



Weekly Financial Letter

By
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Weekly Newsletter from 8-12 October 2012

Dear Members,

Today we would like to talk about very important geo-cosmic events that will take place on the 23 December 2012. As per our calculations, the world should watch 22, 23 and 24 December 2012 very closely as the changing North-node on 23 December will surely cause unexpected events to take place on our planet. These dates are very important for the markets (commodities, Indexes and currencies). The changing house by North-Node and joining Saturn to Libra will be interesting to watch the Sky as the North-Node is represents Shadow and gravitational power. You can't visualize the North-Node like you could any of the other planets, it represents darkness, shadow, cloudy or hidden gravity impact. Like last year's changing North-node brought Tsunami in Japan.

It is always very difficult to catch events, but surely the North-Node joining Saturn may take a few days to adjust and to form its relationship in one zodiac house. From now and the 27 December, we will see one sharp correction in markets and commodities for the forty eight hours and after that a new chapter of bull market will start.

It is always difficult to predict the value of any stocks because sometimes stocks fall below par value but they don't find investors and in a bull market PE ratios and NAV remain on the sideline because there are too many buyers out there waiting to buy.

Currently the markets may push higher during this week before they take a small breath. During this week we will recommend booking profit on rise and creating some cash to re-enter the markets. The best trades will be soft commodities, watch these commodities closely as big fireworks will take place in the year 2013, buy some call positions for December 2013 as currently you are getting them at far batter prices.

Oil currently looks very negative and we are not recommending buying any positions in oil, buy other etf's like construction and bio-tech and sell oil etf's as this will be a great hedging play.

Keep a close eye on Syria, Iran and Venezuela. In the last weeks newsletter we clearly mentioned that some big problem is coming in Syria, and as per our theory we should count the number of days that Al-Assad stays in power. Iran is heading for regime changes but on the other hand Hugo Chavez is so popular due to \$2.00 gas price. Currently Venezuela has the cheapest price on the pump; not Saudi Arabia, Kuwait, UAE or Iran. On Sunday Venezuelan's will be voting and we don't see any regime change there. Hugo Chavez is coming back, and the UN or western world won't like to see this happening.

Mahmoud Ahmadinejad (Iran President) will be thrown out before the next elections, and this may be healthy for Iran in the longer term. N. Korea and Cuba are not really in talks, and small issues comes will come and go from Korea but they will not really affect the world much. The only



concerning issue is Iran. If Ahmadinejad remains in power for the next four years then we will see a war between Israel and Iran, USA will get involved, and that will be the time when oil can spikes for short period and gold can hit \$3000 or higher (This possibility in 2015).

Let's see what this week indicates for markets from 8-12 October 2012

GOLD/SILVER



In 2001, 2002 and each year we have constantly been stating that the longer term outlook for gold and silver is very bullish. This year under the most uncertain environment when many known gold analysts were predicting gold going to \$1200, we constantly maintained that gold will hold \$1530, if I look back then it has proven to be a great advise to our members.

Anyways, gold and silver will keep moving higher in the longer term so buying call options will be a great strategy for you at this stage. Wall-Street is not expecting great results from QE3 but we don't see any major impact on gold and silver.

We are not really that excited about precious metals for this week but surely futures and physical markets will remain in demand.

This week on Monday and Tuesday gold/silver will struggle, so selling them on rise that should be the trading strategy for short term traders.

On Wednesday, Thursday and Friday we may see positive momentum in metals so buy on weakness. On Friday you should be out from metals positions the next up move will take five to ten days.

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

GOLD: \$1789.90 to \$1765

SILVER: \$34.86 TO \$34.03

BASE METALS



Platinum is outperforming other base metals at this stage, weaker South African Rand is helping platinum prices, in fact due to Rand's term platinum is rocking. Our view for this week is still bullish for base metals. You can add positions in base



metals on Tuesday, as we see prices moving higher from mid Tuesday onwards.

Copper has been struggling to move above \$380 but we won't be surprised if it does this week. Palladium has been underperforming but this week it may turn around and platinum may surprise traders again on Tuesday and by Friday it should move to a new high of 2012.

On Monday and Tuesday base metals will remain sideways or a weaker, but from Wednesday onwards we see a rising trend and it should remain positive until Friday. We highly recommend booking profit in base metals on Friday.

Important note: **Positive short term cycle shall start from mid Tuesday so one can buy precious and base metals on Tuesday**; metals should remain in a positive direction from Wednesday to Friday to show positive cycle in the coming two months.

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

COPPER: \$379.80 TO \$373.20

PALLADIUM: \$662.00 TO \$650.20

PLATINUM: \$1714 TO \$1687

INDEXES



Currently most of our investors are divided on the trend of Wall-Street from here. Many are saying that stocks are expensive, and many will be waiting for the earnings as most of the key 500 companies will start releasing reports from this week. Many say Europe is still in an uncertain scenario and others are still concerned about the slowdown in China and USA recovery.

I have been in market for the last 25 years, and Investors always come with new headlines every single day, it doesn't matter if the market is at the bottom or at the top. We don't follow the numbers or in which directions the markets are trading, we just follow the wave of Astro cycles. If you hear too much noise then you will get confused; just follow the wave, and try to see how your own cycle is because your own Astro cycle plays a crucial role in your success. It doesn't matter how much knowledge you have, but if you are in a negative cycle you are bound to make errors; you bound to get in and out of trades at the wrong time, so basically when your own time cycle is not with you then you should take less risks or break from trading and better to wait for some more time until a new time cycle starts. In the past, once a year I used to give a few weeks where I read our members current Astro chart with their birth chart but we were not able to do this during this



year. We may take out some time to do that in the month of November between 23 to 30, and those who would like to know the cycle for 2013 as per their birth chart, should subscribe by paying \$750 and this is only for our newsletter Members.

Anyways, lets get back to the current market trend, as we still see stocks moving higher, we still believe that S&P may touch 1559 to 1579 or even 1600 is very possible. Any corrections in the market will last for a short period. Before the markets reach 1600 we may see one correction and that may happen around the third week of October.

Don't short the markets at any point at this stage, and any weakness should be taken as a buying opportunity. Emerging markets will perform extremely well during this week, and European markets may struggle during this week but they will also make a new high.

Play hedging trades at this stage, buy FTSE or DAX and sell CAC. Buy Singapore, Australia, India and sell Nikkei. Buy S&P and sell Russell.

Transport and Utility sectors underperformed in USA during the recent rally, house builders stocks are to bottom out after long period of weakness. On the other hand **retailer, finance, Pharmaceutical, constructions, and religion banks** have performed very well.

This week looks promising, and we highly recommend buying Indexes on any weakness, we don't see S&P going below 1421, so the down side very limited and on the higher we can expect 1506 in a few weeks.

On Monday and Tuesday we will see the markets trade a bit weaker or sideways but from late Tuesday you will see a buying opportunity so don't miss it. On Thursday and Friday we will see sharp up moves; add more position on Wednesday.

Monday trading range (September 2012 contract):

CAC – 3444 TO 3383

DAX – 7401 TO 7305

AUSTRALIAN (Cash) – 4515 to 4490

FTSE – 5848 TO 5789

NIKKEI – 8925 TO 8815

S&P – 1460.25 TO 1446.75

NIFTY S&P (Spot) – 5762 TO 5717

NASDAQ – 2815.5 TO 2783

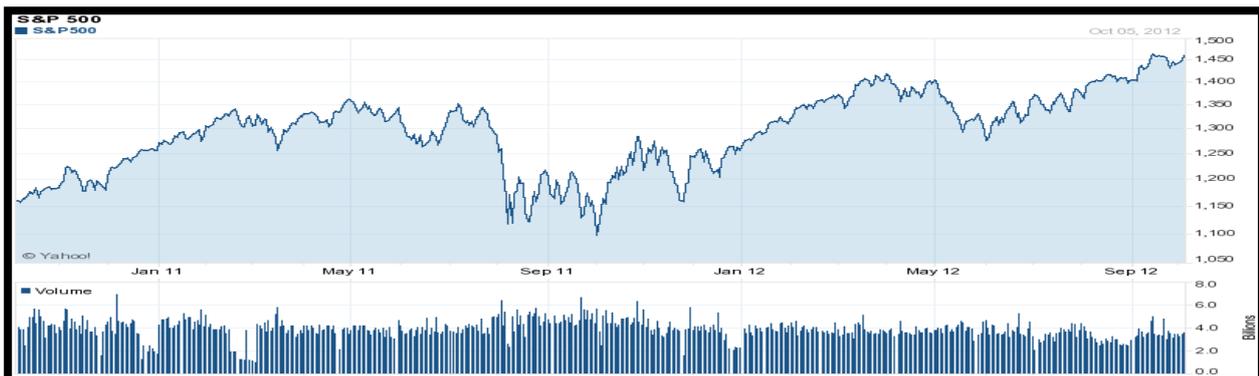
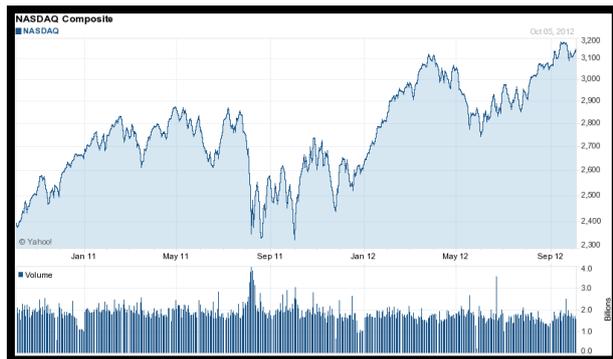
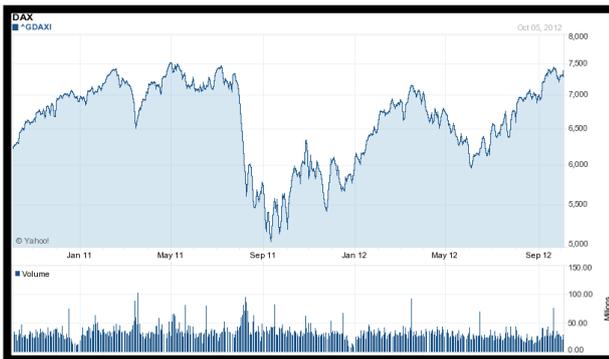
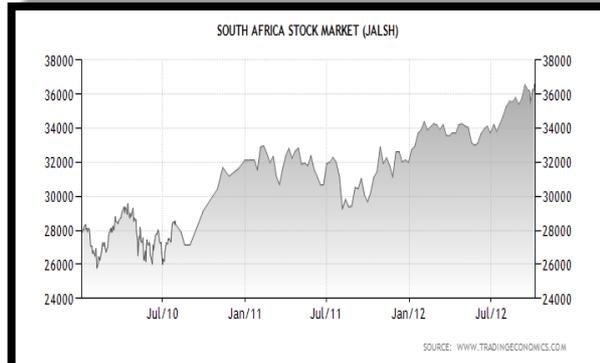
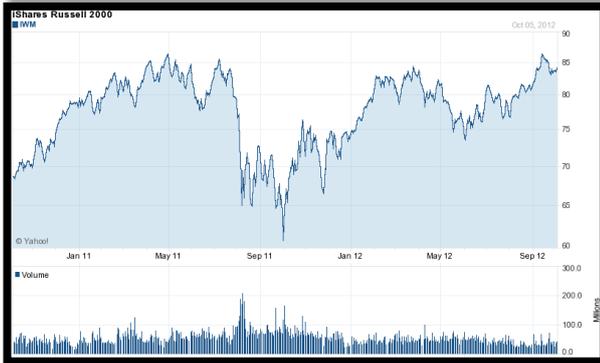
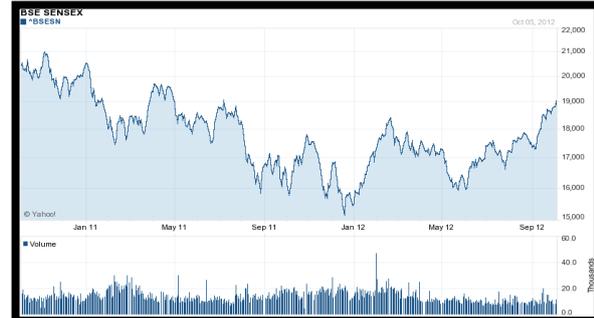
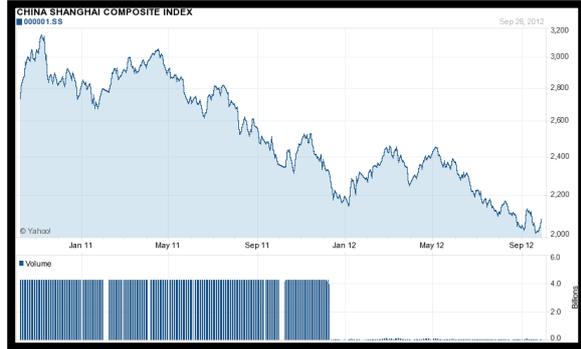
SINGAPORE (cash) – 3119.00 TO 3097.00

RUSSELL – 843.25 TO 830.75

HONG KONG (cash) – 20987 to 20832

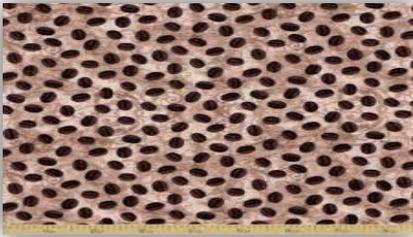
DOW – 13545 TO 13451

Here below are few charts of emerging market, European and USA indexes two years charts. We can clearly see that China is lagging behind big way and all other world indexes are losing charm against USA equity performance. See these charts very carefully.





COFFEE/COTTON



This whole year both these soft commodities have been struggling, and we were not able to read them perfectly for the short term trend.

One thing we are sure is that coffee will move towards \$400 and cotton back to \$200. We are not sure when this rising journey will start but surely by the end of the year, and that will be a great time to acquire positions aggressively in both these soft commodities.

Those who are still waiting to enter in coffee and cotton should start buying call options trades in coffee and cotton, Buy calls of coffee at strike price \$200, and cotton \$100, buy December 2013. Don't miss this buying opportunity at any cost. Your money will grow ten times in a year, but this is the future markets so one should take small bets.

Here is cotton and coffee charts of last eight year. We are expecting huge move in both these soft commodities in the next two years.



This week on Monday and until mid-Tuesday both these soft commodities will trade sideways, from late Tuesday you should start buying some positions and keep adding trades. Coffee will outperform all other soft commodities including cotton, in fact in 2013 coffee will outperform all other commodities including metals and grains.

Monday trading range:

COFFEE: \$171.80 TO \$166.80

COTTON: \$72.08 TO \$71.17



SUGAR/ORANGE JUICE/COCOA



Don't invest money in these three soft commodities; we see weaker trends in cocoa and orange juice. Sugar will trade mixed. Lumber will keep moving higher so take positions in lumber. Cocoa and orange juice can fall around five to seven percent but sugar will trade on both sides. It would be better not to involve money in these soft commodities, yes buy lumber as new higher range is possible.

Monday trading range:

SUGAR: \$21.79 TO \$21.09

COCOA: \$2405 TO \$2350

ORANGE JUICE: \$116.50 TO \$114.00

TREASURY BOND



Last week Treasury bond went down sharply, our predictions of Treasury bond is doing amazingly well. Hold you trades in bond and add more shorts on Monday and Tuesday as Thirty year bond will make new multi months low during this with week. This is a great opportunity to make money in thirty year bond as prices will keep moving lower.

Monday's trading range:

TREASURY BOND – 148-12 TO 147-07 (Dec)

GRAINS



We are not very keen for you involving your money in grains, yes they will keep moving on both sides as per the predicted range in the weekly letter and daily Flash News. Before we used to just write a weekly newsletter but since we started the Flash News services that ready helping our members to trade in and out and are giving us a great understanding of the markets on a daily basis.

Trade in and out in grains at this stage, if you like to, buy corn, soy meal and soy then sell wheat.



We may see some short term upwards moves in grains but the higher will remain limited. From late Monday we will see some recovery and this recovery will continue on Tuesday.

Monday's trading range (December contracts):

RICE: \$15.20 TO \$15.00

CORN: \$755.75 TO \$738.50

SOY: \$1568 TO \$1540.75

WHEAT: \$866.00 TO \$845.25

SOY MEAL: \$478.30 TO \$466.30

SOY OIL: 51.83 TO \$50.59

ENERGY



Watch our predictions for oil as oil will be one of the worst performing commodities in the coming time. We highly recommend not to take any buying positions at this stage, we are also aware that many are concern about Iran and the geo-political situation. Also a few sent me emails that as we are predicting rise in metals and stock may not push also oil prices on higher sides? Our answer is, the higher side in oil will be limited, in the current short term cycle one can sell around the days higher predicted prices, or you can trade in and out.

Last week Oil was falling but the positive outcome of Romney from the debate pushed oil prices higher the next day. If you see the history then oil prices have always remained higher during the republican rule and during the democrat rule oil is always struggling. The oil industry is very much aware that Romney's policy towards oil will benefit them, and the Obama administrations would like to cut benefits of the oil industry.

This week you should keep selling oil at the higher side predict range, or day traders should watch our daily predicted range closely and trade in-out.

On Monday we see weakness in oil prices and this weakness will continue on Tuesday so hold your selling position. On Wednesday oil will trade on both sides but on Thursday we may see recovery in oil prices and Friday we will see selling coming back in the markets during the late hours or after USA opening.

Natural gas went up sharply from lower levels, and those who held their trades made a great amount of money. Awareness and belief always pays back in the markets and also these principles help in life. Any way this week natural gas will trade mixed, don't follow oil when you are trading gas.



On Monday we may see some weakness, and the same trend will continue on Tuesday. There will be a sharp recovery from late Wednesday and this positive trend will continue until mid-USA trading sessions. On Friday we may see mixed trend or some selling coming.

Monday's trading range:

OIL: \$91.18 to 87.51 (Nov)

NATURAL GAS: \$3.46 to \$3.30 (Nov)



CURRENCIES

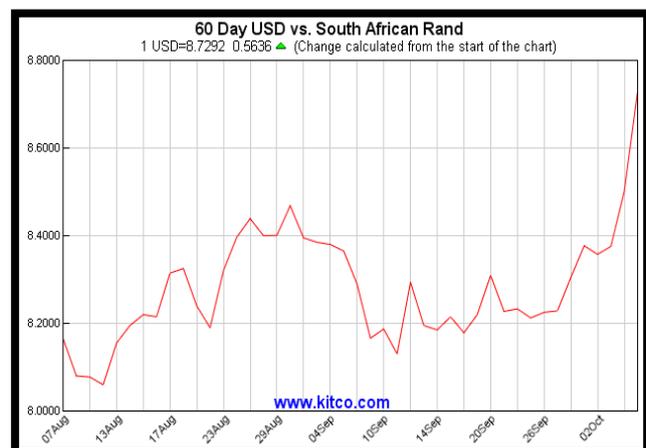
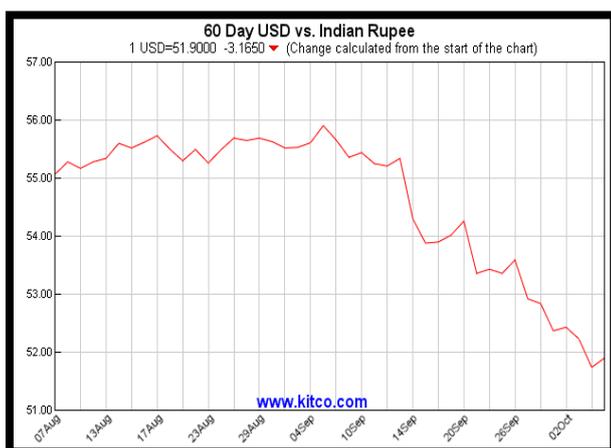


We are not keen in advising on currencies for the medium and longer term trades at this stage. Yes, short term trading may give far better results at this stage so focus on the daily predicted range. Emerging market currencies will have volatile moves during this week, Monday and Tuesday we will see some weakness coming in these currencies (Rupee, Rand, Real, and peso). During the mid Wednesday session you should acquire some positions in these currencies as on Thursday and Friday these currencies will gain value back.

Pound, Euro, Australian, Canadian and Swiss Franc will trade weaker on Monday and until mid Tuesday. On Wednesday all major currencies will trade mix.

From late Wednesday, Thursday and Friday dollar will trade sideways or a bit weaker. This week looks mixed so we don't want to write more, just watch our daily Flash News for the range.

Look at two emerging market currencies charts, they are going opposite directions, watch closely.



Friday's trading range (December Future contract).

DOLLAR INDEX – 79.70 to 79.15

AUSTRALIAN DOLLAR – 1.0159 to 1.0051

CANADIAN DOLLAR – 1.0237 to 1.0162

BRITISH POUND – 1.6191 to 1.6057

EURO – 1.3087 to 1.2983

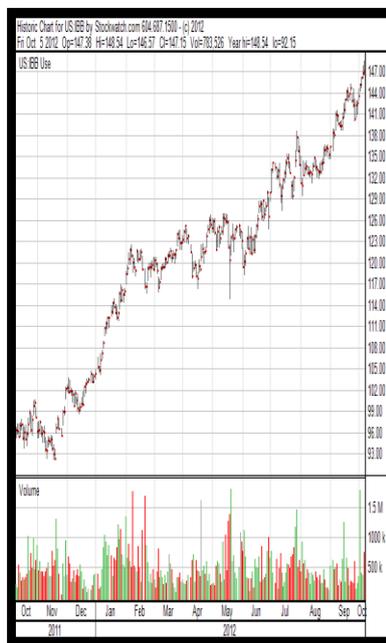
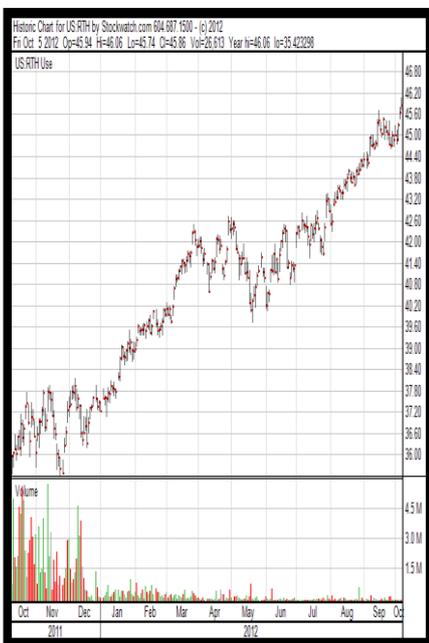
JAPANESE YEN – 1.2759 to 1.2665

SWISS FRANC – 1.0799 to 1.0720

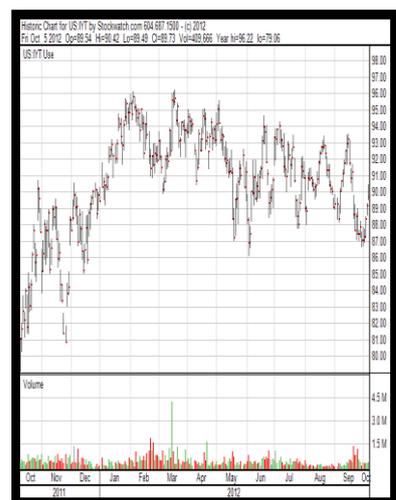
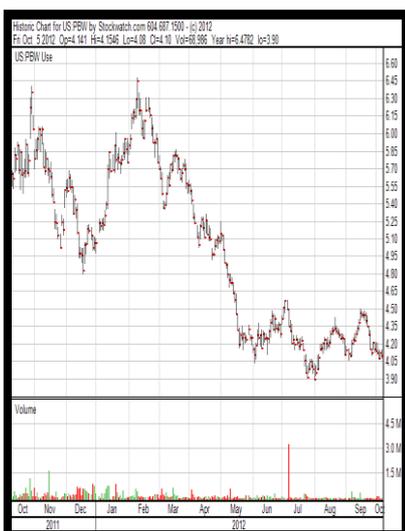
RUPPEE – 52.17 TO 51.60

RAND – 8.88 to 8.65

Here are few ETF's sector wise, best performing are (RTH – Retails, IBB – Nano-technology, ELF – Financial sector).



On other hand worst performing sector during rising trend are (PBW – Powershare clean energy, IYT – Transport and SMH – Semi Conductor).





We highly recommend to keep acquiring position in Home Builder and conductions (PKB,), also Pharmaceutical (PPH), Healthcare (XLV), and bio tech (IBB) will keep moving higher so keep adding position. Sell Treasury bond (TLT). Please do your own research as I am putting charts here for these ETF's.

Two of our previous members said that our services fee is high. We still feel that feel we charge for our weekly newsletter and flashnews is nothing compare to amount of risk in market. If I charge \$100 and if services is worthless then there no point to spent even \$100. Last week we cancelled three of our members services cancelled without refund because they were forwarding our newsletter to other people **(we hate to do this, but we have as we have been always requesting not to forward or edit in any form).**

Please don't forward our letter to anyone, if someone is seriously interested in subscribe you can give reference and we can send them free sample copy, also you will get 15% extra time of new in your account as reference.

We got response about 172, high net-worth individual and many of members coming to Santa Barbara from different part of world but many like to come in November and others in December. Many other said keep in early next year. I feel this meeting is important so let me think and I will come back to you by next week.

Thanks & God Bless

Mahendra Sharma

Sunday 11.30 AM Santa Barbara, CA