



# **Weekly Financial Letter**

**By**

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## **Weekly Newsletter from 13-17 May 2013**

Dear Members,

Last week the currency market remained in the spotlight; especially Yen and Australian dollar as both these currencies fell sharply against USD. Yen fell sharply towards five year lows against Dollar and many other currencies. USD dollar performed very well, it has been holding our lower side predicted price.

Equity markets are slowly moving up, investors are waiting and watching the market going higher. S&P held 1548 and 1607 two of the most important levels very well which is clearly indicating that the market will remain in a bullish pattern until it doesn't break 1607 on the down side. Nikkei and European markets are trading higher; also emerging markets are doing well.

Commodities and commodity stocks are struggling; precious metals are trading weaker and are ready for a big fall in the coming time. S&P, Dollar and coffee will outperform most financial instruments.

We always recommend our members to hold positions in our favorite areas of investment in terms of buying call option positions for the longer term. Like in 2011 we recommended buying call options of 2012 December, 2013 December, and 2014 December. We also recommended buying puts in Japanese Yen and Treasury bonds.

This year we have been recommending buying puts of Euro and Coffee. In terms of the longer term one should always hold our favorite position and these positions should be in call options because small investments can make a fortune.

Last week our call of buying Yen failed 100%, I don't know why Yen failed to move up but we still believe that Yen will move up short term but longer term fall predictions remains intact.

Currently the Astro combinations are very volatile because four short term planets are in house of Aries, against two major longer term planets Saturn and the North Node and this is bringing volatility into the commodities, currencies and stocks.

**Let's see what this week indicates for all major markets:**

**Financial weekly newsletter from 13-17 May 2013**

**GOLD/SILVER/BASE METALS**



Last week metals traded stable for the first four days of the week and fell sharply on Friday. Most of you are aware that we are not recommending any buying in metals during this year. Currently the planets are supporting precious metals but the overall trend looks very negative.

This week's Astro indicators are not supporting metals so sell precious & base metals. On Monday a negative cycle will start in the USA market. On Tuesday mix trend will remain in precious and base metals.

Wednesday will be the right day sell metals as the weaker trend in metals will become aggressive from Thursday and Friday.

We are highly recommending selling metals around higher price.

This week gold ranges will on higher side \$1465 and lower side \$1383, silver \$24.18 and lower side \$21.18. Copper range will be \$341 to \$321 and platinum \$1512 to \$1437.

Overall trend will remain weak in gold, silver, copper, and platinum.

**Here is Monday's range: (June/July 2013 contract):**

**GOLD: \$1452.80 to \$1420.30**

**SILVER: \$23.99 TO \$23.50**

**COPPER: \$339.80 TO \$330.00**

**PALLADIUM: \$710.00 TO \$693.20**

**PLATINUM: \$1502.90 TO \$1472.50**

## INDEXES



USA, European, Asian and emerging markets moved sharply higher. It is getting very clear that the world equity market have entered into the most unique bull- era. We are not sure about the short term trend until 18 June 2013 because volatility will control the market.

In the above paragraph we stated that we are not sure how the markets will trade from here to 18 June because planetary combinations are so confusing that we are afraid to guide you on the aggressive side as the market seems to remain under huge volatility.

Anyways, the best strategy should be:



Keep buying S&P on daily basis on positive days around predicted intraday low and get out around day high.

Buy some call options of 1700 of June. (Example, invest \$100), we recommending buying this call as we see strong bull market momentum from 1 June to 17 June.

Buy 1600 put options. (Invest \$50), we are only recommending buying puts because we see shorter term some uncertainty between 15 May to 31 May.

Our strategy is very clear that until 2014 most of our members should hold some call options position and forget about it. We have see over the time that people normally book quick profit in futures and stock position but call/put options people holds till last day. Each and every fund manager plays will call/put options and it is important that you must start adopting this strategy. We understand that for many traders call/put give money slow but puts/call makes investors fortune once market start moving in your directions. Also options strategy minimized risk, or in other word that you are aware about that maximum how much you would lose.

This week market may remain mix but surely still Wall Street will try to hold gain, 1607 is crucial point for S&P, short term support will be at 1621.

Last week we predicted higher side for S&P in current short term rally would be 1648 so watch this level closely.

This week Biotech, chemicals and pharmaceutical stocks will move higher. Tech stocks will remain mix during this week but banking stock move higher.

Monday we will see positive movement, but Tuesday markets will close higher.

Wednesday we will see both side move, Asian market will open higher but close sharply lower and same trend European and USA markets will adopt.

Thursday will be mix day, stocks and Indexes will try to recover but Friday again they will move down.

So Wednesday and Friday one can sell around predicted higher range. Monday, Tuesday and Thursday one can buy around predicted lower sides.

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

**AUSTRALIAN (Cash) – 5225 to 5183**

**NIKKEI – 14882 TO 14625**

**NIFTY S&P (Spot) – 6132 to 6059**

**SINGAPORE (cash) – 3450 TO 3435**

**HONG KONG (cash) – 23470 to 23142**



**CAC – 3945 TO 3889**

**DAX – 8348 TO 8242**

**DEX EURO STOXX – 2790.75 - 2745**

**FTSE – 6617 TO 6563**

**S&P – 1635.50 TO 1621.75**

**NASDAQ – 2989.75 TO 2757.75**

**RUSSELL – 976.50 TO 966.50**

**DOW – 15129 TO 15015**

## **ENERGY**



Oil regained most of its losses on Friday, and oil stocks supported S&P's trend on Friday. This week's Astro cycle is showing some kind of mixed trend in oil, but there is a weaker trend in heating oil and RB gas so focus on RB gas and heating oil. We are aware our institutional members trade in RB gas and heating oil but we don't know whether our individual members trade both these energy products

or not. We recommend individual investors to watch both these energy products closely as they can generate good profit in day trading.

This week on Monday oil will remain mixed in Asian and European sessions but will come down during USA trading sessions so take selling trades in oil, heating oil and RB gas on the higher side predicted range on Monday.

On Tuesday also oil, RB GAS and heating oil trend will remain weaker during the first half of the day but some recovery may come during the second half in USA trading hours.

On Wednesday we see oil, RG Gas and heating oil trading weaker.

One should cover all shorts in oil, RB gas and heating oil around mid-trading sessions on Thursday as starting from the USA trading sessions there may be a recovery in energy product and oil may move higher on Friday too.

Note: If on Thursday and Friday oil trades weaker then oil will enter into a strong bear cycle for the short and medium term.





Natural gas may recover during this week; watch \$3.82 closely as one can start buying around \$3.82 to \$3.86. Late Wednesday and early Thursday will be the right days to accumulate trades in natural gas.

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

**OIL: \$96.65 to \$94.12**

**NATURAL GAS: \$4.02 to \$3.86**

**HEATING OIL: \$2.9350 TO \$2.8910**

**RB GAS: \$2.8910 TO \$2.8320**

**CURRENCIES**



Last week the currency market remained very volatile, and I failed to predict weaker trend in Yen, our strong buying recommendations of Yen going higher also failed. I was bit upset with my buying recommendations of Yen as I was too optimistic about it. End of last year we predicted the fall of Yen towards par value and then toward 0.7800 (Yen/USD par), and many people trades USD/Yen pair which has

opposite value.

During the weekend G7 countries accepted Japanese central bank policy but they also said that they will watch it closely. Many other central banks will be the on path of devaluing their own currencies as they are getting scared of money flow in one directions. Currently dollar is in demand as predicted, yes our yen predictions failed but selling recommendations of Australian and Euro did very well. Our buying recommendations of USD did amazingly well too. We still strongly recommend to holding positions in USD as our first target is 87.20.

Once dollar Index closes and trades above 87.20 for the nine days then we see it easily achieving 92.00 levels.

This week dollar will remain in demand. On Monday and Tuesday currencies will trade mixed on both sides but dollar will gain handsome value by the end of the week. Dollar Index should be accumulated below 83.00 level. We don't see dollar index going below 82.50 in the shorter and medium term.

Euro and Australian dollar should be on your selling list, as both these currencies are ready to tank big. Once Euro starts falling, it will bring more pressure on Swiss franc, and we still don't understand why Swiss Franc decided to adopt half of euro's cancer. Anyways, Euro is ready to fall big in the coming time, and Australian dollar will adopt same path. Canadian dollar will still remain far more stable.



This week dollar will remain stable to positive, and we will see more both side trends as compared to one side directions in currencies. Last week remained a game changer for US Dollar.

Japanese Yen fell against most currencies, however we see still see Yen gaining 1000 to 1500 pips against most currencies except USD. We are still recommending buying Yen against most currencies, Yen's will start trading stable against USD from this week. Once Yen stops falling against USD, it will create a money spinning trend against most of the other currencies.

There is no doubt that there will be a currency war among all major currencies and USD will be the net gainer as well as the winner against most currencies. We are waiting for our most exciting predictions of "USA market and USD ERA coming back", which we have been predicting for the last two years, and now many have started believing in this prediction.

This week Yen buying against most of currency will remain the best trade. Keep adding positions in Yen against Euro, Franc and Australian dollar. Buy Yen against emerging market currencies. We still believe that buying Yen against most currencies will make a fortune for many in the coming two months.

Dollar Index will move higher so keep adding positions around the predicted lower range on a daily basis.

Emerging market currencies will trade weaker against USD, but these currencies will make gains against Euro.

Pound will remain mixed during this week. In fact British pound will gain some value against euro, Franc and Australian dollar.

On Monday and Tuesday there will be a mixed trend for US Dollar, and all major currencies will trade in both directions. On Wednesday dollar index will gain value and this rising trend will continue on Thursday as well Friday.

We are waiting for the crash in Euro and Australian dollar.

**Monday's trading range: (June contract)**

**DOLLAR INDEX – 83.54 to 82.93**

**AUSTRALIAN DOLLAR – 1.0055 to 0.9901**

**CANADIAN DOLLAR – 0.9923 to 0.9845**

**BRITISH POUND – 1.5410 to 1.5279**

**EURO – 1.3043 to 1.2900**

**JAPANESE YEN – 0.9921 to 0.09801**

**SWISS FRANC – 1.0515 to 1.0395**



**RUPPEE – 54.99 to 54.62 (Spot)**

**RAND – 9.10 to 9.01 (Spot)**

Important note:

Coffee should be watched closely after Wednesday. Sugar also looks great buy during this week. Tesla motor gained again on Friday, FNMA and FMCC doing well as well. Last years recommended stocks like American exp, Visa, master card, Telsa motor, and Starbuck done amazingly well. Uranium stocks are struggling but these stocks performing far better against other mining stocks like metals. One must read this month Uranium newsletter very carefully because from 2014, uranium stocks make new billionaire's because we see stocks moving 10 to 100 time from current value. Those who have been ignoring Uranium mining sector should start putting money.

**S&P, US dollar, Uranium mining stocks** are our favorite trade for medium and longer term but there is one financial instrument is our favorite and that is **coffee**, it has been gaining sharply, it moved up from \$132 to \$146. Watch coffee closely as frost session is coming closer.

**FMCC and FNMA** is doing well, lately uranium stocks are doing well, three months back we recommended **Tesla Motor "TSLA"**, went up more than 160%. Our recommended price was \$32.00 and Friday it closed at \$79.40, it went up 40% higher in the last two trading day. In this week newsletter we again recommended buying on Monday around \$53.00 and gave target of \$200 within a year.

Thanks & God Bless

Mahendra Sharma

Sunday 12 May 2013, Santa Barbara

**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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