

Weekly Newsletter

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Edition 701.0

Publishing Financial E-letter since 2001

September 16, 2012

Vague picture of future, you should try to look into this

Dear Members,

It looks like all our members are enjoying trading markets and why shouldn't they enjoy it when their bets are making money. I always hear from people that trading in the markets is the most easy job, but in our view trading markets is a strenuous job as in this job you need awareness 24/7, alertness, responsibility, money managing skill and a vast knowledge of events taking places in the global monetary policy and many more. Basically, we need to have knowledge of the world economy and fundamentals as well as social/geopolitical trends, and many other core points.

I studied economics in college so it's helping me in understanding world economic trend but Astro cycles are playing a key role for us in writing predictions about markets future trends and we must admit that we love our work.

Since early this year we have been constantly writing one statement, and that is to focus on what our theory is saying because we have been feeling very confident about our future predictions coming true.

We are receiving many emails asking what will be next from here; USA and European stocks are at a multi years high, gold is just nearer of Feb 2012 high, oil is nearer to three digits and grains are trading nearer to a historic peak.

On the other hand many are predicting a crash in the US Dollar and chaotic situations developing in the middle-east which may force oil to break previous high.

Many started debating on elections and few are also discussing historic low interest rate and it's effects on housing, business and economy.

"Jobs" in USA is a key concern issue in the investors mind and many still like to focus on growth. Many other thousand of issues are there and we need to answer as people are asking our opinions.

When last year September:

USA was downgraded,
Euro zone was fighting to survive from debt and Euro was falling apart
Congress was not getting together on debt ceiling,
Stock markets were trading at multi-year lows and were behaving like they might collapse.
That was the time when we saw unique Astro combination and we came out with the most unique prediction of great rise. Markets started rising, investors forget about Euro-zone problem and USA debt issue.

Yes currently still much greater challenges are there; **Job, fear of inflation, geo-political issues and growth.** As per what we see that all these issues will walk along with rising trend; there won't be any time on our planet when any issues are not there. Concerning issues are part of markets.

We will be watching oil prices more closely rather than anything else because oil is the only commodity which can spoil oncoming one of the biggest party of history. Though our study clearly shows oil markets remaining in depression in coming time, even though other commodities like grains and metals will be rising but still we are bit concern about oil as in 2007 rising oil prices burned financial market. We won't like to see oil rising with markets in the coming time.

We see S&P going toward 1600 but oil may hang around \$100, we see next S&P moving toward 1900 to 2100 but still we see oil remaining around \$100, we would like see oils behavior when S&P move rapidly from 2100 to 3200. We are not worried about any other commodities. If you ask me where oil would be after five years, our answer will be **around \$15 to \$30 barrel. Very interesting vague future, we are sure many will love to see into this unclear picture once they read this above part.**

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

Weekly newsletter from 17-21 September 2012

GOLD/SILVER



Many metal investors always purely invested in metals only and they don't give much attention to other markets. These members were unhappy seeing only S&P and other indexes rising and not making money in metals holding position but finally last three weeks made them happy investors too as gold, silver and other base metals went up sharply.

We are not concerned at all about the medium term trend in metals, next week will be interesting to see how metals does.

Last week all major news (Fed and Euro zone) remained to be in favor of markets and commodities. Dollar fell sharply which made commodities and metals investors happy, also Bernanke statement helped of not raising rate for some more time.

We are not politicians, neither have we belonged to Democrats nor Republicans but we still like Astro chart of Obama and he may make changes in coming time if he gets re-elected. **Our most favorite person who is handling this world financial system with great care is Ben Bernanke**; the day he took over Fed office we were 100% sure that he would able to ditch any major crises and put **USA as well as Wall-Street** on the top position by his decision. Once again World will see that the US will dominate Financial systems.

Under Ben Bernanke S&P and precious metals will keep breaking all time highs, US will become once again a growth engine of world, and on other hand the importance or dependency of emerging markets will slowly end. In short USA will rock in coming time so place to invest, best place to live and best place to enjoy freedom.

Please don't think that we are pro-Obama, pro USA or pro Bernanke, we just write what we see (like, we don't hate Mark Zuckerberg or Facebook but what we saw we predicted). We know many Republicans are our weekly newsletter members and they won't like our statement which is showing positive for Obama and Bernanke, so please don't look at this as if we are Democrats.

Anyways this week looks mixed for metals; Monday gold and silver will trade mix and may give up some gain.

Tuesday also precious metals will try to rise but they will close mixed. Monday and Tuesday both days just trade in and out.

Wednesday we will see silver outperforming gold so focus on silver rather than gold.

Thursday silver will remain in the tight range, we highly recommend buying on any weakness.

Friday gold and silver will have sharp move on both sides.

We still see that gold and silver won't able to break \$1793 and \$35.28 during this week. If they break these levels and stay above this levels for the more than 18 hours it will confirm gold going toward \$1827 and silver \$36.80 immediately.

Lower side gold will hold \$1739 and silver \$32.29.

Metal stocks will trade sideways so avoid any new position there.

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

GOLD: \$1783.90 to \$1762.90

SILVER: \$35.17 TO \$34.25

BASE METALS



Last week base metals performed extremely well. Platinum crossed our predicted target of \$1700, copper also moved up nicely with Palladium. Hold positions in base metals at this stage, our next target for platinum is \$1780 or even 1880 in the next fifteen days so don't short platinum at any prices at this stage. Any weakness in base metals should be taken as a buying opportunity.

Read our daily flash with trading ranges. This week looks mixed for base metals but surely we will recommend getting into trade on any weakness on Tuesday. Monday will be proven to be a mixed day for base metals and same may happen even on Tuesday.

Thursday and Friday platinum and palladium may move up sharply so watch these base metals.

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

COPPER: \$386.90 TO \$379.00

PALLADIUM: \$707 TO \$695.70

PLATINUM: \$1721 TO \$1691

INDEXES



After Tech bubble of 1997/1999, this is second time since December 2011 we are feeling excited for stocks. This time story is different because just one sector is not running, this time stocks prices are rising of companies those who holds strong fundamentals and lucrative business model. Look at Apple, it has been moving higher and of course it is our one of the favorite pick since Sep 2011 (when it was \$205), and did

extremely well.

We received a few emails saying many experts are predicting huge corrections or fall in markets and end of bull story, but we say any corrections will be healthy for the markets so no need to fear. Keep adding call positions on any weakness. In our experience end of bull-market term is when all penny stocks start moving up, or stocks which doesn't hold any fundamentals moves up rapidly that will be

end of bull markets and that period will be 2015/2016. We will try our best to predict the end of this bull market well in advance (may happen in 2015) like we called the end of tech bubble and the crash in technology in early 2000.

Currently we are in the second cycle of bull market; first cycle ended when three months back S&P hit 1407, and has corrections of almost 9%. The second cycle will end nearer to 1550/70, and any corrections from here onwards will still take it part of second cycle prices corrections move.

At this stage it looks like 99% of our members are happy with our services, and we will try our best to keep guiding all of you on right directions. We are sure many of you may make a fortune if we come right the way we see market trend, so don't forget to share with needy.

This week looks mixed for markets, but still markets will trade in the predicted range so exit from 50% of futures position in indexes and stocks. Keep cash ready to add more on weakness.

Hold your call position, if some of you like to book some profit there, it also can be done. But on weakness start loading December 2013 call for S&P and Nasdaq.

S&P will hold 1443 in coming time few weeks, so nothing to worry about. Last week buying S&P at 1421 proven great call, also we mentioned that when S&P touches 1421 then buy position in all other indexes and stocks in your country, and we are sure you must have done that.

This week we may see markets trading mixed or bit weakness may come in on late Tuesday or Wednesday.

Get back in on mid-Thursday as markets will turn around and Friday upside momentum will continue.

Emerging markets will perform extremely well during this week.

European markets will give up some gain until the middle of the week and then again some upwards move will start.

Monday trading range (September 2012 contract):

AUSTRALIAN (Cash) – 4429 to 4415

NIKKEI – 9230 TO 9150

NIFTY S&P (Spot) – 5608 to 5550

SINGAPORE (cash) – 3089.00 TO 3070.00

HONG KONG (cash) – 20739 to 19569

CAC – 3589 TO 3536

DAX – 7471 TO 7391

FTSE – 5909 TO 5851

S&P – 1468.75 TO 1450.75

NASDAQ – 2859.5 TO 2835

RUSSELL – 868.10 TO 853.25

DOW – 13601 TO 13451

COFFEE/COTTON



Both these soft commodities have performed extremely well. Coffee prices moved up almost 15% from lows and cotton is trying to regain. Last week we mentioned that it will be an interesting competition between silver and coffee, after this statement coffee started giving tough fight to silver.

Load up call option position in coffee on any weakness, great time to build trade in coffee for the next years. Our short term target is \$191, we may see some corrections from this level. Cotton may see \$80.00 and we may see some corrections.

Monday we may see sideways move but trend will be on upside in both of these soft commodities. Thursday and Friday we will see an upwards trend.

Read our flashnews trading ranges carefully.

Monday's trading range (November & December contracts):

COFFEE: \$183.55 TO \$179.65

COTTON: \$76.81 TO \$75.27

COCOA/SUGAR/ORANGE JUICE



You can start taking position in Sugar and orange juice, sugar stocks and ETF will start moving up from here onwards. You can also hold orange juice position at this stage.

Avoid trading Cocoa, or just trade in and out without taking overnight position.

We don't see sugar going below \$19.51.

Monday's trading range (November & December contracts):

COCOA: \$2660 TO \$2601

SUGAR: \$20.15 TO \$19.72

ORANGE JUICE: \$133.90 TO \$130.80

TREASURY BOND



Last seven years our shorter, medium and longer term predictions for Thirty year Treasury bond have been proven with great accuracy. Last week selling call around 150 must have made good money; downside short term bottom will be 141-23 so cover all your shorts around 142.

Monday and Tuesday sideways trend will continue so trade in and out.

Late Wednesday once again you start selling thirty year bond position and cover around 142.

Monday's trading range:

OIL: \$100.89 to 98.54 (Nov)

GRAINS



This year grains performed extremely well. You all are aware that our medium and longer view is STILL very bullish. At this stage there are some conflicts in fundamentals in soy meal:

Most of us are aware that South America has a big drought problem and the soybean crop has been damaged. Majority of soy meal goes in cattle feeding **but recent data shows farmer are not increasing cattle due sharp fall in cattle (cow) price,** data shows that **there are 30% lesser cattle in farms now.** We may see mild and milk product prices moving higher in coming day.

China productions is up in bean, farmer will buy less meal, so some pressure may seen in the coming months but savior drought in mid-west will put traders always on edge.

Our view on corn is more bullish at this stage compared to any other grains.

Wheat prices may top-out soon, so get ready to hedge your buying corn by selling wheat.

From Wednesday onward we will see weakness on soy and meal but corn should be in your buying as soon we will see corn moving towards \$1000.

ENERGY



We are not recommending any trade in oil as it is not our favorite at this stage. We won't recommend blocking any money at this stage in oil trading for medium and longer term, so it is better to trade in and out as per daily trading range rather than taking one side trade.

Monday and Tuesday we may see weakness coming later in a day. Thursday and Friday we may see some rising trend in oil

Also avoid natural gas at this stage, trade in and out in natural gas.

Monday one can sell natural gas on rise and buy on weakness and this applies for oil as well.

Better trade in indexes and soft commodities at this stage. Buy call options in Indian and other emerging markets.

Monday's trading range:

OIL: \$100.89 to 98.54 (Nov)

NATURAL GAS: \$3.16 to \$2.98 (Nov)

CURRENCIES



All key currencies will top out this week but emerging market currencies (rupee, peso, rand and real) will continue to gain value against all major currencies including USD. There is no doubt that USD has limited down side from current levels but still USD is not our favorite trade. USD was our favorite trade until June 2012 but now we recommend trading in and out in other currencies.

Euro may see higher side 1.3189 to 1.3228, this will be a great level to exit from trade or buy dollar against EURO. Same apply for British Pound, exit POUND position around 1.6388.

Swiss Franc will move higher and we may see 1.0878.

Next three months focus on Indexes, metals and soft commodities rather than currencies and oil.

Rupee gained handsomely during last week, our selling recommendations 56.50 to 57.00 have done great and in coming few weeks we may see it reaching to 52.72 against USD.

Yen selling trade also done well, hold selling position in Yen, from here onward Yen will keep falling. Build selling position on any rise during this week, our medium term target is 1.1800.

Monday after making high, all major currencies will struggle to hold higher levels.

Tuesday again all major currencies will move higher but may not be able to break "Monday" highs and we may see corrections coming in after European market close.

Wednesday we will see positive trend in USD and this positivity will continue until mid Thursday.

Late Thursday and Friday we may see weakness coming back in USD against all major currencies.

Monday's trading range (December Future contract).

EURO – 1.3191 to 1.3045

DOLLAR INDEX – 79.27 to 78.69

JAPANESE YEN – 1.2848 to 1.2739

AUSTRALIAN DOLLAR – 1.0519 to 1.0442

SWISS FRANC – 1.0842 to 1.0738

CANADIAN DOLLAR – 1.0350 to 1.0248

RUPPEE – 54.42 TO 53.83

BRITISH POUND – 1.6299 to 1.6165

RAND – 8.22 to 8.11

Final note – Don't shorts metals, soft or markets thinking that they moved up sharply, as per our view they can still keep moving higher. Read weekly newsletter and daily flashnews very carefully.

Thanks & God bless

Mahendra Sharma

Sunday 7.00 AM