

Weekly Newsletter

By Mahendra Sharma

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Dear Members,

Markets are very volatile, and the prices pushing on both sides are making many traders and investors nervous. Serious investors don't like this kind of move and high frequency trade which is controlled by machines. Take the example of Swiss Franc; prices move 1400 pips between Wednesdays to Friday (1.4200 to 12.038). Also, Dow made a historic move of 400 points on both sides for four days; this is purely speculation and madness. The world market follows whatever Dow does, so traders should take care of volatility because in these kinds of scenarios, stop-loss trade doesn't work at all because high volatility will make stop-loss trigger.

In a few words I can sum up and say that current market conditions are very difficult to trade in so just make short term trades as compared to position trading, and those who are planning to invest for one year to three year time horizon can accumulate stocks.

This week I would like directly go to weekly trend without writing much on the current market conditions and what's happening with the world market because this job I leave to the economists; our job is to provide you insight of market according to what wave of nature of the planets are telling us.

Here is this week newsletter from 15-19 August 2011

GOLD/SILVER

Last week gold and silver reacted negative from late Wednesday just as predicted in last week's newsletter. Gold is a risky trade but still is the beloved of many powerful fund managers, bankers and traders.

This week gold will trade negative for the first three days, so any rise should be taken as a selling opportunity from Monday to Wednesday.

From late Wednesday, gold and silver should start stabilizing and Thursday and Friday the prices should move up. Like last week, from late Wednesday planets gave us negative indications for metals and they traded negative and this week from late Wednesday or early Thursday planets are giving clear indications that prices of metals will move up sharply and if gold and silver fail to move up, it will be most negative for gold/silver for the shorter period but we are sure that both metals will move up.

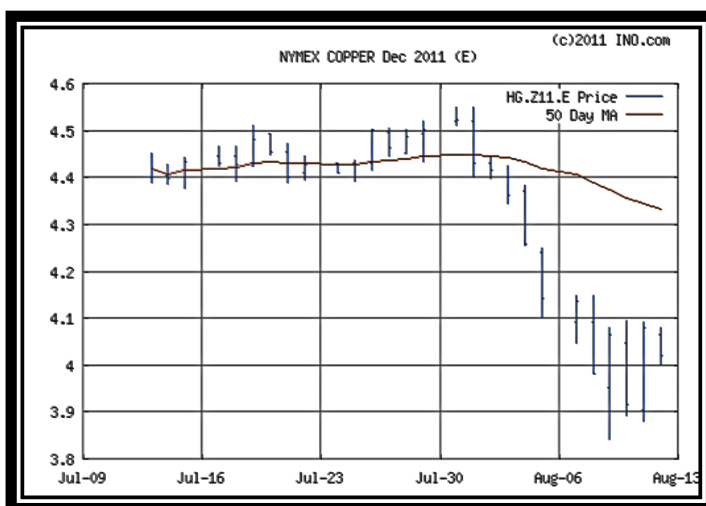
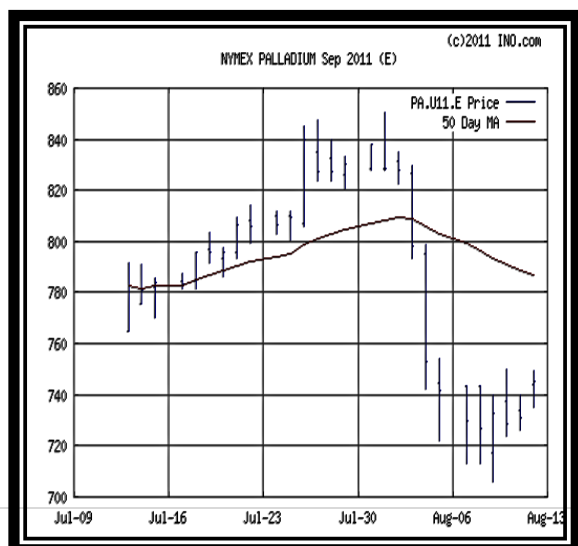
Important note – gold is following stock markets now, if markets move up gold moves down, if market goes down gold goes up. We are predicting Dow to move towards a historic high in the next three years so it will be interesting to watch how gold reacts.

This week silver will outperform gold, so one can buy silver as compared to gold. Until the end of September gold won't be able to break last week's high of \$1817 but Thursday and Friday anything can happen on higher side. This week Silver won't be able to break \$42.90 so this clears that gold and silver near to higher side. Next week will be interesting as higher volatility will dominate metals.

BASE METALS

Last week we have seen that base metals are trading with stock market moves, our selling recommendations in base metals proven very prudent. Base metals also traded opposite of precious metals on Thursday and Friday.

This week base metals will remain



sideways from late Monday to Wednesday but Thursday and Friday they will lose directions so it is clear that base metals will trade mixed and opposite of precious metals.

Maximum higher side for copper will be \$412.60, Palladium \$768 and platinum around \$1821. I won't recommend shorting base metals especially platinum and palladium.

Buy platinum and sell copper will be the best hedging trade.

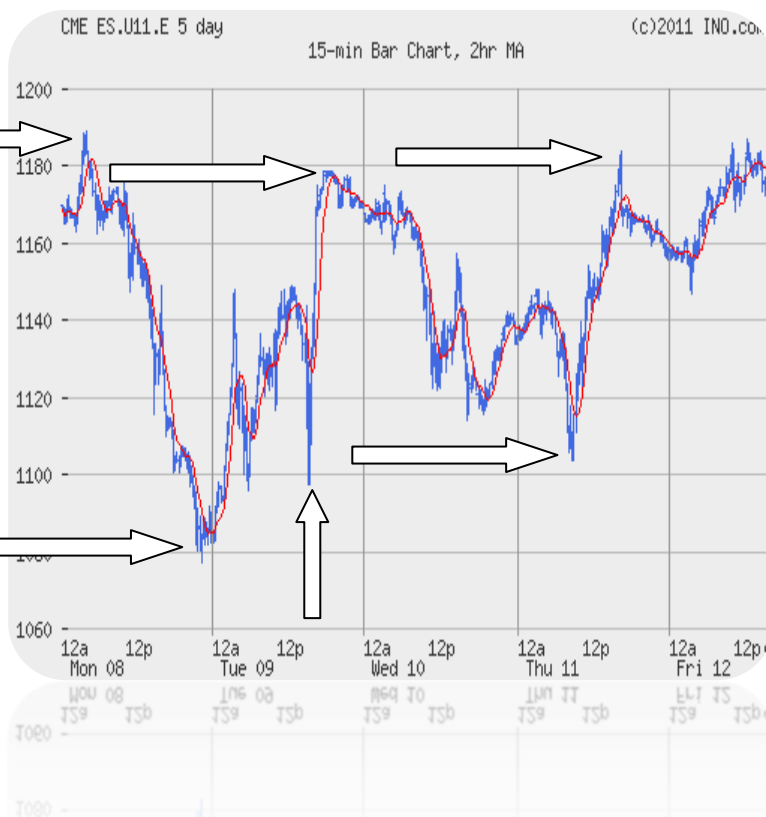
STOCK MARKET

Wow what volatility! Today it looks like the S&P downgrade was either drama or big game played on instructions of powerful players of Wall Street. We always out sight feeling of what six senses says, anyways that is history, powerful people made fortune out of it like oil move in 2008. Sometimes it looks as if common investors just become spectators or dance on tune of big music players and these powerful people have remote in their hand so they are in full control of game.

Anyways, I was watching Indian market and stocks of food and fertilizers; the stocks we recommended in the last two months are trading nearer to the top even though so much uncertainty was there in all markets so this gives us a clear indication that the signals that we are getting from the planets are very true.

All major markets will remain very cautious as the European debt situation is still not clear. Even now many countries are in danger zone, astrological indicators are still very negative for Europe so European investors shouldn't make any decision in hurry to buy stocks or euro as in the next two months European markets will underperform in comparison to all other world indexes.

Last week 40 points moved four times in S&P made many traders crazy, those who traded in right directions for in and out, made good money. This week avoid stock market for new shorter term investment but food and fertilizer stocks should be in buying list. It doesn't matter which country you invest just buy these stocks. In USA one can buy PZZI and DENN as both have performed extremely well during last week's uncertain time



and they will perform extremely well in the coming time also.

Target S&P to 1236 during this month, this week's range will remain from 1205 to 1153 and Thursday and Friday markets looks very ugly so anything can happen on down side but S&P won't break 1100. Keep adding USA, Japan and India and sell European markets; this will prove as great money making hedging trade.

COFFEE/COTTON/COCOA

Astro indicators are very positive for coffee from Tuesday so we recommend starting to buy coffee from Monday; our medium and longer term outlook for coffee looks far better than gold and silver. Last year few of our members who traded coffee made a fortune from middle of year when coffee prices moved up sharply from \$132 to \$245.

Short term target for coffee is \$270 from current level of \$240, this week lower side will be \$238.10 to \$251, once it cross \$251 then next target is \$270.

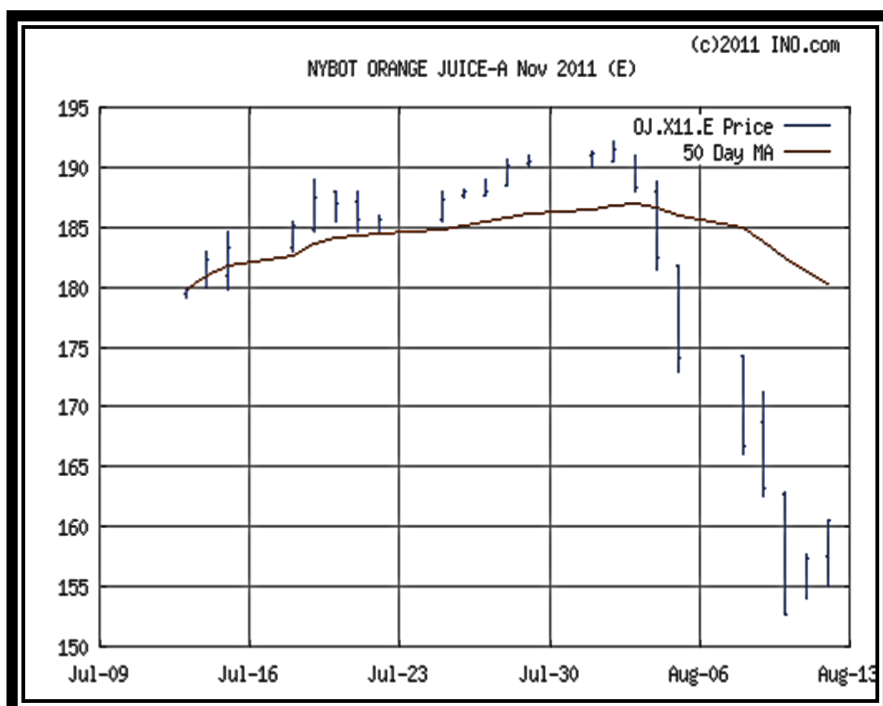
Avoid cotton and cocoa as they will trade sideways, wait for ten more days before you get in.

SUGAR/ORANGE JUICE

Our selling call in orange juice worked very well, orange juice prices crashed from \$201 to \$160 in the last seven trading sessions. Avoid any buying and those who are short can book half of profit at current level, soon prices will touch \$138.

Sugar prices also came down in the last one month as after touch high, prices fell almost twenty percent and there is

still more weakness to come. Buying time in sugar will come after the end of September.



GRAINS

This week grains will trade sideways, soon time is coming to buy grains, Monday and Tuesday grains will remain positive but from Wednesday onward prices will move down.

Bets trade would be to buy rice; though corn outlook is great for medium and longer term buy rice prices will move sharply from this week so load position in rice by Wednesday. Buy rice around \$16.26 and target \$21.00 which will be multi year high.

Soy oil will remain weak with Canola. Corn and oat will remain position.

OIL

New trend is emerging recently in oil, you must have noticed that oil is following stock indexes trend. Planetary indications are very clear about oil, we predict weakness in oil to remain for the next two weeks; we don't see oil crossing \$90 in the next two months.

Monday oil will remain weaker, so sell on any rise or around \$86.95 and target \$82.90. Tuesday some positive trend will come but from Wednesday onward again oil will start trading weaker and oil will move down sharply toward \$82.90.

Natural Gas will remain positive so buy gas around \$4.00 and target \$4.23, from Wednesday onward natural gas will rise sharply so start accumulating position in gas.

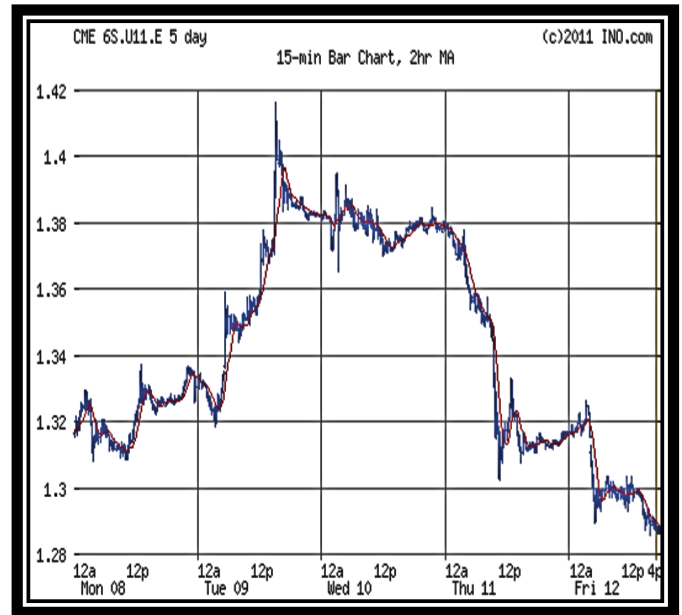
CURRENCIES

I received many emails last asking about why euro is still holding around 1.4300 when euro zone is in so much trouble? My answer to that question is that before euro goes into deep trouble as a currency current steady move is purposely planned by powerful institutions and government. EU and Germany aware about that if euro starts moving down big traders will start taking advantage of weaker sentiment, and speculation would make euro collapse so they are supporting euro and trying to hold a positive sentiment.

Soon Mars will enter in house cancer, and if Euro survives cancer Mars until 10th October then I don't see that the future of Euro will be killed, but if euro starts going into negativity from end of August will give clear signal that the euro story is about to end.

This week euro will trade more stable, it will reach to 1.4430 and down side 1.4180, so it is clear one can just trade in and out without targeting huge one side move.

Most of you must have seen last week's move in Swiss Franc was killer from 1.34 to 1.42 from Monday to Tuesday but from late Tuesday it moved from 1.42 to 1.28 by Friday. Many those who traded future market with shorts would have hurt themselves very badly on Monday and Tuesday, most probably they might have gone out of market. Few lucky ones might have sold around 1.40 and made some money on fall. But the trade we were recommending was put options and those who bought in the last three weeks must be feeling good.



Yes, the Swiss franc bull-run is over and prices will come back to 1.15 in medium term and that should be in the next one month. Trading range of this week will be 1.3130 to 1.2510 buy around lows and sell around high prices.

Pound will move up during this week, but rise will be limited, sell pound on Thursday or around 1.6470.

Australian and Canadian will trade weaker; sell Australian around 1.0410 and Canadian around 1.0225. Both these currencies will soon break par value against USD.

Japanese Yen is another currency which will trade weaker in coming time, current level is great to build up position. Sell Yen around 1.3110 and hold position. As we have been recommending put options but now time also to build small future sell position in Yen; target 1.2820 during this week.

Dollar index will remain in a tight range. Best advice I can give you today is start accumulating dollar index around 74.00.

Best trade of this week:

Buy Rice around 16.23

Buy Coffee around 239

Sell Yen around 1.3100

Rest you can trade in oil and gas with in and out as predicted in newsletter. Avoid grains, stock market and base metals.

Precious metals should be traded only on predicted days, \$1725 is important level, once it break \$1725 then next lower side target is \$1687.

Thanks & God Bless

Mahendra Sharma

14 August 2011