



Weekly Financial Letter

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Edition: 891

21 December 2013

Weekly Newsletter from 22-27 December 2013

Dear Members,

The last three days have been very tough for me because even though all my major predictions came true my week ended with sad note. The reason I am starting this newsletter with a sad note is that i received at least nine emails from our members and visitors that are saying that I have joined an evil group of bankers who destroyed gold's trend. A few blamed me and said that I have turned against the gold community and am destroying gold's trend by predicting a negative trend, and a few are even saying that I am getting big money for these premarket trends and speaking negatively for gold.

I am very surprised to see these emails. I felt a bit sad because people are blaming me for the fall in gold prices. I don't think that my predictions influence the market trend, and if that was case then coffee prices should have gone up during this year. I never created any negative sentiments for metals, I was just predicting what I saw in the astro cycles. There is no doubt that big money follows based on our work but I don't think that that can influence any market. Please don't think that metals are falling because of me, and neither am I with any bear cartel. Once again I would like to say that I don't love or hate any commodity or any financial instrument in this market and the same I would like to advise you. Just follow the wave and you won't feel pain.

Metals rising cycle will come back again, in 2001 when we predicted gold to reach \$1600 to \$1800 and at that time no one told me that I am supporting the gold community. In 2001 it was my job to predict that honestly and even now, I am still doing my job the same way. Yes, if I kept personal feelings toward gold then I would have recommended buying gold during 2012 and 2013 and most of you would have lost fortunes. So please keep this thought away that I am for or against any different financial instrument.

2014 is knocking on the door, and we are just nine days away from it and I am trying my best to put the E-book out by the second week of 2014. This book got delayed due to my health issue; in fact I almost dropped the plan to write the book but then I decided that I will write a brief outlook with negative and positive cycles for all the major markets including metals, energy, global indexes, currencies, grains, soft commodities and bonds.

This week is a short week due to holidays, and we strongly recommend booking profit on Monday in all major trades and enjoying your time with family and friends. These markets will always remain here. If you want to you can keep trading throughout your life, but ask yourself,



is it worth doing this. Devote time with family, meditate, take a holiday and do whatever makes you happy and don't forget to do service for the needy etc.

Normally in short week markets can trade very volatile due to low volume.

Here is this week's weekly newsletter from 23-27 December 2013

GOLD/SILVER/BASE METALS



During last week gold prices fell from \$1251 to \$1186, and metal stocks also fell big time. So far the planets have guided us very well in 2013 and we are not recommending any buying or new investments in metals at this stage because prices can fall further.

S&P is performing very well and it is the second year in a row that S&P has outperformed metals and metals

stocks. Biotech, transport, capital goods, services and tech sectors are doing amazingly well and the money will keep flowing into the stock market. Look at S&P and gold's chart here. Also here is HUI and other sector's chart and a few metals stocks chart which clearly indicates that metals investors have to think very seriously about their investment decisions.



Metals are in a fix and it looks very horrible because the overall planetary positions are still not supporting

metals trend. Last week we mentioned that don't buying metals due to short term positive technical indications and we still recommend not selling on any rise should be the right strategy in metals.



Those who bought put options on our recommendations must be doing well, and you can still hold those positions. If gold falls below \$1173 then we may see gold going below \$1000 in the next two months. Two major supports for gold for the short term are \$1173 and \$1138 and if these ranges get breached then we may see huge corrections in metals.

During this on the higher side gold can move towards \$1223 and on the down side \$1173. Metals stocks will struggle so there is no need to buy metal stocks at this stage.

During this week on Monday and Tuesday gold prices may hold value and may trade on both sides to a bit positive so trading in and out is recommended.

On late Tuesday one can take new selling positions in gold and silver because on Thursday and Friday gold will move down once again towards new lows. Wednesday is Christmas holiday.

Here is Monday's range: **(March 2014 contract):**

GOLD: \$1214.90 to \$1292.20

SILVER: \$19.65 TO \$19.15

COPPER: \$334.90 TO \$328.50

PALLADIUM: \$705.10 TO \$694.00

PLATINUM: \$1342.90 TO \$1320.70

INDEXES



During last week the USA market made a new high; NASDAQ closed at a 13 year high and the European markets also moved up towards a two weeks high but was still not able to hit a new high. The Asian and South American markets struggled. China and Hong Kong market started looking very shaky, and the news and fundamentals from China started losing attraction. In 2013 the Chinese market underperformed badly compared to the rest of world. The Middle East market also hit five years high so there are positive sentiments with some caution about China.

We were writing the stock market section in our book and it looks like the USA stocks has a great future. Companies are holding billions of dollars in cash, in which country will you find



balance sheets this strong. **We mentioned in mid-2011 when S&P hit 1092 that this is the bottom for the market and that we won't see this level again because the BULL has been born, and this bull baby will start learning how to walk and by the end of 2011, the BULL will become young kid and will have fun running around in 2012, and in 2013 this BULL will reach a young age and all the bears will run away. In 2014 this young Bull will turn into a matured bull and 2015 it will have control over everything. In 2016 Bull will have greed, ego of power which will force many small voices to be born as the bear and finally this voice will take the shape of a revolutions and this bull will get killed. The bear era will come again and they will start ruling Wall-street again. This is the cycle of each market. The same story is repeated for the last hundreds of years. This cycle not only plays in gold, stocks, coffee or currencies but this cycle plays in everyone's life; also for countries and also for this earth. It is a mystery to understand nature's magic because we are the instruments of this magic and nature used us to play a part as decided by nature. We all do great things but at the same time we also commit errors. On our planet, there are good people and at the same time bad people also exist. The bull is there but at the same time the bear also exists. This is a very lengthy topic to understand because tomorrow is there and we all aware that tomorrow will come but what will result from tomorrow is hidden and many times the astro cycles help us reveal what is lying in tomorrow. This part is taken from 2014 book sections.**

We all understand about how important of our existence is here but to enjoy that existence we need to have awareness and if awareness is there then life becomes the most beautiful thing and you want to enjoy each and every moment of your life. Yes, I like writing this in the morning after my meditations, I want to keep this book very simple like a handbook so I won't write much about all these things; surely I will write negative and positive cycles for all major markets.

This week is a short week so trade carefully. The higher side will remain limited but surely no shorts or sell recommended on Monday and Tuesday in any market. You can trade in and out on both of these dates. Yes, we recommend booking 100% profit in Indexes on both of these days so you will be out from indexes but we would like you to hold stocks.

On Tuesday the market will close early and on Wednesday all major markets will remain closed due to Christmas. I wish everyone a merry Christmas and please enjoy your time with your family or with your loved ones.

On Thursday for the first time we see selling pressure coming in the market due to profit book by big guys, so we are not recommending any new buying in Indexes on the lower sides as they can correct below our daily ranges on Thursday as well as Friday. On both of these days we see that the higher side will remain limited and selling will be seen on the predicted higher levels. Higher side S&P may touch 1834 and 1854, these should be watched closely.



Our favorite stocks will be doing great so watch the daily report with the new buying list. We highly recommend new buying on Thursday and Friday and don't carry forward positions towards next week. Asian and European market call fall sharply but India, Korea and Mexico will trade tight. Avoid South African market and Middle East. China, Hong Kong and Australian market will also correct.

Here chart of S&P and Shanghai exchange:



Monday's trading range **(March contract):**

AUSTRALIAN (Cash) – 5289 to 5232

NIKKEI (Sep) – 16156 TO 15920

NIFTY S&P (Spot) – 6328 to 6253

SINGAPORE (cash) – 3105 TO 3065

HONG KONG (cash) – 23051 to 22733

CAC – 4238 TO 4181



DAX – 9450 TO 9360

DEX EURO STOXX – 2945 - 2905

FTSE – 6586 TO 6340

FTSE/JSE – 40208 to 39689

S&P – 1821.75 TO 1805.00

NASDAQ – 3545.00 TO 3419.25

RUSSELL – 1150.00 TO 1136.00

DOW – 16250 TO 16123

TREASURY BOND



Last week on Thursday and Friday thirty year bond prices gained value. We strongly recommend buying thirty year bond on the lower side during this week. On Monday we see a positive trend in Thirty year bond but on Tuesday the range will remain tight. On Thursday and Friday we will see some positive trend in Thirty year bond. Overall, the lower side is limited in thirty year bond. This week call is for short term buy only as

after achieving our target in 2013 we have not yet released the new outlook for Bonds.

Ranges will remain from 129-05 to 132-18.

Monday's trading range (March contract):

TREASURY BOND – 130-20 TO 129-14

SOFT COMMODITIES

Last week finally sugar bounced back from lows, however we are not recommending any new buying at this stage. Trading in and out is recommended as per the daily ranges. Sugar prices will get weaker again from Tuesday.



Cocoa prices never went down last week which is clearly indicating that prices of cocoa will hold at this stage. We are not recommending any selling trade in cocoa for this week.

Coffee and cotton traded on both sides during last week. We strongly recommend staying away from any aggressive trade in both of these soft commodities. At this stage cottons trend looks better so one can hold positions in cotton for the medium and longer term. During this week you can keep adding cotton any weakness as our 2014 outlook is very positive for cotton.

Orange juice and lumber will trade mixed so avoid any aggressive trading.

Monday trading range: (March 2013 Contract)

COFFEE: \$117.20 TO \$113.90

COTTON: \$83.60 TO \$82.40

COCOA: \$2839 TO \$2788

SUGAR: \$16.60 TO \$16.32

GRAINS



I was watching the Sun transit closely and found that it may help grain prices for the next two to three weeks. Among grains corn may gain some value for the next few weeks. Maximum rise could be five to seven percent. Still, the overall medium term trend is negative for grains.

On Monday and Tuesday we see grains prices holding. Gains and corn may move sharply higher. On mid Thursday and Friday we will see weakness coming back from higher levels so trade accordingly and adopting this strategy during this week.

In simple words, trade in and out in soy, soy meal, wheat and buy corn during this week.

Monday's trading range (March 2013 contracts):



CORN: \$438.50 TO \$429.25

WHEAT: \$623.50 TO \$607.25

SOY: \$1348.75 TO \$1328.25 Jan 2014

SOY MEAL: \$437.90 TO \$429.10

SOY OIL: \$40.10 TO \$39.50

ENERGY



Last week oil traded positively on Thursday and Friday which clearly indicates that on Monday and Tuesday oil prices may remain a bit positive but the higher side will remain limited. We don't see oil moving above 101.55 and on the down side we see still it is approaching \$90.00 so plan your trades well. If oil remains above \$101.55 for five days then oil can go back to \$110 but chances of that happening are 3% because the astro indicators are turning negative from Thursday.

We strongly recommend buying puts in oil, heating oil and RB gas on Tuesday or early Thursday. Also you can take selling positions in the future market on Thursday as weakness will come any time from Thursday.

Natural gas moved towards \$4.60 as predicted. We strongly recommend taking some selling in Gas once it reaches to \$4.60. This week on Monday and Tuesday gas will trade on both sides. On Thursday and Friday gas will also trade in a tight range but selling is recommended on the higher sides.

Monday's trading range (February 2014 contracts):

OIL: \$100.05 to \$98.50

NATURAL GAS: \$4.56 to \$4.38

HEATING OIL: \$3.0925 TO \$3.0505

RB GAS: \$2.8010 TO \$2.7590



CURRENCIES



Must have learnt lessons from emerging market currencies trend of 2013. These currencies lost substantial value in 2013. India suffered very badly because India is not an export oriented country, and this pushed the deficit higher. Inflation went higher and the Interest rate also remained higher. International investors also started withdrawing money.

Brazilian Real, Peso, Rubble and Rand range fell also against most of the leading currencies except for Japanese Yen. Peso performed comparatively well compared to all these falling currencies. Japanese Yen fall was created by the central bank of Japan and this was supported by the Government. Japan's zero interest policy didn't help much in the last two decades.

We all aware that USD is at the center of attention and the rest of the currencies move according to their policy as well as Demand/Supply. Last month we predicted that the "end of bear cycle of USD after 14 years". We strongly believe that the bear cycle in USD has ended and a steady rising cycle will start in USD from 2014. We kept recommending buying USD between 79.50 and 80.00.

Last week after the Fed meeting Dollar finally regained from day lows and went almost 1 point higher. Euro was once again not able to cross our predicted astro resistance of 1.3880. It hit 1.3840 high and then came down sharply.

Selling recommendations in Australian dollar, Japanese Yen and emerging market currencies remained the best trade among currencies in 2013.

This week dollar will trade mix on Monday and Tuesday. This is a great time build USD positions on late Tuesday or Thursday against Pound, Euro and Swiss Franc. This week JAPANESE Yen will trade mixed or on both sides. One should cover all short positions in Yen as soon we will release a buying recommendations for the short period.

Emerging market currencies will trade a bit weaker during this week so on the lower side one can buy USD against most currencies.

Japanese Yen will hold gains so one can take buying positions in Yen on Tuesday.

In short, dollar is ready and Yen is also ready to gain against most currencies.

Monday's trading range: (March contract)

DOLLAR INDEX – 80.99 to 80.57

AUSTRALIAN DOLLAR – 0.8902 to 0.8825



CANADIAN DOLLAR – 0.9416 to 0.9339

BRITISH POUND – 1.6370 to 1.6268

EURO – 1.3719 to 1.3629

JAPANESE YEN – 0.9675 to 0.9577

SWISS FRANC – 1.1225 to 1.1119

RUPPEE – 62.40 to 61.90 (Spot)

RAND – 10.38 to 10.28 (Spot)

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Predictions which came true in the 2013

- S&P predictions: Our target was 1750 by Dec 2013 and it got achieved. We predicted this when it was at 1405
- JP Yen: Our target 0.9700 got achieved, we predicted when Yen was 132.00
- 30 Year Bonds: Our target on the downside was 130, we predicted when it was 150.00
- Our view on gold and silver was very negative for 2013, Gold achieved \$1150 and silver 18.50 target
- Precious metals stocks and HUI kept moving lower in 2013 as predicted
- Sharp fall in emerging market currencies (Rupee, Rubble, Real, Rand) in 2013
- Rupee target of 70.00 against USD got achieved
- Weakness in Australian dollar in 2013, our target of 0.9000 got achieved
- Japanese stock market upward trend in 2013
- Technology, Food and Biotech stocks rise
- Grains and oil predicted ranges got fulfill in 2013
- Master Card, Apple, Visa, HZNP, FMCC, FMNA, Starbucks, Google, Goldman provided more than 100% returns
- Positive trend in Real-Estate in 2013



- Our view was very bullish for USA and rest of world equity stock market for 2013
- Our view was very negative for commodity and commodity stocks for 2013

Wrong Predictions of 2013

- Softs rising predictions came wrong as coffee, cotton and sugar kept falling
- We predicted dollar Index rising but it is still trading around 80.00 level
- Uranium stocks underperformed

Thanks & God Bless

Mahendra Sharma

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Predicted on 21 December 2013, Sunday 7.00 AM Santa Barbara

Make wave of nature/astronomical cycle an integral part of your trading/Investment strategies!

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Reading daily range: When we predict a **weaker trend** it means prices can break lower side and they can trade below predicted lows. (You can cover short but don't buy extra at lower levels until our indicators give buy signal).

When we predict a **positive trend**, means daily price can break upside and they can trade higher than predicted price (you can book profit but don't short that market).

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