



# **Weekly Financial Letter**

**By**

**Mahendra Sharma**

[www.mahendraprophecy.com](http://www.mahendraprophecy.com)





## Weekly Newsletter from 19-23 November 2012

Dear Members,

After long meditation, I am writing this newsletter because it is important that I give you correct advice for the medium and longer term strategy as big money can be only made by staying with one trend in the longer term.

Here is this week's newsletter 11-15 March 2013, with strategy of longer term:

### GOLD/SILVER/BASE METALS



In the last few months we have constantly been mentioning that gold would gain against many other currencies, and so far this advice has proven very accurate because gold is trading at a historic high against Yen, and also gained sharply against Euro, Swiss Franc, British pound and other currencies except USD. For the last three months Gold has been trading weaker or sideways against USD but it gained against most world currencies. It is clear that gold will not lose value overall, it is simply trading the same way as the currencies. I think smart gold investors must have changed their investing strategy in gold. There are a few ways in which big guys must have traded gold and they may keep adding more gold and their strategies could be:

Since December they must have been buying gold against other currencies OR one can buy gold in USD but you have to sell currencies in your same account or you have to buy dollar in your trading account which can save money and keep your gold investment. Also this can help you in terms of hedging, as, if gold goes down in dollar terms because we don't see gold going down in other currency terms. Let's see a few charts here of the last three months of gold and other currencies, which should make you feel like where weren't you concentrating there because in the





last three we have been constantly mentioning that gold will gain value against other world currencies, in fact we mentioned this in a kitco interview also. Anyways, here are few currencies charts against gold.

It is obvious that all other commodities are also gaining value against other currencies, and it is a clear sign that dollar is becoming the most important financial instrument. On Friday we statement **“you will see power of dollar on Friday”** and yes we saw that USD moved sharply higher and it did hit another multi-months high. After dollar, Indexes are attracting huge money flow, and commodities are lagging behind in term of USD.



There is no doubt that Gold still holds the most important position in the financial markets because in the last twelve years up and down the financial market conditions have proven to be one of the most trustable instruments. Yes, since the last quarter of 2012 we recommended investors to stay away from metals because we saw unfavourable planetary combinations for the short period of time but as per our astro calculations the overall longer term trend is still very bullish for gold against most of the world's currencies. Yes, in the short term gold may see \$1539 or it can even go to \$1370; and in the worst case scenario \$990; but if you ask me where gold will be five years down the line, my answer will be \$2500/2800. So on sharp fall you should buy physical gold, and not future contracts because they have very high leverage.

We highly recommend people to buy gold in other currencies, or if you hold gold positions in sell Yen, Euro, Australian or your home country currency and this can be a safe guard to your loses. My simple strategy will be buy gold and buy the same amount of dollar Index because we see dollar gaining more value and gold loosing less value will give net gains.

Anyway let's talk about this week's trading pattern. On Monday we see weakness in precious and base metals but we highly recommend buying some positions around lower levels or before closing on Monday.

From Tuesday onwards you can start adding positions in metals because gold, silver and palladium can move to the higher side predicted range. On Wednesday also, any weakness should be taken as a buying opportunity and carry forward these trades to Thursday and Friday.

This is a great time to buy metals stock but only for a short period of time. This week's recommendation is purely due to positive astro combinations.

Last week our buying recommendations in Palladium did extremely well, it moved up huge, and you can still hold positions in palladium. Platinum and silver will also gain this week (except on Monday it gold/silver may trade on both sides or weaker), so over all metals should remain positive. Gold can easily see 1600.



Important note – If metals fail to rise this week it will be the worst news for metal investors but we are confident that metals will trade positively during his week.

If you ask us that whether we are buying metals, my answer is not yet for the longer term, yes short term we may take trade on late Monday if we feel comfortable and on positivity we will add some more on Tuesday, but if metals fail to rise on Tuesday it will be worst news.

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

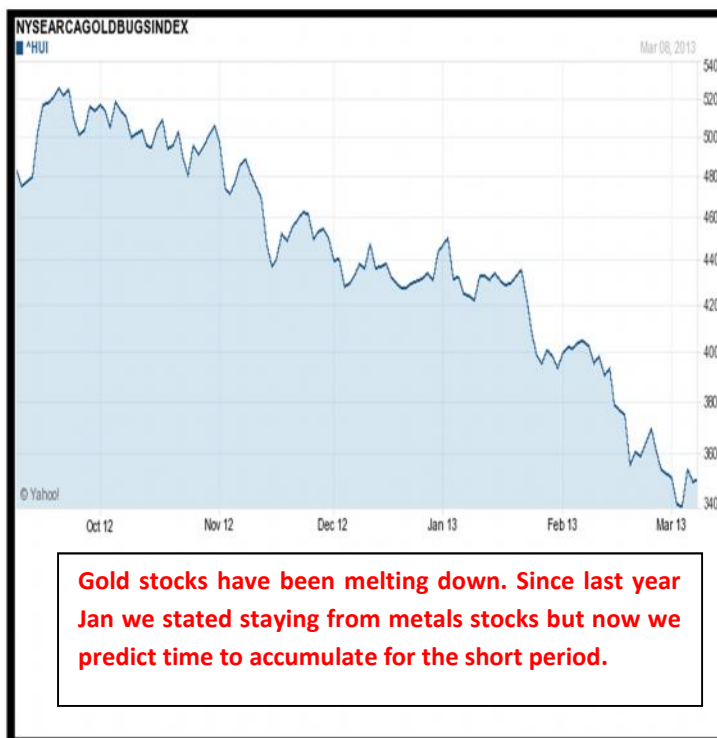
**GOLD: \$1587.90 to \$1569.10**

**SILVER: \$29.29 TO \$28.69**

**COPPER: \$354.55 TO \$348.75**

**PALLADIUM: \$788.70 TO \$775.20**

**PLATINUM: \$1614.00 TO \$1598.10**



## INDEXES



In the last six months we provided two higher sides target for S&P and they were 1548 and 1573. On last Friday 1548 was achieved and this has opened the door for S&P to reach 1573, if on Monday S&P closes above 1548.

Last week on Thursday we sent an alert to get out from all buying positions in S&P and world indexes. We also recommended taking small selling positions in the European and other markets. As we mentioned in first paragraph of today's letter that this letter I am writing after a long period of mediation so let me be more specific in our market recommendations.

Most of you are aware that we see S&P going toward 1700 or 1750 by the year end and 2800 to 3200 by mid-2015. Currently a bullish trend may get some corrections but any correction should be taken as a buying opportunity because medium and longer term astro indicators are very bullish.





If we look globally then a few markets are acting differently but in the medium and longer term they will also move higher. The European Union is facing its own problems but still they will follow USA equity in the longer term (two year time). Last week's selling recommendations are purely for the short period, we don't recommend any big short positions in the market, yes one can take small short positions in European and Asian markets.

Last week we also mentioned that 1548 is the most important level for S&P, and on Friday it closes above 1548, which **opens door for S&P to reach 1573**. We recommended selling S&P around 1544, and we are just 6 points higher from our levels, so cover short in S&P if its closes above 1548 on Monday because we don't want to adopt the wrong strategy for 30 points gains.

Last year we constantly recommended buying S&P and those who held their positions must have done extremely well. We don't want to change our strategy and this is what we felt after our meditation. Yes, the following wave of nature will surely provide you with huge returns if our predictions come true.

Once again most people on wall-street made money by following the medium and longer term strategy, and we are so lucky to find the wave of nature strategy which provided mind blowing financial predictions in the last seventeen years.

The next two years are very important and we don't want you to miss this most amazing money making opportunity. We are confident that most of you will make a fortune during the next years if you follow astro indicators closely. You should allocate 75% capital to our medium and longer term predictions and 25% you can use for your short term trading.

Last week Uranium stocks started showing up gains so surely our prediction of Uranium stocks moving higher from 15 March may come true.

FNMA and FMCC should be in your shopping list now, add positions in both of these stocks. In the last five years these both stocks lost 99% value from high but we see these stocks reviving from here. Both are trading around \$0.30.

If you are don't like this high rising then then stay away but don't short USA markets, just trade in and out. If Nasdaq can rally from 450 to 5000 in the last than seven years then why can't Nasdaq go back to 5000, in fact why not 7500 from current levels because Apple is a sleeping giant, and this company will not only reach \$1000 but it will move higher than this.

If S&P trades below 1548 then we may see the market correcting five percent and you can get ready to load up again around 1483/1473.

Our astro calculations are indicating some weakness coming in the market soon, and it may be from the last week of March.

This week the markets will trade in a tight trading range, currency value is playing an important role at this stage in terms of money allocation so be careful in which country you are putting your money. On Monday we may see S&P moving both sides, on higher side it may touch 1553, it may straggle on the higher sides and if its starts trading below 1548, then the markets may remain a bit weaker or in



a tight range. This week the overall trend in markets will remain positive and many indexes will hit all-time new highs. Dow will keep making history during this week.

Emerging markets may struggle a bit. Indian markets will have both sides volatile moves but surely the trading pattern will be very tight. South African, Brazilian and Russian markets will do the same. Australian and New Zealand markets will move towards new highs. Nikkei will have a volatile trend but surely it can move higher.

It will be interesting to watch European markets. Astro indicators are positive for USA equity so that will support European markets. As we mentioned that one correction is pending before this rally continues until the end of the year, and we are expecting that correction any time from 18 March 2013. European markets will be in our selling list.

**Monday's trading range (March 2013 Contract):**

**AUSTRALIAN (Cash) – 5159 to 5125**

**NIKKEI – 12129 TO 12009**

**NIFTY S&P (Spot) – 5928 to 5952**

**SINGAPORE (cash) – 3310 TO 3289**

**HONG KONG (cash) – 23195 to 22979**

**CAC – 3853 TO 3807**

**DAX – 8042 TO 7951**

**FTSE – 6487 TO 6425**

**S&P – 1553.75 TO 1542.50**

**NASDAQ – 2820.75 TO 2783.25**

**RUSSELL – 945.30 TO 932.80**

**DOW – 14401 TO 14235**

**ENERGY**



Last week oil traded in a tight range on weaker astro combinations and that gives indications that oil may remain sideways before it starts falling down. The higher sides is very limited in oil so any sharp rise should be taken as a selling opportunity. Sell oil if its reaches \$92.68 on



Monday, and at the same time you can sell heating oil. RB gas moved sharply after making lows of \$3.0690 and it closed around \$3.2050, get ready short RB gas around \$3.2600.

On Monday we may see both sides moves in crude oil, and we highly recommend selling around the predicted higher range here below and cover it back around the predicted lows. If oil starts trading below 91.12 then you will see 88.90 in twenty four hours so watch this target closely.

Natural gas is trading a bit positive, but the higher sides will be limited. At this stage you should adopt the strategy of trading in and out as per our day trading strategy. If it fails to close above \$3.60 then we will see its going back to \$3.35, so sell Gas if its breaks \$3.60 as Tuesday and Wednesday are negative days.

**Monday's trading range (all April contracts):**

**OIL: \$92.69 to \$91.52**

**NATURAL GAS: \$3.74 to \$3.57**

**HEATING OIL: \$2.9950 TO \$2.9650**

**RB GAS: \$3.2300 TO \$3.1635**

**TREASURY BOND**



Thirty year bond is heading toward 138 which is our next target because 142.20 have been taken out on Friday. Selling Thirty year bond around 152.00 remained the best recommendations of the last three months after selling Japanese Yen and buying S&P and dollar Index. We are not recommending any buying in thirty year bond at this stage. Our longer term target is 128 by the end of this year.

On Monday we may see more weakness coming in the thirty year market. Late Tuesday we may see some recovery coming back after the middle of trading sessions. From Wednesday to Friday thirty year bonds will remain weaker.

**Monday's trading range: TREASURY BOND – 143-05 TO 141-30**

**SOFT COMMODITIES**



In the last six months we constantly mentioned that soft commodities would bottom out around 15 March and we are just a few days away from this date. In fact from last week soft commodities started trading higher; sugar gained from



\$18.00 to \$19.00, orange juice went up 8% on Friday on news of frost and dry session and cocoa also gained from lower levels.

Cotton and coffee also moved higher, lumber is trading around multi year highs, so it looks like the planets have started playing a positive role for soft commodities. We are all aware that soft commodities have been trading in a very negative trading pattern since the last two years and we are call this negative pattern to get over by 15 OF March 2013.

We are sure most of you must be holding coffee and cotton positions, some of you must have taken buying position in sugar on our last strong buying recommendations.

Next week we will write details on soft commodities. At this stage for this week you should hold positions in soft commodities and add more on the lower side predicted target. Focus more on Coffee as it is in our top recommended list. Last year all our soft commodities predictions failed, and we mentioned the reason during middle of last year.

On Monday and Tuesday we may see soft commodities trading sideways or on both sides but it will surely gain value from Thursday. One can buy coffee on Monday around 141.50 and sugar around \$18.42 if they trade weaker.

**Monday trading range: (May 2013 Contract)**

**COFFEE: \$145.50 TO \$142.30**

**COTTON: \$87.70 TO \$86.25**

**COCOA: \$2148 TO \$2095**

**SUGAR: \$19.08 TO \$18.54**

**ORANGE JUICE: \$134.25 TO \$128.30**

## GRAINS



Our astro indicators are showing mixed results for grains so the best strategy will be trading in and out on a daily basis. Since the last seven months our short term trading strategy has been working very well so take advantage of it. On Monday we will see a mixed trend, but from Tuesday onwards soy bean and soy-meal can start falling down and this weakness may continue until the end of the week.

Wheat may remain weak or sideways, corn will remain a bit positive but the higher sides will remain limited. Yes among all gains, corn will remain a bit positive so buy corn and sell soy.





**Monday's trading range (May 2013 contracts):**

**CORN: \$709.75 TO \$696.50**

**WHEAT: \$705.50 TO \$690.25**

**RICE: \$15.43 TO \$15.29**

**SOY: \$1480.75 TO \$1457.75**

**SOY MEAL: \$439.60 TO \$431.10**

**SOY OIL: 50.85 TO \$50.00**

**CURRENCIES**



Last week we saw a war in the currency market. It looks like most countries central banks are rushing to reduce the value of currencies, but at the same time it also looks like USD is in huge demand. We have been writing about the currency markets since the last fourteen years but we have never seen so much confusion developing among central bank policy makers; because its looks like every chairman of central banks or finance ministers want to get rid of other countries' currencies portfolio from their assets holding.

Last year we mentioned that Yen is ready to move lower, and we also stated that Yen fall will be brought about by the Japanese government and that proven so right. Yen is losing value so fast that traders on floor don't have any clue where to buy or where Yen will have support. Yes par value is on card, we never though that DOLLAR/Yen par value will be achieved so quickly.

Currencies are losing value sharply too quick and this is surely a concern sign. Euro is still holding around 1.30 but for how many more weeks can it hold this value because once Euro starts dropping, we will see a meltdown in the currency market. We already predicted that Euro will hit par value in a few years' time and Australian dollar may go back to where it started rising from.

Last week on Thursday we stated that the "world will see power of US dollar on Friday", on Friday dollar gained handsome value against Pound, Euro and Japanese Yen.

This week Indexes, bonds, currency futures and options March contract will expire so remain watchful as huge volatility will come in these markets. You may see a big fight between seller and buyer because they will try to push prices higher and lower too aggressively.

Any way's, these kinds of forces can work only for the short period of time, we should be focusing on our best trades rather than putting too much focus on what people are doing.



This week we will see weakness in all major currencies against USD so dollar will keep gaining value during this week.

On Monday we may see sideways or mixed trend in currencies, add more positions in Dollar on weakness. Don't short dollar at any levels.

On Tuesday also we may see a sideways or mixed trend in all major currencies. Keep acquiring dollar buying positions against emerging market currencies. Rupee and Rand are falling, last week they were holding nearer to lows but this week they should fall sharply. Hold your buying position of dollar against these currencies.

On Wednesday volatility will be back, US dollar will start moving higher against most of these currencies and this rising trend will continue until Friday. Many currencies will drop sharply and will make multi year lows. Yen is already trading around 2009 lows; Pound and Swiss Franc are struggling. Euro and Australian dollar are artificially up and both these currencies will also lose value.

Last week we mentioned that US dollar is ready to touch 84.00 by next week, so let's see whether dollar index reaches 84 or not. We don't see dollar index going below 82.42, on Friday it closed around 82.77 so the down side is limited.

Let me end this week's newsletter here, once again, here is a brief strategy:

Buy dollar Index around 82.42, hold selling position in currencies and add more on any rise.

Stay long if S&P trades above 1548, cover all shorts.

Stay long in soft commodities, and metals looks positive from Tuesday.

**Monday's trading range:**

**DOLLAR INDEX – 83.12 to 82.43**

**AUSTRALIAN DOLLAR – 1.0269 to 1.0210**

**CANADIAN DOLLAR – 0.9765 to 0.9691**

**BRITISH POUND – 1.4998 to 1.4882**

**EURO – 1.3070 to 1.2955**

**JAPANESE YEN – 1.0505 to 1.0380**

**SWISS FRANC – 1.0561 to 1.0461**

**RUPPEE – 54.75 to 54.32 (Spot)**

**RAND – 9.15 to 9.01 (Spot)**



**Special Offer: This below offer is only valid for weekly newsletter members**

We are increasing the subscriptions price from Friday by 50%, so those who like to extend their services should do it ASAP. This week we are offering 25% discount (as extra time period), so if you subscribe for one year than you will get 3 months extra period in your subscriptions. Maximum you can subscribe for the one year under this special offer. I hope this is good deal for you.

Thanks & God Bless

Mahendra Sharma, 10 March 2013, Sunday 3.00 PM Santa Barbara

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