



Weekly Financial Letter

By
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Weekly Financial Letter from 27 to 31 January

Plan you strategy well to take complete advantage of this most amazing rising cycle from February in equity market

Dear Members,

Last week on Thursday and Friday the markets started falling. The fall was purely on news of weakness in emerging markets currencies, credit concerns, the rising debt issue, growth concern, no political wills or bad governance, and underperforming stocks in these countries, which is bringing uncertainty in the developed markets. Turkey, Puerto Rico, Argentina, China, Brazil and Thailand are going through financial and political instability.

USA and European markets started falling from Thursday and Friday and they went down sharply. Stock prices start coming down but we see this fall will be final one and once the rising journey starts from here it won't stop so take your time to get ready to invest fully in market.

According to the astro cycle of 2014, here is a brief strategy according to the planetary movements.

In this years book we mentioned that January 2014 would remain mixed, and so far the USA market has remained in a mixed direction. This is a great time to acquire quality stocks so don't miss this opportunity to acquire stocks on weakness. This week is the Fed meeting so get ready to pick up stocks on any weakness on Wednesday and early Thursday. Once again we would like to remind you that S&P is ready to cross 2000 in the first quarter.

Scorpio Moon will be over on Monday, so plan well and once the Fed meeting is over then you should start investing. Those who are holding quality stocks can keep holding them as by the end of this year these stocks will move far ahead from current levels after this week.

In the last two years on many occasions sharp falls brought opportunity and those who got afraid missed the opportunity. Each corrections of last two years have proven to be short lived because the market moved up sharply within a few weeks and the same may happen this time. **The most important level for S&P is 1761 so what this level closely.**

Precious metals moved up during last week, but we are not recommending investing money in Metals at this stage. Natural gas moved up 10% on Friday, and it moved up towards a 4 year high. Stay away from Natural gas at this stage as cold weather will play a role.



Our favorite stocks should perform well in 2014, so keep the bigger picture in mind to make good money in 2014 and 2015. Eventually the emerging markets will also join the equity rally and these currencies will stabilize and if the Greece, Italy, Spain, Ireland and Cyprus issue goes away then the current uncertainty in the emerging market will go away.

Most important points to remember:

Everyone is blaming the fall of stock prices on the flop show by emerging market countries but we discard this because the problem of emerging market countries would have impacted commodities more than stocks.

We strongly believe that last week's weakness in stocks has come to rescue the emerging market, markets. We see the emerging market bottoming out with S&P and from there they will start walking with S&P on the most unique bull cycle.

Since the last two months we have been stating that the higher side for S&P would be 1834 and on the maximum side 1854, and this has proven to be very true. S&P was never able to cross 1854 so expect five percent correction. On the down side we have been mentioning 1761 as the most important support level, so watch this level very closely.

This Week Newsletter from 27-31 January 2014

GOLD/SILVER/BASE METALS



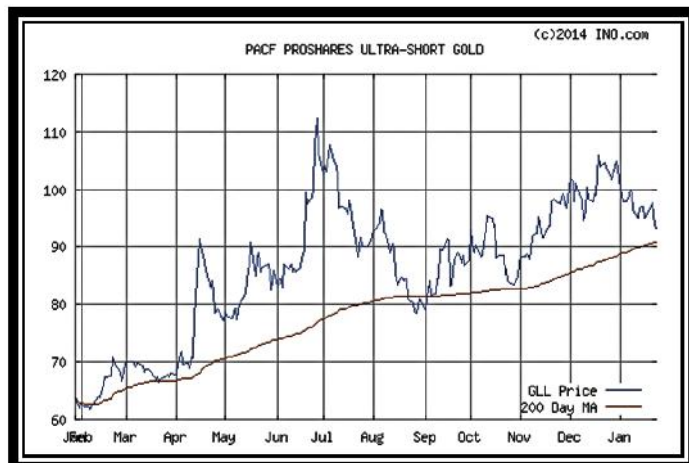
According to astro combinations this is the final positive week for precious metals, and from Thursday gold will start falling down sharply so we warn investors about gold trend. Watch metals stocks closely as they have been moving up sharply in since mid-December 2013 but they are still far below where they were a few years ago.

should stay away from metals and metal stocks. Watch \$1268 and \$1297 as these levels will be a strong astro resistance and gold won't be able to hold above these levels after Thursday.

Here are a few of the best trades:

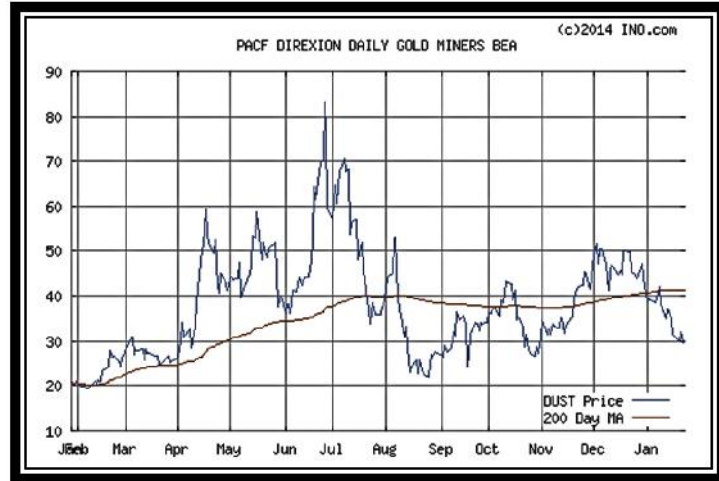
GLL and DUST (Ultra 3x high leverage), buying call options in these two etf's will be a great trade. Buy June Call options as

Metals will come back into a bull era but at this stage you





both of these are bear etfs so if metals fall then these etfs will rise. Buy GLL call options of April 2014 at the strike price \$100 (currently trading around \$3.30) and buy DUST March call options at the strike price \$32 (currently trading around \$3.90) as we see weakness in metals so both these call should make you good money in the next two months.



Buy June 2014 Gold put options, the strike price of \$1200, it is trading around (\$25).

This week on Monday gold and silver will trade mixed to positive in Asia and European trading sessions but it will start giving up gains in USA trading sessions. Base metals will trade mixed to negative.

On Tuesday gold and silver will trade either sideways to both sides, adding some selling on the higher side is recommended. Fed decisions is on Wednesday, and traders would like to hear the Fed's announcement before they bet on metals. **Our astro indicators are indicating a weaker trend in gold and silver so selling on any sharp rise on Wednesday is highly recommended as our astro indicators are clearly saying that gold and silver won't able to move higher after 3.30 PM New York Time on Wednesday.**

On Thursday and Friday astro indicators are indicating a negative trend in precious metals as well as base metals. Base metals will also follow precious metals so it is very clear that selling in both these metals is highly recommended at the higher side and at the same time you can take ETF bets.

Get out from metals stocks if you are holding any positions in them.

From the middle of this week gold is ready to break down and silver will follow gold, February may turn out to be the worst month.

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

GOLD: \$1277.80 to \$1251.20

SILVER: \$20.10 TO \$19.62

COPPER: \$328.50 TO \$324.10

PALLADIUM: \$737.80 TO \$726.80

PLATINUM: \$1441.00 TO \$1412.70



INDEXES



In 2012 and 2013 most investors missed the most powerful stock rally. They never believed that housing and economic growth could turn around in USA so many big guys stayed away from the markets. Anyway's, these two years proved to be the best for investors, and now many are doubting whether the rally will continue in 2014 due to many other challenges arising with China, and other emerging markets and their currencies.

Do you think that this world would ever be tension or concern free? No, don't expect that to ever happen. The same applies to our own life; there are always ups and downs with emotion, work, personal life and finance. Once we start living with these issues without giving attention to them then life will become 90% fearless. The USA equity market adopted this path in 2012, and started ignoring these issues and kept walking on its own path which proved to be a great journey in 2012 and 2013.

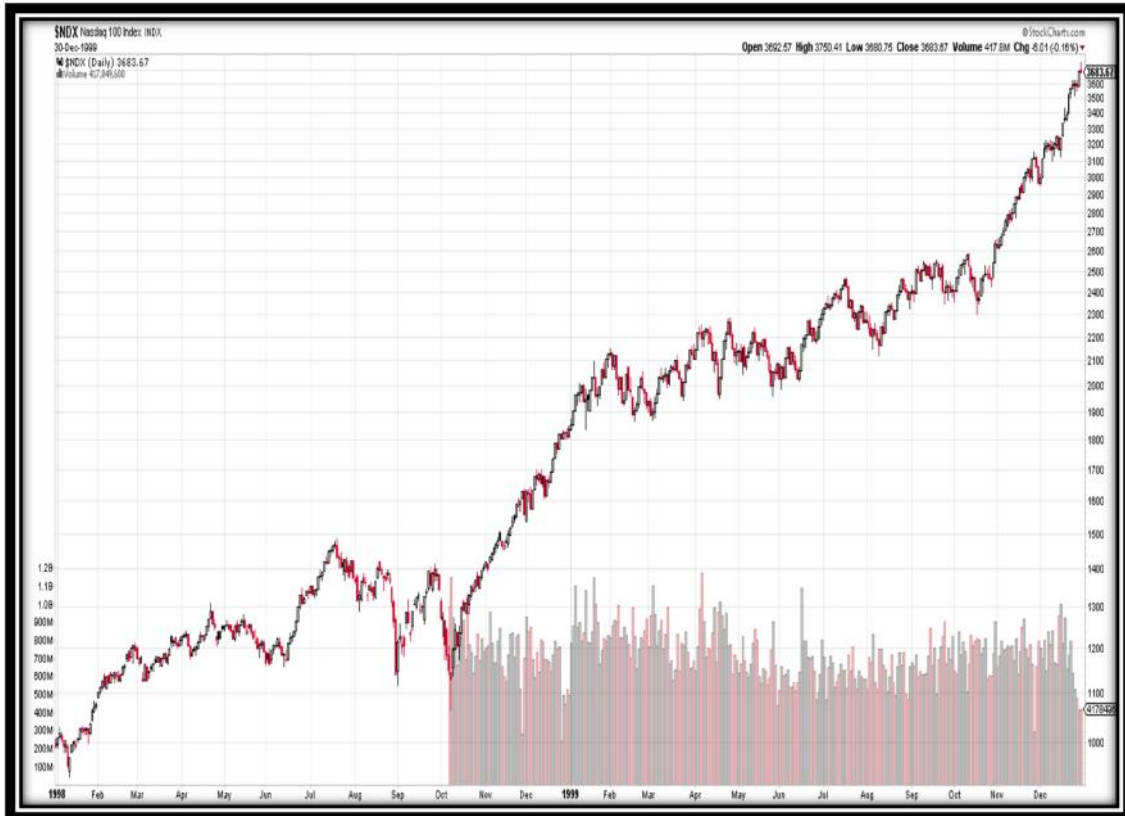
Don't think that this exciting journey in S&P is over, it won't end like this. I was saying the same thing to my friends in August 1998 when Nasdaq had a sharp fall. A few of my friends got very scared and told me Mahendra stocks are falling hard and they may crash. It was a panic filled month because I was invested in tech. I said to my friends, 'Close your computers and don't look at prices because soon the market would start rising towards new highs and would rise until early 2000, and that would be the right time to sell and get out'.





Here I am putting tow charts, first one above corrections chart of 1998 in Nasdaq which continued for the two months from **(19 August 1998 to 8 October 1998 so total 18%)** and after that Nasdaq never looked back **(from 10 October 1998 to 30 January 1999 Nasdaq moved up 110%)**.

This is below second chart of two year from 1998 to February 2000 Nasdaq moved 500%. My point is that if you focus too much on the short term move then you may miss most unique



bull cycle.

Each bull market rises with a small break and this is happening after every four months. We will see a very strong rally once this correction gets over. S&P has to reach 3200 as predicted in December 2011, so we are not changing our predictions as we did in the past.

This week Monday is a Scorpio Moon so volatility and fear will be there. We will see a negative impact on Asian and European markets due to a sharply lower close of USA equity on Friday. We strongly recommend not to trade on Monday, stay away and watch the market trend closely. USA market will trade on both sides on Monday because the Scorpio moon will be ending in the last hour of New York trading sessions.



On Tuesday the markets will start stabilizing, so one should start adding some positions in all major markets on fall.

Wednesday is the Fed decision and we don't see any major changes in Fed policy just like last month so don't expect any surprise on Wednesday. **Any corrections after the Fed decision should be taken as a buying opportunity.**

On Thursday we see money coming back into the USA market, so take the buying opportunity on weakness and Friday will be the end of this ongoing bear trend.

Important note: Watch 1761 level closely because S&P will bounce back from this level. Watch Biotech stocks closely as from Tuesday onwards these stocks will rally strongly. Frontline stocks will enjoy the ride from Thursday so get ready to put money in them. Don't miss this buying opportunity in Apple, Microsoft and many of our favorite stocks.

Monday's trading range (March contract):

AUSTRALIAN (Cash) – 5237 to 5165

NIKKEI (Sep) – 15109 TO 14720

NIFTY S&P (Spot) – 6273 to 6210

SINGAPORE (cash) – 3056 TO 3030

HONG KONG (cash) – 22251 to 21844

CAC – 4170 TO 4115

DAX – 9410 TO 9302

DEX EURO STOXX – 2942 - 2905

FTSE – 6630 TO 6535

FTSE/JSE – 41355 to 40880

S&P – 1793 TO 1773.00

NASDAQ – 3561.00 TO 3506.25

RUSSELL – 1148.75 TO 1134.50

DOW – 15930 TO 15716



TREASURY BOND



Uncertainty in equities put treasury back in focus. Last week thirty year bond gained value and this positivity will continue during this week. On Monday prices will remain positive. On Tuesday we see a mixed trend but thirty year bond will still hold value. On Wednesday it will top out and on Thursday Thirty year bond will fall and the same kind of trend will continue on Friday as well.

As previously mentioned, we don't see thirty year bond going higher than 135, so start selling or shorting thirty year above 134 or from Wednesday high.

Selling Thirty year above 134-10 will be the best trade during this week.

Thirty year bonds traded mixed. 128 is a very strong astro support point which we predicted six months ago when we recommended selling at 150.

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

TREASURY BOND – 133-19 TO 132-08

SOFT COMMODITIES



This week one should start accumulating Sugar and coffee without fear. We strongly recommend buying sugar call options of March 2014 with the strike price of \$16.00. Though astro indicators are not showing any "V" shape recovery, the down side will surely be limited.

Since the last two months our accuracy level in coffee has gone up once again after a miserable 2013. One can start buying coffee on Tuesday or around \$111.00. At this stage coffee will refuse to go below \$111 so take this buying opportunity.

Cotton prices will trade mixed but don't miss this buying opportunity or the opportunity for adding more positions around \$85.00 level. Two weeks ago our buying recommendations in cotton around \$83.00 did very well because it moved \$5.00 points in six trading sessions. Hold positions in cotton and add more on any weakness during this week.

On Monday most commodities will trade mixed but one can start aggressively buying positions in cotton, coffee and sugar from Thursday. From Tuesday also the trend looks mixed to positive.



Lumber, Cocoa and Orange juice will trade sideways to weaker so there is no need to block your money in these soft commodities or just trade in and out as per our daily recommendations.

Monday trading range: (March 2013 Contract)

COFFEE: \$115.40 TO \$112.75 (Buy)

COTTON: \$87.80 TO \$86.50

COCOA: \$2820 TO \$2760

SUGAR: \$15.28 TO \$14.97 (buy)

GRAINS



This week corn is giving clear buying indications, and there will be a major bull market in corn during this year which shall start from May 2014. At this stage buying trades can be taken for the short term and any rise of 3 to 5 percent should be also taken as a profit booking opportunity. Corn will be the best trade among grains in 2014.

Our astro indicators are still not showing any positive indications for Soy, Soy meal and soy oil. At this stage Soy meal and Soy Bean will trade sideways and so don't buy any positions in soy product at this stage. Until March we don't see any major move in grains except for corn so trade carefully.

Wheat will trade directionless at this stage. Buying corn and selling Soy will be a good hedging trade for this week.

On Monday we see profit booking coming at higher levels in Soy products but one can buy corn at this stage and hold corn buying positions until Thursday. Stay short in Soy and meal because prices will remain weaker.

Grains traders remember the trend of 2012 very well because Soy prices hit historic high and corn also moved to its highest level due to drought and I kept writing that August 2012 would be the top for Soy. In USA farmers never lost money in 2012 even though there was drought because crop insurance paid them handsomely. We are all aware that in 2013 it looks like there will be a big yield so plenty of corn and Soy will be available. Farmers sold old crop and they will also be selling new crop.

In 2006 there was the same kind of situation but our astro indicators turned very bullish and we predicted a bullish trend for 2006 and 2007. After that period we never saw a very bullish



trend expect for in 2012. Anyway's, stay away from any big buying positions in grains as the fundamentals and astro indicators are showing mixed to weaker single for grains.

Monday's trading range (March 2013 contracts):

CORN: \$433.75 TO \$426.50 (buy)

WHEAT: \$573.50 TO \$557.50

SOY: \$1284.00 TO \$1266.00

SOY MEAL: \$430.80 TO \$420.00

SOY OIL: \$37.80 TO \$37.25

ENERGY



We still remember the situation two years ago when many of our members where got stuck badly in gas buying around \$2.45 and prices drop below \$2.00. We recommended buying call options and holding positions in it. Last week Natural gas crossed \$5.00 on Friday on extreme cold weather in North-East.

This week oil will remained range bound so trading in and out is highly recommended. As we mentioned in last weeks newsletter, oil may not be able to cross \$99.88 and we still hold that prediction. Trading in and out on a short term basis will remain the best strategy at this stage. On Monday oil prices will trade on both sides. On Tuesday we may see weakness coming in oil and the same kind of trend will continue on Wednesday. On Thursday we see a sideways to positive trend from the middle of the day and on Friday oil prices will fall.

This week we don't see any major move in oil and RB GAS as they will trade on both sides.

Heating oil is following Natural gas but stay away from gas as prices of heating oil will fall sharply from next week. This week heating oil will remain in a tight range so don't short heating oil at this stage.

Natural gas moved up sharply during last week. This week gas prices will trade volatile and may move higher. **Natural Gas has crossed our astro resistance level of \$4.65 which is a very bullish sign. From now on GAS will remain in a positive direction as long as it remains above \$4.65 so don't short gas until gas is above \$4.65.**

Important note: In the next eight days energy products, "oil, heating oil and natural gas may top out but also the down side will remain limited".



Monday's trading range (ALL March 2014 contracts):

OIL: \$97.70 to \$95.30

NATURAL GAS: \$5.12 to \$4.79

HEATING OIL: \$3.0585 TO \$2.9855

RB GAS: \$2.6820 TO \$2.6400

CURRENCIES



Last week talk of emerging market currencies remained in most of newspaper headlines as emerging market currencies started falling down sharply, On Friday Indian Rupee, South African Rand, Russian Rubble, Mexican Peso, Brazilian Real, Argentina Peso, Chilean Peso, Turkish lira, Thai Baht, Malaysian Ringgit and Indonesian Rupiah fell sharply. It is clear that money has been coming out from these countries, investors are withdrawing from Bond and equity investment from these countries otherwise why these currencies falling. I believe that main reason is USA dollar and USA equity outperforming which is forcing big guys to withdraw from these emerging markets. **We recommend investors not to involve with these currencies trading at this stage** but surely with in few week one can start buying these currencies as eventually dust will settle.

We are surprisingly Australian and Canadian dollar are also walking on the same path as emerging market currencies but surprisingly that no one is talking about Australian dollar and Canadian dollars. It is very clear that the coming at least six months still looks terrible for mining stocks and metals.

In 2002 we predicted that South African RAND would gain value from 13.50 to 6.00, and no one was ready to buy that prediction. Even I was nervous when I was writing this predictions but it got fulfilled. In 2011 we again predicted the fall of Rand, Rupee and all major emerging market currencies and this prediction is also proving to be right on spot at this stage.

At this stage everyone is busy talking about the bearish trend of emerging market currencies but no one is talking about Euro, Pound and Swiss franc. Anyway's, the investor community should get ready for a bearish cycle of Euro and Swiss FRANC. We still see euro not only going towards par value but it will go beyond anyone's imaginations so trade carefully and plan your investment well. We strongly recommend investors to keep money in USA for the medium and longer term. Since the last 26 months we have been repeating one mantra "the era of USA and USD is coming", made in USA will become the most powerful tag once again and everyone will be in a rush to acquire USD.



Metals are in a negative trend so trade carefully, and keep investing your money in dollar assets class.

Monday's trading range: (March contract)

DOLLAR INDEX – 80.88 to 80.27

AUSTRALIAN DOLLAR – 0.8721 to 0.8610

CANADIAN DOLLAR – 0.9047 to 0.8980

BRITISH POUND – 1.6575 to 1.6408

EURO – 1.3718 to 1.3639

JAPANESE YEN – 0.9845 to 0.9700

SWISS FRANC – 1.1242 to 1.1120

RUPPEE – 63.17 to 62.45 (Spot)

RAND – 11.27 to 11.00 (Spot)

Best trade of this week and for medium term:

Buy USD against leading currencies like euro, pound and Swiss Franc from Wednesday

Buy aggressively in market and country like India from late Wednesday or Thursday

Corn, Coffee, Cotton looks great buying trade

Sell metals from late Wednesday or Thursday

Trade in and out in energy and grains

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

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Here is last year track record from 2013 financial predictions:

Predictions which came true in the 2013



- S&P predictions: Our target was 1750 by Dec 2013 got achieved, we predicted when it was 1405
- JP Yen: Our target 0.9700 got achieved, we predicted when Yen was 132.00
- 30 Year Bonds: Our target on 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 of 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 but still trading around 80.00 level
- Uranium stocks underperformed

Order 2014 Financial Predictions E-book

<http://www.mahendraprophecy.com/2014-financial-predictions-ebook.php>

Thanks & God Bless

MAHENDRA SHARMA

Predicted on 26 January 2014, Sunday 09.00 PM Santa Barbara

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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