart is saying there is no clear direction in thirty year bonds.

We will see buying coming back and Treasury bond rising from lows from late Wednesday and this rising trend will continue on Thursday.

Early Friday, prices may recover but will give up gains again, so this week is mixed for the bonds trader.

Monday's trading range (June contract):

TREASURY BOND – 144-28 TO 143-23

GRAINS



On Thursday farmers and grains traders experienced a blood-bath, especially many buyers who were betting higher prices got wiped out. Jessi Livermore use to say that grains are the most dangerous instrument to trade, you can make money nine times out of ten but if you are wrong one time then it will take away everything that you made in the nine times. Yes, I have been trading grains for the last 12 years, before I use to trade with high leverage but now I cut down my trades to low leverage.

Since last September 2013 we have been recommending staying away from grains, we advise to put that money in the stock market because we don't see any excitement in grains trend or you can call it commodity market.

This week we will see grains trying to stabilize, but uncertainty will still remain there, yes one can take buying positions in grains on mid Thursday as on Thursday and Friday we see grains prices gaining value. This is purely a short term astro cycle call, and we are 100% sure that our predictions will come accurate.

Thursday USDA, quarterly report indicated that the stockpile is rising for corn, soy and wheat, and there is less demand due to higher prices. Feed demand was lower than expected and export



dropped sharply for corn and wheat. March 1, corn stocks went up 7% 5.399 billion bushels, higher than what the market expected; the market consensus was 5.03 billion bushels.

Wheat stocks went up by 5.7% to 1.234 billion bushels, markets were expecting 1.167 billion bushels. Soybean stocks went up by 5.5% to 999 million bushels and the markets were expecting 947 million bushels. Market experts believe that high figure of corn and wheat came due to lower feed usage, larger crop and weaker export. Anyways our advice is to stay away from grains at this stage until the astro indicators give a clear sign of a rising trend.

Monday's trading range (May 2013 contracts):

CORN: \$710.75 TO \$786.50

WHEAT: \$702.50 TO \$681.25

SOY: \$1421.75 TO \$1390.75

SOY MEAL: \$409.10 TO \$401.10

SOY OIL: \$50.61 TO \$49.25

RICE: \$15.52 TO 15.21

ENERGY



Oil traded higher, and this is giving us clear indications that it wants to follow S&P's trend, so we are not recommending any new shorts at this stage. Monday being Scorpio Moon which always bring huge volatility into oil market, we would like you to stay away from any new trading for the next 34 hours. Though the astro cycle chart of oil is not that positive comparatively to S&P, the higher side will remain limited for oil but still just wait for another day before you reenter the market.

For the last three month we have been trying to understand oils trading pattern and also its astro chart, and we came to the final conclusion that compared to all other commodities oil will trade on the positive side. If you ask me how high oil can move from its high; in the worst case scenario and what it can go to on the lower side in the medium term? Our answer is, at this stage we don't see oil going higher than \$98.89 but in the worst can scenario oil could reach \$104.75 (3% chances) and on lower side \$68.90 so surely the risk reward ratio is on the down side. **Like whenever anyone asked me risk reward ratio for S&P, our answer is 95 to 5 percent because on the higher side we 1750 to 3200 and on the lower side five to seven percent!**

The current rising trend or rally will stop on Tuesday after USA opening. Many are thinking that N. Korea war threat may push oil and metals up but we don't believe that so be careful, yes Scorpio Moon can push prices sharply in both directions so it can open sharply higher than it can crash next day.



RB Gas and heating will follow oil, but compare to oil both these energy products will come down quickly so on Tuesday one can take a selling opportunity in both of these energy products.

Natural gas moved 100% from last year's lows, and at this stage we highly recommend trading in and out in gas as per our daily flashnews. In last week's newsletter we clearly mentioned that gas may move towards \$4.32 and it will top out around that price so watch \$4.32 closely.

On Monday we see oil moving higher due to Scorpio Moon, but short term it will top out during mid USA trading sessions. Intraday traders can take buying position in oil, and get out by the mid-day trading session. Oil will post high on Monday or in Asian trading sessions on Tuesday and that will be high of this week because prices of oil will fall sharply either EARLY Tuesday or during mid-trading sessions of Tuesday.

From Wednesday to Friday one can sell oil on each rise, as prices will keep moving lower so this will be a great time to take trading calls during this week. The same prediction applies for heating oil and RB gas. Natural gas will remain in a tight trading range; so my best advice is to trade in and out.

Monday's trading range (all May contracts):

OIL: \$97.63 to \$95.43

NATURAL GAS: \$4.14 to \$3.96

HEATING OIL: \$3.0675 TO \$3.0230

RB GAS: \$3.1320 TO \$3.0810

CURRENCIES



This week is eventful one due to RBA rate decision on Tuesday; on Thursday Bank of Japan, the EU central bank and the Bank of England will announce rate decisions. Surely these events will put currency markets on high alert because investors will be watching each event carefully. Traders will be watching whether the new central bank governor Kuroda will go aggressive on the stimulus 13 trillion Yen and stay on path of increasing inflation. Yen has stabilized in the last two weeks; traders are watching yen closely as it has been holding value steady against most currencies. Astro indicators are giving positive sign for Yen, so take the buying opportunity on any weakness. We don't see Yen falling below 1.0512 at this stage so this is a great time to enter in Yen positioning trades for the short period. We don't see Yen going above 1.1055 so trade carefully as our longer term outlook is still bearish for Yen against USD.

Data shows that IMF and other central banks are increasing holdings of USD, Canadian dollar and Australian dollar but surely USD is on top of the list due to improving in the US economy especially in the labor market and housing market. Our favorite is USD, not Australian or Canadian dollar, surely Australian and Canadian dollar have been gaining value against Pound, Euro, Swiss Franc, Yen and other world currencies but has not been able to perform against USD.



Euro is under huge systematic risk, because the Cyprus problem is still not over yet and Italy, Slovenia risk came into the market on Friday. Still two sleeping giants Spain and Greece problems have not yet resolved; citizens of these countries must be worrying that the same can happen to them what happen to Cyprus. It will be interesting to watch the EU rate decision because EU problems are open to the world and they have to do something drastic to build a little confidence bank in Euro zone. Stimulus is best answer at this stage but it is not the final one, however the core problems are not going away; in fact they are spreading and growing more. Euro needs to devalue at least 30% immediately to get adjusted to some of its core problems. Rate decision on Thursday will be crucial for EU central bank, We won't be surprised if they cut by 0.25 points.

British Pound as a currency is holding well due to the EU zone problems. EU investors and citizens are locking money in Pound, they are also buying assets in Pound because of the geographical advantage as Britain is on the border of the EU. Australian, Canadian and USD are far away so surely at this stage Pound may hold value but not in the longer term. This week the Bank of England will make rate decisions, and we are not expecting anything new, it should remain unchanged which may push Pound a bit higher against most currencies but this trend will hold only for the short period.

In 2011 when Swiss Franc announced to tie with Euro, we call it "Suicidal decision", Swiss franc lost its identity as a respectful currency and the future of Swiss Franc looks as scary as Euro, we mentioned this many times in the past. It will trade alongside Euro so stay long in USD against Franc.

Last week emerging market currencies traded mixed as BRIC nations met in South Africa, they wanted to have a joint infrastructure bank, but nothing so far announced clearly. These kinds of meetings always bring excitement but they always end without any major conclusions. We are not expecting any major moves in these currencies as the focus will be on key currencies. China and India are going through their own problems; The Chinese Government wants to curb the housing bubble because it can bring down the whole countries economy. This bubble is messier than the USA housing bubble of 2003-2006 so after EU, China is another country if it falls then it can bring down whole world economy to its knee.

US dollar traded very positively, and the longer term cycle looks very positive. It gained handsome value against frontline currencies like Euro, Pound and Yen, and there is no doubt that dollar is in a far better position at this stage compared to any other currency. US dollar is holding both the sides of coin; front side – if US economic data keeps coming positive it will force dollar to move higher, back side – if systemic problems increase in EU or fall in stock market will push dollar towards the higher side at this stage, none of the financial instruments are available as a Safe haven except US treasury bonds. Gold is no more in the favorite list because gold never reacted on Cyprus problem and its weakness got exposed.

Anyways, our astro cycle is very positive for US dollar for the medium and longer term. Dollar Index will go toward 89 and surely it will reach 92.00 by the year end so any weakness should be taken as a buying opportunity. This week apart from all data, Fridays job report will be crucial, we recommend loading positions in USD after job report because the new cycle for USD will start from the next week.

This week we see a mixed trend in currencies, Yen will be a great buy on any weakness so Yen should be in your top list of trading as well as buying. You can buy Yen against USD and Euro. Buy Yen on Monday on any weakness, keep adding positions in Yen on Tuesday as well, book profit on late Thursday.



Dollar index will trade both sides, so trade in and out, Friday will be a great day to add more positions in USD. On Tuesday and Wednesday dollar may remain a bit weaker or sideways. On Thursday we see huge moves in USD on both sides, book profit in US dollar on any sharp rise. We high recommend getting into dollar trades on late Thursday or Friday. We don't see dollar Index going below 82.11.

Australian dollar will trade mixed, and the higher side is limited. Canadian dollar and Pound will trade positively during this week.

From Monday to Thursday trade in and out in all major currencies as per our trading range, Friday will be the day to go aggressively on Dollar after any weakness because next week will be great for USD.

Monday's trading range: (June contract)

DOLLAR INDEX – 83.39 to 82.90

AUSTRALIAN DOLLAR – 1.0382 to 1.0314

CANADIAN DOLLAR – 0.9857 to 0.9801

BRITISH POUND – 1.5239 to 1.5127

EURO – 1.2875 to 1.2775

JAPANESE YEN – 1.0689 to 1.0592

SWISS FRANC – 1.0573 to 1.0491

RUPPEE – 54.39 to 54.19 (Spot)

RAND – 9.28 to 9.18 (Spot)

Best trade of Monday:

Buy Cocoa

Buy Yen around predicted lows

Buy FNMA and FMCC, we see multi fold rise

Thanks & God Bless

Mahendra Sharma

24 March 2013, Sunday 3.30 PM, Santa Barbara

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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).

