



# **Weekly Financial Letter**

**By**

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## Weekly Newsletter from 14-18 January 2014

Dear Members,

Last week a few of our members sent us an email saying that they are concerned about the stocks rising and that the markets may collapse without any warning because they believe that there is no real growth story. Yes their concerns are valid but if the markets, especially "USA" is moving higher in hopes of growth and the bottoming out of the housing market then we shouldn't be concerning ourselves with the current rising of stock markets. In the last quarter many companies have posted positive earnings and the markets are expecting positive earnings from corporates during this month. Alcoa already gave the market a boost by posting revenue growth during last week, we think it is a good start because many were concerned about Alcoa's earnings.

Indian Software giant, Infosys Technology surprised the market when the stocks went up almost 18% higher on Friday in USA. Yes, many short sellers or those who were predicting doom for 2012 and 2013, are in a fix because the markets are doing the opposite. **We are not concerned because S&P is at 1460 and we are targeting 3200 to 3700 and a long way to go, if you are concerned at this stage then convince yourself to stay long until S&P reaches to 3200.** Believe in the markets trend and specially when astro indicators are giving an insight on coming trends and currently the markets are moving accordingly. If the markets were falling in 2012 against our bull market predictions then you would have a valid reason not to follow the astro cycles or the wave of nature cycles but the markets is trading along with what the planets are guiding us.

I went against my own predictions of rising metals and oil in 2006, and I paid the price, because in 2006 we thought that metals and oil went up enough and we thought that they might fall but they still kept moving higher for another 19 months. In our predicting career these nineteen months we were proven to be the worst forecaster and trader. Never think that now the prices have moved up enough and from here they will fall, they can keep moving higher like in the tech bubble. Yes, I was able to predict and trade during the tech bubble, I believed in the astro predictions and that is the reason I ignored everyone and held positions till Jan 2000. I got out and reminded people that we predicted the greatest tech bubble from 1996 to 2000, so now the time has come to get out because the crash was coming. After few months Nasdaq crashed, people lost everything. Yes, we were lucky to hold our positions for the four years and lucky to get out a few months before they crashed and this simply happened due to our strong belief in our astro predictions.

A more recent example is Yen. For the last five years we were very bullish on yen, and we called 1.2850 the top and look at Yen, it just crashed in the last two months. The same with Treasury bond, we kept recommending buying thirty years bond since 2005, and in the last quarter of 2012 we recommended getting out as we predicted that a longer term bear cycle is starting.

Look at our 2012 Prediction of a bull market in stocks when they were right at the bottom and when S&P was trading around 1100, S&P is now around 1465. In short our point is ignore the noise and



ignore the experts views when the astro indicators are coming right for any market, stay with that trade. In the last two years our advice was not buying precious mining stocks, and look at investors who are holding these stocks without any gain and still they hope that these stocks will move higher once again. Yes they will move higher in the coming time but what is use of holding any investment which is not performing and may perform in the coming time, and they are missing other great investment opportunities in other area in current time.

Yes, plan well as we already entered 2013, things started looking far batter for the investors, take advantage for few great trades our astro indicators have recommended for this year and we are use you do will with short, medium and longer term trading.

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

**GOLD/SILVER/BASE METALS**



Compared to base metals both these precious metals are performing weaker, and this is a concerning sign. We are aware that if the economy and industry are doing fine then there will be demand for base metals so they will perform stable but at the same time many won't invest in precious metals. Right now astro indicators are not in favor of precious metals and this will bring many negative points out for precious metals. Many will say that prices are a bit higher; some will say that there are better investments opportunities in other investment instruments and many are frustrated with 2012 precious metals underperformance and they are concerned for 2013 as well.

Many hardcore metals believers are still hoping that metals will perform well because they foresee doom for the world and the world's economy. They are still predicting \$3000 for gold, yes gold can hit \$3000 but not in the short and medium term and not until 2015 so it is better to reduce your exposure to metals at this stage and catch a few good trades because we don't want the world's economy to collapse, we would like to see positive economy for our children and also enjoy the time. I have a big problem with a few metals predictors because they always want to see the world in problem so that gold can perform better, why they want there to be problems in the world so what they love can move higher, why they don't think about the world at large.

Anyways, everyone is different so everyone will have their own view as per their thinking, we strongly recommending no high leverage investments in gold; surely you can buy some calls in silver because in 2013 silver "white metal" will perform far better than gold. Yes, we will recommend buying gold during positive cycles during 2013 but at this stage we don't see any overall positivity, yes whenever the positive days comes in the week or month we will keep writing about it in our weekly newsletter. These positive cycles you can view in our book as well.



This week, we recommend selling metals on Monday at the higher side predicted range here below as prices will come down later during the trading day or from USA opening, so over all metals will trade weaker on Monday.

Tuesday we also see as a weaker or mixed day so avoid any investment or buying position in gold and silver. Trade in and out as per our daily flashnews predicted trading ranges. From Wednesday to Friday we see positive momentum so buy on any weakness or the lower side predicted range.

Our strategy will be closing all shorts by Tuesday, buy some positions on Wednesday on the predicted lower side as prices may bounce back from lower sides and keep trading in and out as per our daily flashnews range. "On weaker day, sell at high because prices normally came down from high and when we predict positive then prices may bounce back from lower side predicted range"

Base metals will trade mixed to weaker on Monday and Tuesday, Wednesday and Thursday they won't be able to move with precious metals but on Friday we may see a rising trend in copper, palladium and platinum.

Gold has touched an all-time high in terms of Yen. On Monday you should be out from Yen-GOLD trade, **here of gold/yen chart, diversion took place from Sep 2012, gold was moving up against both currencies but from Sep 2012 chart turned other way.** This week Rupee and other emerging markets currencies will perform well and this may not benefit people who trade gold and silver in terms of Rupee, Rand, Real and Peso.

Precious metal stocks will do better this week from late Tuesday, so buy these stocks and book profit on Friday.

#### Fundamentals Points:

##### Against

Markets are predicting FED ending its QE or buying program by mid-2013. This is clearly indicating that interest rates may start going higher by the end of the 2013.

Bottoming out of housing and positive economic outlook is attracting money in growth areas.

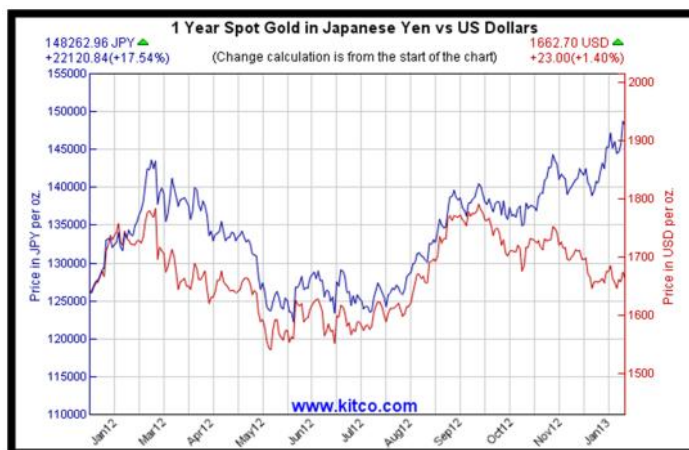
Fiscal cliff issue is resolved

##### Supporting

Further weakness in USD will support precious metal

FED will still keep \$85 billion buying program for every month

Debt ceiling warning is on the way and congress has resolve this because this can be far more dangerous for investors than the fiscal cliff issue





Still European debt issue in not resolve

India and China are still buying gold

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

**GOLD: \$1670.90 to \$1652.90**

**SILVER: \$30.79 TO \$30.12**

**COPPER: \$368.95 TO \$362.30**

**PALLADIUM: \$705.90 TO \$691.20**

**PLATINUM: \$1641 TO \$1619.90**

## INDEXES



Last week globally all major stock markets performed well except a few like India. US based Institutions and fund managers are in dilemma whether they should allocate money to international markets at current currency rates or whether they should wait or whether they should just keep money in USA corporates. I was talking to few people and they said that Mahendra, we can keep investing in international exposure companies

like McDonalds, Domino's, Starbucks, Wall-mart, Visa, Master, AMX and many others, and how it is so easy to buy any markets sitting here in USA by buying ETF's of that country and you can have exposure to that countries market.

As we mentioned last week that technologies have made the common man and investors life so easy that now they can do as per their wish. Now you can settle down or live at your desired place and trade in the markets, you don't have to live in a particular country to invest in that countries market.

Last week in Asian countries the top performance was given by Nikkei, Australian, New Zealand and Singapore. Emerging as well as developing markets remained underperformed but this week these markets will do well. Among European markets, London did extremely well, investors are making money across Europe. Yes Greece and Spain still struggling with the housing and debt crises but they are hoping that soon something will be done by the EU central bank. By mid-2013, EU should insure these both countries or should give them enough loans on easy terms to take care of the oncoming IMF payments.

USA and Canadian markets did extremely well but South American markets were never able to take advantage of the ongoing rally during the last week. We see African markets underperforming, especially Johannesburg market. Middle east markets remained directionless during last week.



This week investors will be focusing back on earnings, especially from banking as on Wednesday **JP Morgan** and **Goldman Sachs** will be reporting and on Thursday **Bank of America** and **Citi Group**. **Intel** and **General electronic** will announce their earnings on Friday. Beside these big names, we investors should watch closely **Google** and **Apple's** earnings which shall be out on 22 January and 23 January. These two names can either break the momentum of the market or they these two companies can take the markets towards an all-time high so fasten your seatbelt as only in time we may see either side ride. We will try our best to guide you.

We are **expecting positive results from banks during this week**, so time holding positions in these stocks won't harm your portfolio.

This week we see Japan Nikkei topping out so this is a great time to pull out some money from Nikkei index around 11000. Indian markets will well for the few days because of tech and banking stock may move higher in Nifty. Time has come to book profit in Singapore and Australian market. Hold position in New Zealand, Hong Kong and Shanghai. Avoid Thailand, Malaysia, Thailand and Indonesia.

Investors will see that European markets doesn't have more fuel during this week so we see limited on higher side, these markets will be depended hundred percent on performance of USA equity markets, still London will do well. DAX will outperform CAC during this week.

USA equity markets will do well, watch our trading ranges and trade in and out, we are expecting positive results from banking giants so any weakness should be taken buying opportunity. **We don't see S&P breaking 1442 or 1438 so lower sides is limited**. Good news for trader is that S&P started trading **above 1454** and this is good news, **if its trade above 1462 for the next two days then we may see close to 1500 mark by end of this week**.

Important point – we may see world equity market having fewer streams than USA, so focus on S&P NASDAQ. Traders can take hedging trade as selling Russell against buying of S&P and NASDAQ.

This week we may see both sides move in markets, Monday and Tuesday we will market gaining value from lower sides so buy around predicted lows. Wednesday will be proven mix day or stock prices will come down, so book profit on late Tuesday. Thursday and Friday we will see mix trend or both sides move.

Avoid middle-east markets, hold position in China but book profit in many other markets.

**Fundamentals** - Investors are concern about two major hurdles which can pull this market back, one is Debt ceiling limit and second one is earning. As we mentioned that we are not worried about earning, yes we are bit concern about debt ceiling but we congress has enough time of fifty days to resolve this issue.

Fed is running pro-market policy which is supporting markets trend. Low interest rate is forcing many to put money in front line stocks. Many cash rich companies are holding big cash in balance sheet; they are using this cash in buying back their stocks as they see higher valuations. **Once I am putting chart of Yen and Nikkei here below, most important event to know, as this can happen to any countries currencies and stock Index of same country, so get ready.**



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

AUSTRALIAN (Cash) – 4755 to 4715

NIKKEI – 10988 TO 10790

NIFTY S&P (Spot) – 6011 to 5961

SINGAPORE (cash) – 3234 TO 3215

HONG KONG (cash) – 22763 to 22601

CAC – 3745 TO 3690

DAX – 7775 TO 7689

FTSE – 6087 TO 6051

S&P – 1474.75 TO 1461.25

NASDAQ – 2755.75 TO 2726

RUSSELL – 882.70 TO 870.10

DOW – 13471 TO 13365



### SOFT COMMODITIES



Last week coffee prices gained handsome value, we still recommend holding position in it because it may touch \$156, "JO" coffee etf's have done well during last week. This week we may see some profit booking coming at higher levels on Monday. Tuesday coffee prices will remain directions but from mid Wednesday prices will gain and rising trend will continue until mid-Friday. Short term traders should book profit around \$156 to \$159 levels. Now coffee won't trade

below \$148.20 higher side is \$175 which may get achieved in the next few months. **Fundamentals** - Coffee productions is higher than estimated but also international demand has risen by 2% which may support prices. Inventories of coffee is falling down so watch closely as coffee demand globally have been constantly rising, India has announced 12% fall in this year crop.

Cotton will remain mix, but overall trend will remain bullish, add more cotton if it's come down to \$74.30 levels and higher side in \$79 in the next few months. Monday we will see mix trend in cotton but Tuesday to Thursday we see rising trend. Friday prices may come down. Lower side is very



limited in cotton and higher side lot to move so buying strategy will provide great returns in the coming time. **Fundamentals** are mix at this stage, markets are expecting China to increase its cotton imports, and production is bit higher than expected.

Avoid sugar, orange juice and Lumber, or you can trade in and out as per our daily predictions range. Astro indicators as well as fundamentals are negative for all these soft commodities. Brazil is coming out with bumper crop this year, they are expecting 37% year to year higher productions in sugar. China is canceled most of its import order due to higher expectations Chinese sugar crop. Indian speculators and farmers are holding their productions as they are waiting for higher prices and this can force them to sell at lower prices in coming time after holding too long due to depress prices.

Cocoa prices may move bit higher as Moon is supporting trend from here, so buy cocoa on Monday on any weakness. This week is positive for cocoa prices, but this rising trend will remain for the short period. **Fundamentals** – Currently we saw that very high supply from Ivory Coast is pushing cocoa prices toward downside. Also demand shows that European demand has come down by 15% compare to last year.

#### **Monday trading range: (Mar 2013 Contract)**

**COFFEE: \$154.75 TO \$151.05**

**COTTON: \$76.35 TO \$75.07**

**COCOA: \$2291 TO \$2250**

**SUGAR: \$19.37 TO \$19.00**

**ORANGE JUICE: \$113.95 TO \$110.70**

#### **TREASURY BOND**



Last week thirty year bond moved both sides but surely gained some value from multi months lows. Traders feel that risk has come back in stock markets and any negative news or fall in markets can push prices higher sides. Anyway we don't see that happening so any rise on Monday should be taken as selling opportunity in thirty year bonds.

Monday we see sideways directions, sell thirty year bond on higher sides predicted range. Tuesday prices will fall from mid trading sessions. Wednesday we will see both sides movement. From Mid Thursday again some fall will come and this fall may continue on Friday as well.

We don't see Thirty year prices going above 147 in coming short period so around 146 you can take selling trade.





**Monday's trading range: TREASURY BOND – 146-02 TO 144-28**

**GRAINS**

Last week grains prices remained weaker, yes Friday we saw some recovery in Corn and Wheat from the lower levels. Friday corn made lows of \$686 and move sharply higher after data to \$723 and closed around \$708, wheat made low on Friday \$736 and went sharply higher after report to \$773 and closed around \$754. Soy bean, soy meal, and soy oil remain directionless or weaker due to no surprise in data.



Thank god, this report passed without limit up or down because normally January grains reports bring huge volatility and prices either move higher limit or lower limit for the few days. Our outlook is not very positive for soy bean, soy meal and soy oil but corn and wheat has limited down sides. We are not recommending any immediate buying at this stage but surely we will be watching Sun changing house on 14 January so see whether grains gaining momentum from lower level or not. Wait for our flash on 15 January. Last six months our prediction was negative for grains but we may change our short term view for corn and wheat. Soy meal, soy oil and soy bean will remain weaker, so we will recommend buying corn and wheat and selling soy product will be great hedging trade.

Rice will remain mix so avoid any position, problem with rice is as its trade with very thin volume and we don't want to get caught into trade. Last year I was alone holding 50% position of total daily volume of Rice, I decided quiet trading rice.

This week we recommend buying some position in corn and wheat on Monday at lower side, as prices may move higher. Avoid trading soy or hedge your buying with selling Soy.

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

**CORN: \$719.25 TO \$700.50**

**WHEAT: \$772.50 TO \$750.25**

**RICE: \$15.30 TO \$15.12**

**SOY: \$1380 TO \$1360.25**

**SOY MEAL: \$409.30 TO \$397.90**

**SOY OIL: 49.57 TO \$48.83**



ENERGY



Volume and volatility is far greater in futures markets compare to when you just trade stocks or

buy anything with leverage. Look at oil trend of 2007/8, many traders who were playing shorts went bankrupt, those who held positions in it and not sold at higher sides because they were expecting that oil may keep moving higher they also went bankrupt. So everyone will ask here



Mahenda, what will be best advice or what to do when we are in profit? Best advice is get out when euphoria is there, or if you are our subscriber then astro indicators will also give warning in well advance. Once you get out from trade then don't looks back to re-enter at lower level because prices can fall further. Same happened with Oil, many re-entered around \$120 when prices came down from \$145, they bought more at \$100, many add more at \$90 or many new buyer came in but prices

went down nonstop to \$32. Look at chart, first chart took seven years to rise and second chart, just took three months to come back from where prices started.



Most of trades are aware that fall is always faster and greater than any rise, this even history says. Rise in any stocks, indexes, currencies or commodities will take years to rise and fall will erase all rise which took five years move within few months.

Investors or people have been always arguing that how to buy at low and how to sell at high. In my sense, when you buying something at low with astro indicators (astro indicators is predict psychology or human behavior pattern in coming time as per planetary combinations, which shows that in future there will be euphoria and crowd will be running behind and price will keep move higher), I think pone of the best tools to predict market trend. I am not saying this because I am forecaster of this theory but I am saying this because last 25 years I am witness of this. My problem is astro indicators gives trade well before and many time we have to wait for longer than expected, investors psychology is that they jump into trade immediately and that makes many frustrated.

I still remember one trade of mine which I took in the end of 2005, for one of my client trading account I bought 10 million bushels of corn around \$203, prices traded around this levels for few months, sudden went down to \$193. I told my client that prices would hit \$500 to \$700 in coming time as my indicators are giving most bullish indications. At \$193, client got scared and we offloaded all corn, prices went \$750 in the less than expected time. This was one of the greatest traded I ever missed, yes fear, anxiety and frustrations overrule and most of time traders or investors get out of markets or from position due to this. **Here is Corn chart from 1006 to 2008.**



Anyway, I went off track, but yes all this points can help us to become better trader or investors. Since this good cycle of North Node and Saturn combinations which started from 23 December 2013, we feel that we should start fund and trade for the two years until this combinations remain, make investors tones of money and create a history book but then same time my spiritual awareness says that is this necessary to do? Anyway we may create fund if we decide, we surely let you know. This fund we can create for all only our members, and make each investors owner of this fund, so they should be owner of this fund. In few day times we may decide, talk to attorney that how this possible, if it is than finally astro fund will be created.



Let me come back to oil outlook of this week, last week we mentioned Sun changing house on fourteen December will finally push oil toward down side so those who are holding short can hold, we don't see oil remaining above \$94.50. If oil doesn't fall after 14 January, and remain above \$94.50 for the three days then you should be out from oil. Monday and Tuesday we see both sides move in oil, from Wednesday mid-day oil prices will start moving down and weakness will continue until Friday. Our first target on lower side in oil is \$88.39.

At this stage RB gas and Heating oil looks weaker so take selling trade in both of these energy product.

Natural gas has limited down up sides so avoid any trade in it, best strategy will be trading in and out. Monday prices will trade both side with huge swing, so buy if its open lower or falls or sell if its moving on higher sides predicted range. Tuesday trend will remain mix. Wednesday we will see weakness coming back. Thursday and Friday prices will move bit higher.

### **Monday's trading range:**

**OIL: \$94.88 to \$92.59 sell at higher sides**

**NATURAL GAS: \$3.40 to \$3.21**

**HEATING OIL: \$3.0450 TO \$2.9835**

**RB GAS: \$2.7730 TO \$2.7110**

### **CURRENCIES**



Last week dollar indexes went down against key currencies like Euro and Swiss Franc. Euro played key role in fall of dollar index as it is highly weighted in it. Dollar gained handsome value against Yen, also dollar index remain positive against emerging market currencies. We were bit surprise to see dollar remaining stronger against emerging market currencies, as well as sideways or bit weaker against

Pound, Canadian, and Australian dollar, it means that dollar doesn't want to fall down. Fall against Euro was purely due to positive statement from European central bank and we think that traders reacted overly.

Dollar weakness supported gold for the one day but next day gold fell even when dollar was weaker, this making many gold trader very confuse. As we constantly mentioning that Dollar will be great buy around 79.50 and on Friday it touched low of 79.50, we recommend here that you should start buying position in dollar now as higher side in euro will remain limited. We also recommend selling Australian and British Pound around current levels, so take these trades. Watch our daily range very closely for in and out trade.



Dollar index is ready for most unique rising journey, many may get confused that rise in stock markets may put pressure on dollar as fundamental books says positive trend in stocks will take away risk will be taken away but our predictions is very bullish for dollar and dollar will walk with stock market trend like 1996 to 2000 era. Here is chart of Dollar Index from 1996 to April 2000.

Early last week yen gained sharply, and on Thursday and Friday it moved down sharply. If you read our recent launched book, in that we clearly mentioned that Japanese government and policy maker will make sure that Yen falls, and make their good cheaper. We also mentioned that long staying central bank policy will change and they will bring inflations back. Last week they announced what we predicted, I humbly says thanks you planets for giving me opportunity to become astro forecaster of financial markets.

Dollar will trade both sides on Monday, buy on weakness if it falls below 79.50 because we see dollar will close above 79.50, sideways trend for the first two days and then it will start rising against Euro, Pound and Australian dollar from Wednesday onward.

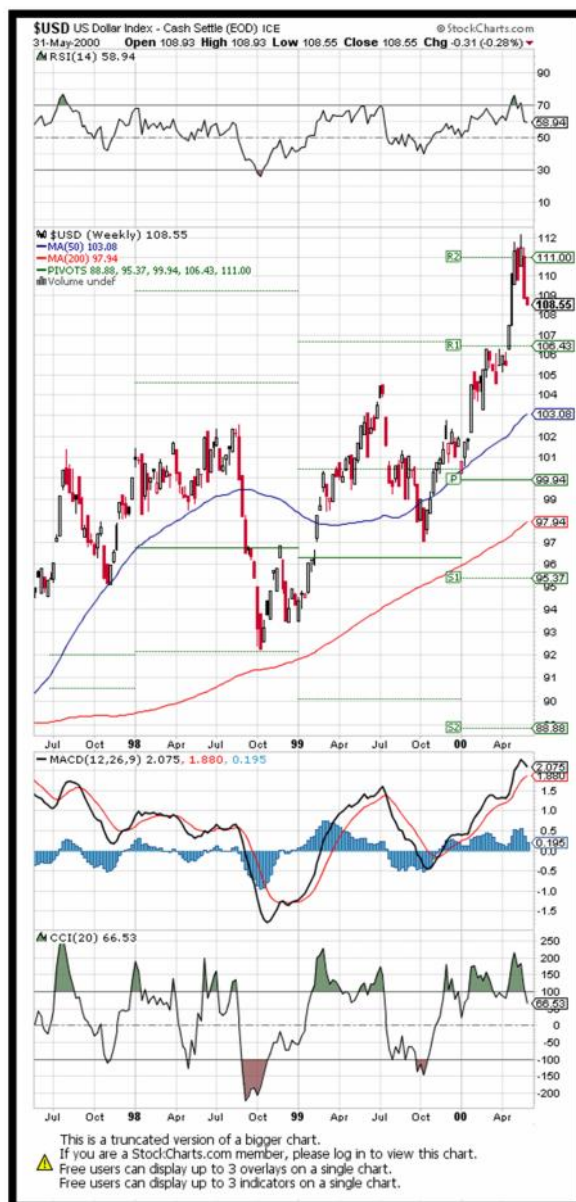
We are bit concern about emerging market currencies trend, because they are not behaving well, though down side is limited but we would like to watch this week's trend closely and will write details outlook in the next week trend. We still believe that after Dollar, emerging market currencies will remain in second spot in the performance wise (specially Rupee and Real), means these currencies will gain value against all most each key currencies except USD.

It will be interesting to watch if dollar index moves toward 90.00 or not. Yes our best trade of 2013 is S&P, Nasdaq, coffee, silver and USD.

### Monday's trading range (March Future contract).

**DOLLAR INDEX – 79.90 to 79.30**

**AUSTRALIAN DOLLAR – 1.0521 to 1.0448**





**CANADIAN DOLLAR – 1.0182 to 1.0107**

**BRITISH POUND – 1.6181 to 1.6070**

**EURO – 1.3381 to 1.3283**

**JAPANESE YEN – 1.1278 to 1.1189**

**SWISS FRANC – 1.0999 to 1.0905**

**RUPPEE – 54.90 to 54.45**

**RAND – 8.74 to 8.65**

This is book received warm well-come from readers and great appreciations has been posted to us. All thanks goes to wave of nature and astro subject. This picture from Manhattan our book launched headline:

I know our newsletters are becoming lengthy but I am sure you must be enjoying it.

Thanks & God Bless, Mahendra Sharma,

13 January 2013, 2.30 PM Santa Barbara

