

Weekly Newsletter

By Mahendra Sharma

Edition 697.0

Publishing Financial E-letter since 2001

August 26, 2012

Bring awareness, don't be ignorant

Weekly newsletter from 27-31 August 2012

Dear Members,

Ever since today morning we have just wondering what will happen once the bubble ends, and how will we take our life and investments from that point onwards. I was very concerned because after the good cycle and joy is over it is difficult to handle the negative time cycle because negativity has pain.

I would like you to prepare yourselves for this, and from here onwards you should start mediating so that your awareness remains on top of things. Ignorance is the worst enemy, and ignorance can lead to failure so it is important for one to remain aware once you start making money and that the message we would like to deliver here (in my personal trading I have noticed that whenever I ignore my trades, I lose money).

I came across many people, who always made money trading in the markets during the positive time cycle, however when the negative time cycle came ignorance took control and they lost whatever they made. This time Saturn and North nodes combination will be so powerful that **speculation levels will hit all time highs, and the prices of stocks and many commodities will start multiplying quickly, and governments and authorities will not able to control this situations.**

Saturn (planet) and North node (controls the gravity) combinations in the house of Venus (Venus is great friend of both these most powerful planets) is an uncontrollable combination. They will rule the world. **The North node represents the house of stock markets, gambling, blind speculations and gamblers will control the financial markets floor so you have to be very carefully.** My advice to you is - **Don't go against the trend, don't try to find any top for the markets, just go with the flow, gamblers or speculators will make fortunes. We all will be the witnesses of this coming time, and in our life time we won't see again this kind of aggressive market behavior again.**

I won't be surprised if Apple goes to \$1000 or even \$3000. Microsoft tries to move with apple and may touch three digits once again. We pray that we will be able to predict the crash after this bubble, but we don't know if many will hear our voice in this noisy environment.

We already entered this bull market phase when S&P hit 1090 in the last quarter of 2011, and we called it bottoming out and predicted 1407 by mid 2012 and 1600 by end of the year.

Money will following into the USA equity market, and USA markets will become huge, there will be rush to buy American companies, and the European markets will also move up. Emerging markets phase will slow down but in 2013 they will start rising rapidly.

We have received a great response from members to attend the meeting in Santa Barbara. We are still keeping it open but we are not confirming it 100% yet. We will try our best to keep this get together unless something else comes up. There won't be any charges or consultancy fee for this meeting (this is free), as we would like to be prepared for the oncoming biggest stock bubble of all time.

Tech, Pharma, lithium, Uranium and rare earth metal stocks will be the leaders. On the other hand agricultural commodities and these stocks will be flying higher. Metals may miss the greatest opportunity but they will surely move sharply higher once everything else starts collapsing. Dollar will dominate the currency market.

I can't sleep properly because I am too excited, I hope our prediction of S&P reaching 3200 or even 3800 will fulfill.

Lest talk about this week's trend of all major markets:

Weekly financial letter from 27-31 August 2012

GOLD/SILVER



Last week metals gained, silver remained the outperformer as predicted. The overall trend is set for bullishness in metals but it may still take a few weeks before the prices move towards the yearly high.

This week looks a bit negative for metals from late Monday or mid Tuesday, and this week gold and silver will trade in a tight trading range on negative sides so avoid any positions at this stage. We may recommend buying in metals on Friday so wait for our confirmations.

On Friday you can start accumulating call options of December 2012, silver targeting \$35 and gold \$1750. In our book and according to our theory it is getting clear that metals will start moving up sharply any

time from 18 August, and they did just turn around. Sharp upwards moves can occur from mid October 2012.

On Monday we may see a positive opening and prices will remain in a tight range, however during the last hour we may see selling coming in.

On Tuesday metals will remain directions, and the upper side will be limited.

On Wednesday prices of precious metals will fall.

On Thursday sell on any rise.

On Friday one can start accumulating on weakness as metals are going to be in an upwards trend for the medium term.

Overall this week looks a bit negative for metals until Thursday but those who like to accumulate should be taking this weakness as a buying opportunity. Gold will struggle to go above \$1688 and silver \$31.18. These are selling levels for this week. On the lower side gold may hold \$1650/39 and silver \$29.28 (these are buying levels).

Metal stocks will trade mix.

Here is Monday's range:

GOLD: \$1677.90 to \$1663.00

SILVER: \$30.88 TO \$30.27

BASE METALS



During this week base metals will fall so book profit and stay away from platinum, palladium and copper. Copper may see \$359 but the upper and lower side is limited for copper, platinum and palladium so **no shorts** recommended.

Basically buying interest has emerged, as we see overall positive trend for all metals from 18 August and this rising trend will continue until the end of the year.

This week has a weaker Astro combinations so don't buy but wait for a buying opportunity on Friday. My best advice will be to trade in and out of base metals on a daily basis.

Here is Monday's range:

COPPER: \$351.05 TO \$346.10

PALLADIUM: \$662.00 TO \$641.00

PLATINUM: \$1566 TO \$1542

INDEXES



We have been mentioning enough about the equity bull market, and we would like you to read what we mentioned about markets in the last year one more time:

<http://www.mahendraprophecy.com/predictions.php?id=68>

http://www.mahendraprophecy.com/userfiles/files/weekly_letter_may_14-18_2012.pdf

This week all major stock markets will consolidate, but surely trend will remain up so take a buying opportunity on any rise. In the worst case scenario S&P may go down to 1378 which is just two percent below from here but at this stage it looks like that S&P will hold 1388 in the medium term.

On the higher side we won't surprise if S&P reaches to 1459 in the next two to three weeks. A great time is coming to make money, focus on equity, and keep tracking index based companies as they will keep indexes on the higher side and the lower side will be very limited.

On Monday we may see a sideways trend but on Tuesday a positive trend will continue in equities.

Wednesday's trend looks a bit weaker in the evening.

On Thursday and Friday Dow and S&P may move towards a new high of 2012.

Trade in and out for the first three days, and go long rest of two last days of week.

European and emerging markets may trade sideways, or will follow USA markets. Read our flashnews for daily trading range and short term outlook.

Monday trading range (September 2012 contract):

AUSTRALIAN (Cash) – 4414 to 4370

NIKKEI – 9187 TO 9059

NIFTY S&P (Spot) – 5425 to 5370

SINGAPORE (cash) – 3069.7 TO 3050.00

HONG KONG (cash) – 20019 to 19841

CAC – 3461 TO 3405

DAX – 7021 TO 6939

FTSE – 5795 TO 5730

S&P – 1418.75 TO 1403.75

NASDAQ – 2797.5 TO 2757

DOW – 13228 TO 13082

RUSSELL – 812.50 TO 800.75

COFFEE/COTTON



Buying coffee and cotton will be best trade of this week among all commodities.

Keep adding positions from Monday onwards. This week both these soft commodities will gain

handsomely. This week each of our members should have trades in coffee and cotton. Don't book profits



until our indicators give indications of booking profit.

Coffee and cotton can move at least move 10% from current prices (our target for coffee is \$182 to cotton \$82.00). You can invest in coffee ETF call "JO" and "CAFE", also invest in cotton ETF's, "BAL" and "CTNN" here are charts for both these ETF's.

Monday's trading range:

COFFEE: \$164.10 TO \$160.75

COTTON: \$76.50 TO \$74.70 (December contracts)



COCOA/ORANGE JUICE/SUGAR



Sugar prices have been constantly falling down, but they may soon find the bottom so get ready to take some positions in it. On the lower side we may see support around \$19.25, or trade in and out on a daily basis.

For the medium term the top have been achieved in the cocoa and orange juice. Don't trade both of these soft commodities. We have the best trade available in cotton and coffee.

Monday's trading range:

COCOA: \$2459 TO \$2401

SUGAR: \$19.82 TO \$19.37

ORANGE JUICE: \$141.70 TO \$135.20

TREASURY BOND



Treasury bond prices have fallen from 153 to 145, and bounced back to 148-20 (our first target of reaching 145 got fulfilled). Selling predictions in bond made good sum of money, and now once again the opportunity has come to rebuild selling positions in bonds. On Monday one should build selling in thirty year bonds, and we may see 143 this time from 149.

From late Wednesday to Friday bond prices will move down sharply, so hold your positions. This will be another trade in which you can make a good sum of money during this week.

Monday's trading range:

TREASURY BOND – 148-27 TO 147-23 (Sep contracts)

GRAINS



Soy, soy oil and meal have been trading higher; soy and soy meal are almost close to an all time high. Many of those who just focus on metals and oil have missed one of the best opportunities in the

commodity market. In fact Soy and meal remained the best performing commodities in 2012.

Many serious traders missed grains buying opportunity as they were focusing too much on metals and energy, and we always keep recommending our members that we are here to make money, not to fall in love or hate with any market. If the trend looks bullish for any commodity or currency then one should buy without thinking too much. For example from this week we see a great trend coming in cotton and coffee so grab this opportunity for buying.

Look at grains ETF's, they performed extremely well compared to many commodity ETF's. I highly recommend focusing for the next 28 months as these kinds of opportunities won't come again.

This week we see soy and meal remaining in a tight range but corn and wheat may give up some of their gains so play with hedging trades. Don't short grains at this stage, especially Soy, and meal.

On Monday we may see some profit booking coming grains.

On Tuesday morning we may see weakness continuing but from late Tuesday prices may rebound once again.

On Wednesday grains trend will remain sideways or in a tight range.

On Thursday and Friday we will see some profit booking in wheat and wheat will be good sell at this point.

Here are few grains ETF's charts, those who doesn't want to invest in high leverage futures market can invest in ETF's, we can clearly see that grains ETF's have outperformed all other ETF's. Symbol of these ETF's are **JIG, SOYB, CORN,**

Monday's trading range (September contracts):

CORN: \$817.75 TO \$797.00

WHEAT: \$879.25 TO \$859.5

RICE: \$15.59 TO \$15.30

SOY: \$1746 TO \$1717.75 (November)

SOY MEAL: \$542.25 TO \$525.50

SOY OIL: 56.90 TO \$55.90





ENERGY



Blast at the Venezuelan refinery may push oil prices higher on Monday opening, but as per our Astro cycle the higher side is very limited in oil. We highly recommend taking a selling opportunity in oil at the higher levels. We may see oil prices going back to \$93.00 level, and we don't see oil trading above \$99.00.

Natural gas will also remain directionless, so avoid any positioning trades in natural gas for this week.

My best advice from our theory is trade in and out on a daily basis in oil and natural gas, and we are sure you will make good money.

On Monday oil prices will come down in the later hours of the day, and oils mix trend will continue. On Wednesday prices will move down after the inventory. On Thursday and Friday weakness will continue in oil and natural gas.

Monday's trading range:

OIL: \$97.48 to 95.01 (sell oil on higher side)

NATURAL GAS: \$2.86 to \$2.69

CURRENCIES



This week currencies will remain directionless, and the down side for dollar index will surely be limited (81.00 level will be crucial and prices may bounce back).

Australian and Canadian dollar will remain weaker so any rise should be taken as a buying opportunity during this week.

Euro and Swiss franc will trade on both sides, but surely a weaker trend will be coming even though the equity markets will have a positive trend (which supports Euro and other currencies against USD).

Emerging market currencies will remain in a tight range, and this is the final weaker week for these currencies, as once this week is over then you can aggressively accumulate Rupee, Ruble, Rand, Peso and Real for the next three weeks. We may see five to seven percent gains in these currencies.

Still selling Yen will be the best trade; as the weaker trend in Yen will come from Tuesday so sell yen on any rise on Monday or Tuesday and hold your positions.

Monday's trading range (September contract).

DOLLAR INDEX – 81.84 to 81.41

JAPANESE YEN – 1.2751 to 1.2683

AUSTRALIAN DOLLAR – 1.0455 to 1.0352

SWISS FRANC – 1.0465 to 1.0391

CANADIAN DOLLAR – 1.0117 to 1.0045

RUPPEE – 55.65 TO 55.19

BRITISH POUND – 1.5860 to 1.5746

RAND – 8.39 to 8.28

EURO – 1.2552 to 1.2473

Best trade of this week be;

Buying COTTON, COFFEE

Thanks & God Bless

Mahendra Sharma

Sunday 1.00 PM Santa Barbara