

Weekly Newsletter

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Best trades for pending 2012 - Weekly newsletter from 13-17 August

Dear Members,

Saturn changing houses gives a clear indication that the bull market is on the card. No shorts are recommended in the market from here onwards. Short term trading is only recommended with small portions of your capital because short term trading has a lot of disadvantages:

- Many short term traders have very strong principles of trading, like stop-losses, which are always getting hit and traders mostly make losses. (Most of the short term and day traders)
- When traders focus on short term trading, they miss many great opportunities to make money in the medium and longer terms.

It's true that shorter term or intraday trading takes away valuable time from the daily life. To make small gains, many waste hours to a whole day in front of their computer screens watching the markets.

There is too much anxiety, emotion and excitement involved in short term trading, which can be harmful to one's health.

Other valid reasons give clear indications that medium and longer term trading strategies always provide great returns, and less stress. We highly recommend focusing on medium and longer term investment strategies. Here is a small outline of what to do if you have \$10,000 to invest:

1. Invest \$5,000 in the longer term (1 to 2 years) investment strategies (No leverage allowed here).
2. Invest \$2,000 in the medium term (2 to 6 months) investment strategy.
3. Invest \$500 in call and put options (six months to one year).
4. Invest \$1,000 in short term trading,
5. Keep \$1,500 in cash (can be invested if time provides you the opportunity to go all in).

Futures markets are very volatile and have a high leverage; if we are right in our view then you can make a fortune. Look at our S&P call of last year when it was around \$1,090; we came out with our target of S&P reaching 1407 in the first six months of 2012 and 1600 by end of 2012. You know how much money you could have made without even performing short term trading.

Anyways, we are giving a few trades for the next five months, which may provide great returns:

- Buy cotton around \$70; our target is \$98 by the end of December 2012. (one contract costs \$2800, and if prices hit \$98, then you make \$14,000)
- Sell 30 years' worth of bonds around 150. Our target is 136. (one contract costs \$4500, and if prices hit 136, you make \$14,000)
- Sell Yen at 128 and target 118.00. (one contract costs \$4500, and if prices go to 118, you make \$10,000)

There will be many other opportunities in the next few weeks, so be alert. I am sure you will make money in the next five months.

Here is this week's financial letter from the 13th – 17th August 2012:

GOLD/SILVER



As per financial astrology, last week was a positive week for precious metals, and they traded positively. We are still unhappy with the move, so we recommend staying away from any big buying positions in metals.

From Monday to Wednesday, we see a weaker trend in precious metals, so take a selling opportunity in metals on any rise.

On late Wednesday, we may see some recovery in precious metals, (especially silver) and this rising trend will continue until Friday, so one can hold trades in silver from late Wednesday.

Precious metals stocks will remain subdued; meaning there is no need to buy these stocks.

Here is Monday's range:

GOLD: \$1628.20 to \$1609.80

SILVER: \$28.37 TO \$27.80

BASE METALS



Base metals will remain very volatile this week. We may see weaknesses in base metals from late Monday. Palladium, platinum and copper will move up from Tuesday and Wednesday.

Buy base metals on Thursday and hold your positions until Friday, as the prices of base metals will move up sharply on Friday in the European and USA markets.

Friday will be the best day for base and precious metals, so it's a great time for the day traders to make money without fear.

Here is Monday's range:

COPPER: \$343.15 TO \$337.10

PALLADIUM: \$586.00 TO \$574.00

PLATINUM: \$1416 TO \$1398

INDEXES



Stock markets are trading as per the Astro combinations; we highly recommend adding positions in the emerging markets, as they will move up sharply.

This week, we may see weaknesses coming from mid-day Monday, so book profits on any rise. On Tuesday and Wednesday they will remain sideways or bit weaker, but there will be a sharp rise from Thursday and on Friday, and all

major markets will be rocking.

We may see S&P moving towards a new high or around 1419, and on the down side it may hold 1387 this week. For the next five months, we don't see S&P going below 1347. The higher side will be 1600, so take your trading positions accordingly.

Once S&P crosses \$1418 and trades above this level for more than 18 hours, we may see 1443 immediately.

South African, Brazilian and Indian investors should load up on stocks on any weakness because in the longer term, we see BSE indexes going towards 35,000 to 39,000. Johannesburg markets may double, but the Brazilian stock Index will rise more than 200%.

Monday trading range (September 2012 contract):

AUSTRALIAN (Cash) – 4345 to 4297

NIKKEI – 8957 TO 8837

NIFTY S&P (Spot) – 5339 TO 5295

SINGAPORE (cash) – 3070.7 TO 3037.00

HONG KONG (cash) – 20379 to 20096

CAC – 3459 TO 3397

DAX – 7001 TO 6891

FTSE – 5861 TO 5770

S&P – 1408.75 TO 1393.25

NASDAQ – 2734.5 TO 2697

RUSSELL – 803.50 TO 792.25

DOW – 13211 TO 13078

TREASURY BOND

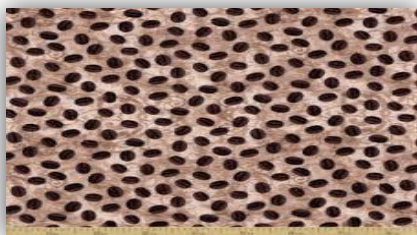


Sell thirty year bonds on any rise or around 150; and keep building sell positions on any rise. On Monday and Tuesday bond prices will trade on both sides, but from late Wednesday onwards, we may see a sharp fall in prices, and we may see the thirty bonds coming down to 145.

Monday's trading range:

TREASURY BOND – 149-12 TO 148-07 (Sep contracts)

COFFEE/COTTON



This week cotton and coffee prices will remain sideways on Monday, Tuesday and from Wednesday onwards; so accumulate cotton on Wednesday. Coffee should also be in your buying list, as it may move up from late Thursday onwards.

We don't see December cotton going below \$72.00 and coffee below \$160.80, so watch these prices and buy both these soft commodities if they come down to these levels.

Monday's trading range:

COFFEE: \$168.30 TO \$164.10

COTTON: \$74.17 TO \$72.12

COCOA/SUGAR/ORANGE JUICE



Ignore all these soft commodities at this stage as we see that they'll keep trading a bit weaker.

Just trade in and out if you wish; sugar will hold the level of \$19.35, and it won't go below \$17.00 in any case. Last week, sugar prices crashed more than 10%. Our call was selling sugar, and it moved as we predicted.

Cocoa will be trading a bit weaker, so avoid any new buying positions. The down side is very limited for cocoa, so buy cocoa around \$2305.

Orange juice will keep trading in its range.

Monday's trading range:

COCOA: \$2489 TO \$2316

SUGAR: \$20.98 TO \$20.50

ORNAGE JUICE: \$114.80 TO \$110.00

GRAINS



Last week grains consolidated; on Friday, they moved up sharply on the grains data and then profit booking came at a higher level. One thing you must keep in mind is that the overall longer term trend in grains is very bullish, but in the shorter term, we may see a sideward move or some profit booking coming during the middle of this week.

We are not recommending holding grains positions during this week, but from the mid next week, we may see a huge upwards movement in grains. The rising trends will continue until the end of this month.

On Monday we may see a sideward's move and on Tuesday grains prices will also remain in a tight range; some profit booking will come on Wednesday and mid-Thursday.

From late Thursday, prices will start moving up and on Friday grains will end positive.

Corn still looks very bullish against Wheat, so hold positions in corn and sell wheat. Soy, meal and soy oil will remain in the tight range.

Monday's trading range (September contracts):

CORN: \$818.75 TO \$790.00

SOY: \$1664 TO \$1621.75 (November)

WHEAT: \$901.25 TO \$871.5

SOY MEAL: \$527.25 TO \$515.50

RICE: \$16.08 TO \$15.83

SOY OIL: 54.19 TO \$53.08

ENERGY



This week oil will start giving up gains so avoid holding any big positions in the oil market. On Monday, we will see weaker trends in oil and this will continue on Tuesday. Sell on the predicted higher side.

On Wednesday we will see a sharp move on both sides and we recommend buying on the lower side on Wednesday.

On Thursday oil prices will move in the tight trading range, but the trend will surely be positive during the day, and weaknesses will come in the last hour of trading.

On Friday, both side movements will approach, so trade in and out.

Natural gas will move on both sides; on the lower side it may touch \$2.57, and the higher side will be at a \$3.00 resistance level so trade in and out of gas this week. On Monday and Tuesday, we may see some weaknesses, so any rise should be taken as a selling opportunity.

On Wednesday during the last hours we may see buying coming in gas. Thursday's trend will remain sideways in the European market but prices will move up from middle of USA trading hours.

On Friday prices will move down with huge volatility.

Monday's trading range:

OIL: \$93.83 to 91.75 September contract (sell oil on higher side)

NATURAL GAS: \$2.88 to \$2.66 Sep contract

CURRENCIES



This week currencies will remain in a tight trading range. Sell British Pound at the current level on Monday. Australian dollar

also looks weaker during this week so trade in and out in Australian.

Euro will trade weaker during this week so trade carefully, book profit on any rise. Euro may hold 1.2168 on lower side so buy if euro falls to around that level. It will struggle to cross 1.2388 on the higher side.

Swiss Franc will follow Euro's at this stage so watch Euro and take the same side trade in Franc.

Emerging market currencies look like a great buy at this stage. I am doing a detailed study on these currencies and the studies say that these currencies may gain almost 10% by the end of the year.

Dollar will hold, and any weakness should be taken as a buying opportunity. Dollar Index will hold the 82.00 level; so buy dollar if it comes to that level. Don't short US Dollar at any level at this stage.

From Monday to Wednesday dollar will move up. Late Wednesday and Thursday some profit booking will come, but from late Thursday or Friday Dollar Index will move higher.

Monday's trading range (September contract).

DOLLAR INDEX – 82.90 to 82.41

JAPANESE YEN – 1.2823 to 1.2743

AUSTRALIAN DOLLAR – 1.0586 to 1.0497

SWISS FRANC – 1.0277 to 1.0201

CANADIAN DOLLAR – 1.0115 to 1.0050

RUPPEE – 55.55 TO 55.10

BRITISH POUND – 1.5739 to 1.5623

RAND – 8.11 to 8.02

EURO – 1.2350 to 1.2233

I am sitting here with a Vedic Priests and doing Yagna's, asking nature to bless our planet earth and each and every living organism on this planet. This is the final week that I am here in India and I have really enjoyed this trip.

Thanks & God Bless

Mahendra Sharma

Monday 6.00 AM, Mumbai India.