



Weekly Financial Letter

By
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Weekly Newsletter from 22-26 October 2012

This is short term fall which may end during this week-end

Dear Members,

When we were writing last week's newsletter we were very concerned about the short term Astro and geo-cosmic cycle and that was the reason we recommended selling everything and holding cash. We still recommend holding cash, or those who took short positions should hold as the negative time cycle is not over yet. Last week we already mentioned to avoid the next ten days or hold cash.

On Friday the fall in Wall-Street has created gotten investors concerned. Many stocks from the top 500 companies start's falling sharply. Last week the mid-cap held well compared to large cap and that is a concerning issue. Here are the top few companies which have been taking the markets higher that have fallen sharply.

We are concerned about these weeks as well so don't buy stocks thinking that they have fallen sharply. We highly recommend reading last week's newsletter one more time as October always brings some concerns so there is no need to fight, just avoid any aggressive buying and hold cash as great buying opportunities will come.

Here is the first part of last week's Newsletter:

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.

It is always very important to read first part of our newsletter as this can guide you for the coming time. In the last 48 hours we received many emails saying that our theory teaching lot to them about market and investment. We humbly say thank you all of you, as globally people have accepted our predicting theory and they giving really appreciate what we do, many took longer to adopt our theory but they say now they are happy.

Important note: Last week negativity has already entered as predicted, our concerned have proven right. According to media and financial expert once again global financial situations suddenly became gloomy, many are asking that it is end of bull market, or maybe there will be crash in stock markets? Our answer this is short term uncertainty, let world loses their focus but not you as one of greatest buying opportunity in stocks is coming soon. Wait for our buying indications and until then hold cash in your hand, avoid metals and energy at this stage. Friday most of you will get answer of buying metals and stocks or not.

At this stage few best trades are:

Buy dollar Indexes, Sell Pound, Euro, Australian dollar, buy corn and on other hand stay away from metals, energy and stocks.

Here is this week's newsletter from 22-26 October

GOLD/SILVER



This week we see weakness continuing in precious metals as the Astro-Indicators is not favoring precious metals. On Monday metals will remain weaker. Some recovery may come but it should be taken as a selling opportunity. Suddenly the media will start portraying a gloomy outlook for the world economy.

On Tuesday metals will try to rebound but will fail. On Wednesday and Thursday the markets will still trade in negativity so any rise should be taken as a selling opportunity.

We see Friday as a turn-around day for Wall-Street and metals; start buying positions in metal and metal stocks on Friday.

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

GOLD: \$1730.90 to \$1715.90/\$1708

SILVER: \$32.32 TO \$31.73/\$31.32

This is what we mentioned last week: *Metals went down on Monday but still Gold closed above \$1737 and silver \$32.42. If they start trading below these levels then we may get bit concern. We will strongly recommend buying in precious and base metals after next nine days passes smoothly. Currently just trade in and out, but with stop loss. We don't see gold going below \$1690 and silver \$31.29 in the 2012, so lower side is limited. Once again our reminder is don't do hurry in taking buying trade.*

BASE METALS



This week weakness will continue in base metals so no buying is recommended in base metals for the first four days of trading. One can start accumulating some short term trading positions on late Thursday or Friday.

The global growth issue will rule Wall Street and we all aware how sensitive base metals are with global growth. We don't recommend buying any base metals (palladium, platinum and copper).

Note: Those who are holding short positions in metals should hold them at this stage, and don't buy any new positions until we see clear indications from Astro indicators.

Hold shorts in base and precious metal stocks and ETF's.

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

COPPER: \$365.90 TO \$360.50

PALLADIUM: \$630.80 TO \$615.20

PLATINUM: \$1629 TO \$1601.20

INDEXES



Fridays fall in Wall-Street (especially large cap-stocks) must have created a lot of panic in hedge funds. Last week's negative Astro cycle really proved that they are the most important indicators among all other indicators in giving early signs of the coming negative or positive wave.

For S&P to hold 1418 is the most important thing and at this stage we are a little concerned that it might not be able to hold this level as

the markets have a negative time cycle this whole week.

We are also concerned about the way that all the major key stocks like Apple, Google, Chipotle, Priceline, IBM etc...have fallen.

Our simple advice is, don't buy stocks at this stage, S&P may move towards 1373. Don't buy it even if it holds 1418 until Thursday. Wait for our update or alert on late Thursday or Friday.

Don't buy emerging, European and USA stocks; hold selling positions at this stage.

On Monday weakness will continue, and on Tuesday the markets may try to stabilize.

On Wednesday again weakness will continue in all the markets, and specially before closing all major markets will fall.

On Thursday there will be volatility on both sides in all major markets.

On Friday we may see stabilization or recovery in all major markets.

Monday trading range (September 2012 contract):

AUSTRALIAN (Cash) – 4590 to 4542

DAX – 7365 TO 7279

NIKKEI – 9030 TO 8910

FTSE – 5859 TO 5801

NIFTY S&P (Spot) – 5683 TO 5618

S&P – 1435.75 TO 1417.25

SINGAPORE (cash) – 3038.00 TO 3020.00

NASDAQ – 2697.5 TO 2650

HONG KONG (cash) – 21528 to 21193

RUSSELL – 821.25 TO 809.75

CAC – 3479 TO 3497

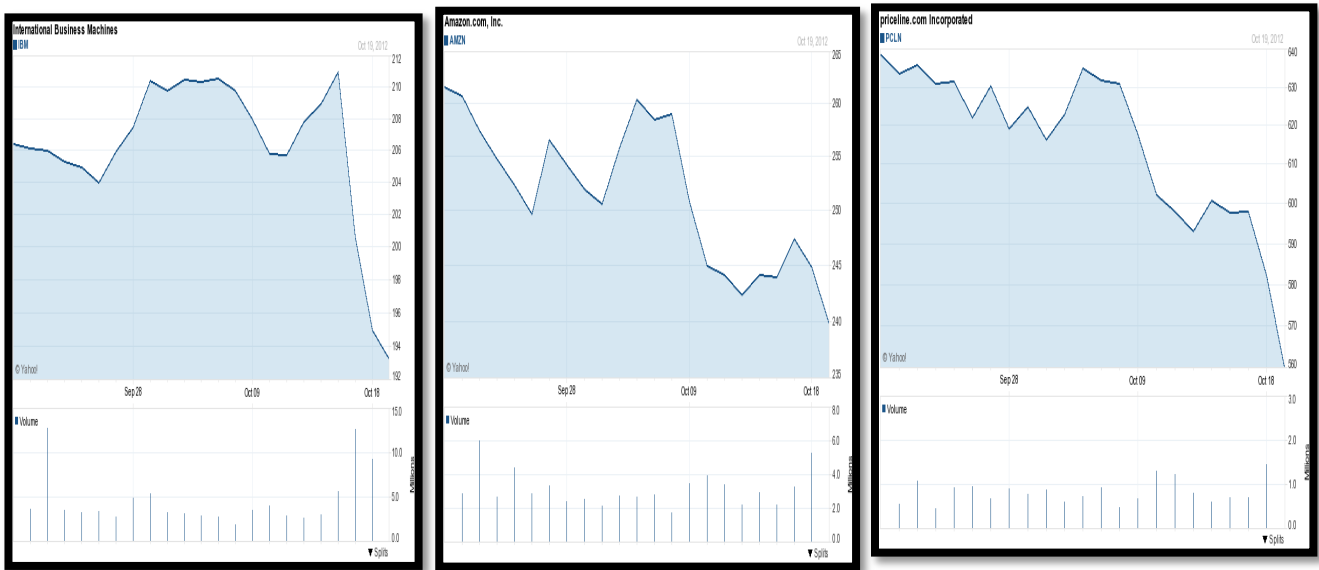
DOW – 13359 TO 13205

This is what we mentioned last week: *In the last two months S&P went to 1463 on higher side and came down sharply from that level. Our higher side intermediate call was 1463 and lower side 1418. S&P have been hanging around between these levels.*

This week bit crucial as per our weekly newsletter, it looks very difficult of S&P holding 1418, if it breaks 1418 it may go to 1389. We don't see SP trading below 1373 in the pending two and half months of 2012.

Here are few key important large companies just started falling down sharply since last week, many are taking these as most scary sign in Wall-street. We may call it as buying opportunity but wait for our indications of buying.

CMG – Chipotle Mexican grill, one and six month chart here below, also Google, Apple, Priceline & Amazon



Banking and Financial are holding stocks are holding indexes otherwise it could have been worst scenario. Any way Middle-east countries stocks are falling sharply. Kuwait stocks went down sharply due to opposition are protesting against the formations of elections system.

Dubai stocks also went down sharply during the last week-end.

India will two bank holidays during this week so commodities, Rupee and stocks markets will remain very cautious. Please hold cash on side, other problems can also arrive from Iran, Israel and other part of world. Don't buy until Astro indicators are not giving clear risk free buying indications.

COFFEE/COTTON



Last week cottons sharp up-move surprised everyone. We have noticed that when other commodities are trading uncertainly, soft commodities trade in the opposite way. Our view is very bullish on cotton and coffee.

This week coffee looks like a great pick around \$159, and those who missed the opportunity of buying in cotton should buy if it comes down to \$75.00.

On Monday soft commodities will trade sideways or a bit weak. On Tuesday the trend will remain mixed.

From late Wednesday start accumulating coffee and cotton as on Thursday and Friday we will see a rising trend.

Monday trading range:

COFFEE: \$163.40 TO \$159.10

COTTON: \$77.88 TO \$75.95

COCOA/SUGAR/ORNAGE JUICE



All these soft commodities traded as predicted; this week these soft commodities will also trade mixed. Among these three commodities we see cocoa performing far better so one can take small positions in cocoa.

Sugar and Orange juice will remain range bound or will trade as per our daily predicted range. Avoid lumber at this stage.

On Tuesday and Wednesday we may see some recovery, and on Thursday and Friday these soft commodities.

Monday trading range:

COCOA: \$2519 TO \$2462

SUGAR: \$20.48 TO \$19.95

ORANGE JUICE: \$114.80 TO \$111.10

TREASURY BOND



Last week on Thursday and Friday Bond prices gained, and we all aware that when there is an uncertain trend in stock markets, it always pushes bond prices higher. This week's weaker trend in the stock markets may push prices higher but we don't see them going above 150.

On Monday we see Treasury bond moving towards a daily high. On Tuesday Thirty Bond will move on the higher side of the day but will come down late

Tuesday.

On Wednesday and Thursday prices will remain positive and this positivity will continue on early Friday and then a sharp correction will come.

By late Thursday and Friday you should be positioning yourself well by taking selling positions in Treasury bond.

GRAINS



This week we will see some recovery in grains, especially corn which is our favorite. Commodity traders must have buying positions in corn in their trading account (either future or call options). We highly recommend keep adding corn against all other trades as corn can be a great hedging trade. In the last two months corn gained against all other grains, we kept recommending sell soy, soy meal and soy oil and buying corn and we are sure these trades must have done great for you.

This week our view is positive for grains, so buy grains (especially corn) on any weaker trend. Cover short positions in Soy, meal and soy oil. Avoid trading wheat, oat and rice.

Late on Monday we may see some recovery starting in grains, and this recovery will continue on Tuesday as well. Some profit booking will come on late Tuesday around the higher side predicted price.

On Wednesday grains will remain in a mixed trend.

On Thursday we recommend buying corn for the medium term and some positions in meal and soy for the short term.

We are targeting corn reaching \$1000 by the end of this year.

Monday's trading range (December contracts):

CORN: \$770.75 TO \$753.50

WHEAT: \$884.00 TO \$859.75

RICE: \$15.15 TO \$14.84

SOY MEAL: \$468.30 TO \$460.30

SOY: \$1548 TO \$1518.75

SOY OIL: 52.25 TO \$51.01

ENERGY



Last week oil remained in a tight range without breaking any side directions. This week we see oil prices breaking down sharply and may see \$83.20 on the lower side so hold your selling positions. On Monday we will see oil opening weaker and trading in the predicted range.

On Tuesday the opening will be stable but later in day we may see some weakness and Wednesday oil may crash after the inventory.

On Thursday it may trade stable in morning hours but it will keep moving down in the later part of the day.

On Friday we see stability. We see a weaker trend in oil during this week.

Natural gas has been performing well, so don't short gas but you can trade in and out as per our daily predicted range. On Monday natural gas will remain in a sideways trend but on Tuesday it will move towards a multi month high.

On Wednesday and Thursday we may see an upwards move in natural gas so buy on weakness or on the lower sides predicted range.

On Friday weakness will come in gas.

Monday's trading range:

OIL: \$91.59 to 89.12 (Dec)

NATURAL GAS: \$4.01 to \$3.86 (Dec)

CURRENCIES



Last week Japanese Yen provided the best returns as it went piercingly low as predicted. We may see a little upwards move in Yen but the overall trend will remain weaker after this week so start building up aggressive selling positions in Yen from late Thursday as well as Friday.

All other currencies will trade weaker against USD. There is no doubt that this week all major currencies will remain weaker but also very volatile

on markets news. This week you have to remain very alert as huge volatility will bring panic, there will be sharp falls and rises so trade in and out.

Emerging market currencies will remain weaker early this week but then these currencies will stabilize later in the week.

British Pound and Australian dollar will lose value sharply against USD, so those who are short can hold their selling position, or those who missed can take some selling positions on Monday.

Euro and Swiss Franc will start coming down, but Swiss franc won't fall much compared to all other currencies. On Monday, Wednesday, Thursday and early Friday all these currencies will trade weaker but on Tuesday and late on Friday dollar will trade mixed against all these currencies.

Dollar index will remain the winner during this week, so hold positions in dollar index.

The best trade will be selling Australian dollar, British Pound and emerging market currencies. We may see dollar index moving towards 80.38 to 80.73.

Monday's trading range (December Future contract).

DOLLAR INDEX – 79.97 to 79.50

AUSTRALIAN DOLLAR – 1.0302 to 1.0201

CANADIAN DOLLAR – 1.0089 to 1.0001

BRITISH POUND – 1.6041 to 1.5901

EURO – 1.3038 to 1.2932

JAPANESE YEN – 1.2637 to 1.2570

SWISS FRANC – 1.0812 to 1.0728

RUPPEE – 54.29 TO 53.60

Thanks & God Bless

Mahendra Sharma

Sunday, 21 October, 2.30 PM Santa Barbara