



Weekly Financial Letter

By
Mahendra Sharma
www.mahendraprophecy.com



Address: P.O.BOX - 2521, Santa Barbara CA - 93120, USA
Phone: 1-805-403-4781 / 1 805 617 3347 Email: mahendra@mahendraprophecy.com

Weekly Newsletter from 15-19 October 2012

Dear Members,

If we ask investors that what month out of the year they are most concerned about; we are sure everyone's answer would be the month of October as history is witness to the fact that the most number of falls come in the month of October, especially for the stock markets. In the last ten years commodity markets or we can say, futures became very popular, millions of investors are involved in short, medium and longer term trading. Lately ETF's became very popular among hedge funds and financial institutions. It is clear that increasing amounts of money is going towards all different kinds of financial instruments.

Anyways, let's talk about the October myth. As per Vedic astrology around the 14 October every year the Sun changes the zodiac house, it always moves from Virgo to Libra. As per Vedic astrology this move always remains very unhealthy because the Libra zodiac house is controlled by Venus. The relationship between Sun and Venus is not very cordial; in fact as per Vedic astrology they are enemies. The Sun represents light, direction and is also the owner of our soul. So as soon as 14 October comes closer investors get confused, and everyone starts getting away from the markets, volume drops and investors take half-hearted trades. This situation reduces if any other planets are there in the house of Libra.

This year Sun will be joining planet Saturn as Saturn is already there in house of Libra (as per Vedic astrology Sun is father of Saturn but at the same time their relationship is not friendly). This gives even more confusion, and there is no doubt that there would some uncertainty or sharp corrections but it can also push the markets to an all time high.

Our advise; stay away from commodity and stock markets for this week because we would like you to play in the market cautiously. Once this week passes smoothly then we feel the world financial community is safe. We still believe that S&P is going towards 1600 and metals can move higher but everything is depends on this week. Hold cash, and get ready to load up on positions as soon as we give a clear signal.

We wish this week passes smoothly, without damaging the world financial market trend as we are bit scared at this stage because Moon will be passing from Saturn, Mars, north node and Sun will be there too, and this seems to be the sign of a mini crash. If the Astro wave and geo-cosmic power overrules this weeks' uncertainty then we may see one of the best time coming in the financial markets. The same kind of combination will occur for four days in November and four days in December.

This week's newsletter from 15-19 October 2012

GOLD/SILVER



Last week we recommended getting out from metals positions on Friday, and we are bit surprised to see metals closing negatively on Friday. This gives clear indications that this week metals may trade with a huge amount of volatility. On Monday we see gold and silver trading weaker. If on late Monday there is no recovery then we will see the weaker trend continue on late Tuesday.

On Wednesday we may see a fall starting from the Asian markets and metals will close sharply lower.

On Thursday a small recovery will come but the trend will remain directionless.

Friday is indicating a mixed trend in metals, and so we are not recommending any big position during this week.

Important note: This is most important week for precious metals so wait and watch how they trade, as per our theory they may trade weaker, if they hold well by Friday then get ready to load up on metals.

On the down side gold will try to hold \$1737 and silver \$32.33, if these metals break these levels then we may have reason to be concerned.

Here is Monday's range (All December contract):

GOLD: \$1762.90 to \$1747.90

SILVER: \$33.78 TO \$33.28

COPPER/PLATINUM/PALLADIUM



Base metals will follow precious metals; in fact base metals; especially copper will trade weaker. We are not recommending any positions in base metals during this week. Wait for about ten days before you go back in buying in the base metals.

On Monday base metals will trade weaker, and Tuesday we may see a positive trend.

On Wednesday again a fall will come in base metals; and on Thursday a sideways or a bit positive trend will dominate in all base metals.

On Friday we may see a mixed trend. Monday and Wednesday are a bit scary for precious and base metals.

Don't buy base and precious metals stocks or etf's during this week.

Here is Monday's range (All December contract):

COPPER: \$373.10 TO \$366.30

PALLADIUM: \$647.00 TO \$629.20

PLATINUM: \$1670 TO \$1644.80

INDEXES



This is most crucial week for markets, if indexes close sideways or positive during this week then the markets will not only reach 1572 by end of year but they will go far above 1600. The last 36 hours study is giving very interesting indications, so we will be eagerly waiting for see the outcome.

As per this week's combination's, we clearly see a weaker trend dominating the markets, S&P may break 1418, and if it does then the next most strong support will come at 1373. We don't see S&P going below 1373 in the coming time. If it's reaches to 1373 then go all-in, in fact one should start buying around 1391, 1382 and finish buying at 1373. At the same time buy call options in indexes targeting it reaching 15% higher by the end of the year.

1418 is a very crucial support for S&P, if it breaks this level then we may see the above mentioned prices. Last week we already mentioned that wait for another 10 days before you start buying aggressive positions in metals and indexes.

This week the ghost of European worries can appear again. The media will be out there to give the headlines of doom and worries. On the other hand; the fight in Syria will get very active, Turkey will be fully involved. We already predicted last week that there will be a regime change in Syria within six weeks, now five weeks are pending for Bashar al-Ashad.

On Monday we will see weakness in the markets but we would like to see some recovery on late Monday then markets will move up on Tuesday as well.

On Wednesday the markets can fall once again due to the European negative news and this weakness can continue onto early Thursday as well.

From Mid-Thursday we will see some recovery and this recovery can continue on Friday.

Note – As the Moon will be moving through the house of Scorpio, we highly recommend finishing all pending work other than trading. Hold cash during this week, hedge your trades or cash-out from your holding positions.

Monday trading range (September 2012 contract):

AUSTRALIAN (Cash) – 4508 to 4478

NIKKEI – 8577 TO 8490

NIFTY S&P (Spot) – 5532 TO 5697

SINGAPORE (cash) – 3033.00 TO 3020.00

HONG KONG (cash) – 21048 to 20903

CAC – 3382 TO 3330

DAX – 7275 TO 7179

FTSE – 5780 TO 5723

S&P – 1429.75 TO 1415.25

NASDAQ – 2719.5 TO 2688

RUSSELL – 825.25 TO 812.75

DOW – 13317 TO 13161

COFFEE/COTTON



We were talking to my close friend and current Tanzania's president Mr. Kikwate, and his Excellency was very concerned with the lower cotton prices as farmer's in Tanzania were blaming the government for not doing enough to protect the farmers loses.

Yes, the weaker trend in cotton is a concerning issue for farmers from many countries but we clearly see a great trend developing in the coming time. 2012 has proven to be a very negative year for soft commodities but a great era is about to begin from 23 December 2012 and 2013 will be one of the great years for soft commodities.

This week late on Monday will be a great day to buy coffee and cotton, avoid all other soft commodities at this point.

From Tuesday onwards we clearly see a rising trend in cotton and coffee and that trend should continue for the whole week.

As we mentioned last week that a major turnaround in coffee and cotton is eminent by the end of the year so please keep adding call options positions.

Monday trading range:

COFFEE: \$163.90 TO \$159.50

COTTON: \$71.95 TO \$71.02

COCOA/SUGAR/ORANGE JUICE



Avoid all these three soft commodities during the first four days of this week. One can acquire short term small positions in on Friday morning as next week we see a positive momentum.

Lumber will remain a bit positive during this week.

Monday trading range:

COCOA: \$2380 TO \$2332

ORANGE JUICE: \$114.70 TO \$109.80

SUGAR: \$20.32 TO \$19.62

TREASURY BOND



This week Treasury bond will trade mixed, and many will get surprise to see Treasury bond not moving up sharply even if the market goes down so it is clear that Treasury bond has entered into a bear cycle. Take any rise as a selling opportunity. 152-12 should be high and target 138-27 by the end of the year. This is a great time to keep building trades.

On Monday in Asia, Europe and in the opening hours of USA Treasury bond may gain but they won't be able to gain further during the day so this is a great time to sell.

On Tuesday we see some weakness coming in Treasury Bond, and Wednesday again Bond prices will move up but on Thursday and Friday we see corrections.

Note – Those who like to take aggressive selling positions in Thirty year bond should wait for another ten days because after that thirty year bond prices will just crash.

Monday's trading range:

TREASURY BOND – 150-01 TO 148-25 (Dec)

GRAINS



This week grains prices will trade both sides, and we highly recommend just trading in and out in grains. Next week we see corn and soy moving up, so get out from all short positions by the end of this week or on Friday.

Corn has been trading far better than all other grains; and we are still recommending holding positions in corn as well as hold hedging trades in wheat and soy oil during this week.

This week we are not mentioning the weekly trend because prices will move on both sides, but late Thursday and Friday we are recommending buying positions.

Trade in and out, watch our predicted trading daily range very closely and you can take trades accordingly around day highs and lows.

Monday's trading range (December contracts):

CORN: \$762.75 TO \$739.50

SOY: \$1535 TO \$1506.75

WHEAT: \$868.00 TO \$843.25

SOY MEAL: \$475.90 TO \$467.30

RICE: \$15.09 TO \$14.83

SOY OIL: 51.36 TO \$50.01

ENERGY



This is a great time to build selling positions in oil, yes you should remember that there will be a huge amount of volatility due to the Syria and Turkey problem (many people are fear that the oil pipe line on the boarder can be explode), on other hand the Iran issue is there. This week can bring more headlines on Iran, our Astro calculations are clearly indicating that there won't be any problem between USA and Iran in the

near time so you should keep this prediction in mind.

This week we will see weakness in oil from Monday onwards and this weakness may continue until mid Tuesday. There are chances that some kind of news concerning oil may pop up which may push oil a little but again prices will move down on Wednesday. Ton hursday and Friday sell on any rise.

This is final weak when we may see oil try to pop up artificially a few times but the overall medium and longer term trend is weaker.

Natural gas has been outperforming, and the down side is limited but the upper side does not have much either. On Monday and Tuesday natural gas will trade within the predicted range, we don't see any weakness at this stage. On Wednesday we may see some weakness, and on Thursday we will see a rising trend but take this rise as selling opportunity.

Monday's trading range:

OIL: \$92.91 to 90.55 (Nov)

NATURAL GAS: \$3.70 to \$3.53 (Nov)

CURRENCIES



This week dollar looks a bit positive but the higher side is limited, on the down side dollar indexes will hold at 79.50, and on the higher side we may see 80.38 to 81.18. British Pound, Australian and Euro may fall and on other hand Swiss Franc and Canadian dollar will have limited down side.

Yen may try to hold 125.10 but I would like remind you of one more, and that is that yen is entering into a longer term bear cycle so keep building selling positions for the short, medium and longer term. We won't be surprised at all if Yen reaches to 1.10 in the next six to eight months. Current this is a great time to build put option positions of June 2013, at the strike price of 117.00.

Rupee, Rand and other emerging market currencies may get a little bit weaker, Rupee may move to 53.80 to 54.23, and Rand may surpass 9.30 after a three years gap.

Thus buying dollar against all major currencies will pay good returns during this week. We may see euro coming down to 1.2680. We may see Australian going back to par value.

All these above mentioned trends will be only be for the short period.

Monday's trading range (December Future contract).

DOLLAR INDEX – 80.02 to 79.45

JAPANESE YEN – 1.2808 to 1.2724

AUSTRALIAN DOLLAR – 1.0209 to 1.0137

SWISS FRANC – 1.0760 to 1.0671

CANADIAN DOLLAR – 1.0207 to 1.0150

RUPPEE – 53.19 TO 52.40

BRITISH POUND – 1.6118 to 1.5991

RAND – 8.79 to 8.62

EURO – 1.3010 to 1.2910

Thanks & God Bless

Mahendra Sharma, Sunday 12.30 PM Santa Barbara