

Weekly Newsletter

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Money is moving back to developed markets from emerging once

Dear Members,

Last week has proven very negative for precious metals, and among base metals, copper was very weak as well. Oil started showing up weak sign on Friday but natural gas performed extremely well as predicted. Grains and soft traded up on Australian/Brazil flood news and heat wave of South America.

Dollar gained value against commodity currencies but lost against Euro. Treasury bond moved sideways with stock markets. There was no significant news except Chinese President's trip to USA.

Astrological combinations are very bright for USA, and China's positive planetary position is near an end so we can say its top has been achieved for near and medium term. In the last five years India was one of the best performing stock markets but last three months it has been struggling and try to find out its destiny. We are not very encouraged by India's future trends but surely when USA keeps making new high then India will move up.

Uranium, rare earth and other mining companies like lithium continued to perform well. Investment community is looking to these new areas with a lot of excitement but they seem to be confused and emotional without much conviction, causing great volatilities, yet planets are giving very clear signals. Gold and silver stocks in the meantime are losing steam.

Australian flood, worst in the last 40 years, will take away 1.5% of its GDP, and estimated losses will be between 20 to 25 billion dollars. When anyone talks about flood in Australia, cotton, sugar, coal and wheat immediately come to mind. Yes mining and crops were impacted huge. We should watch cotton, coal, sugar and wheat trends carefully, and one shouldn't short either of them until real damage figures come out, though our theory is doesn't watch all this but these kinds of unexpected news can impact market for short period. Queensland produces around 75% of cooking coal of Australia, and share 10 percent of Australia's export so there will be effect on coal market.

Brazil also got hit by floods. When you talk about Brazil, coffee comes to mind first. We are watching very carefully but so far report is clear that coffee has not been affected much.

Argentina heat wave has destroyed corn crop and it will have impact on market for short term because Argentina is the second largest corn producers. On other hand USA figures are indicating corn crop more than expected so it may fill the deficit of Argentina.

Last week political uncertainty in Ivory Coast pushed cocoa prices to new highs. We are all aware that Ivory Coast is responsible for over a third of world supplies.

Anyway any unexpected news can create short term volatility in any market, especially in the commodities market, and in particular, grains or soft commodities, which are susceptible to extreme weather patterns. So trade very carefully on these products.

Let's see what we see for this week:

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GOLD

Lately we received hundreds of email congratulations regarding our gold and silver predictions. Once again we would like to say that we are no one. If you like to thank you then please say thank you to nature and astrology.

Last week our prediction of gold touching \$1,338 has fulfilled. Out of nine planets eight are indicating weaker trend for gold so we don't recommend any long term buying positions at this stage. Yes short term always prices move up and down, and that our weekly newsletter will guide you with our best.

This week again gold will trade weakly so any rise should be taken as a selling opportunity. Monday gold may open stable but later in the day it will start giving up gains. Tuesday to Thursday gold will remain weak so any rise in the middle of week should be taken selling opportunity.

Trading range of gold will be \$1,309 to \$1,353. Metal stocks will keep moving down.

SILVER

Last week silver went down sharply, and this time we were lucky that we were able to read weak trend accurately.

This week silver will trade a bit positive compared to gold. Monday to Thursday silver will trade weakly but from late Thursday silver will start gaining and Friday silver will also gain.

Trading range of silver will stay between \$27.98 and \$26.03.

BASE METALS

Last week copper also fulfilled our predicted price. This week copper and platinum will remain weak so one can hold short positions in both of these base metals. Palladium will remain sideways so avoid trading palladium.

We clearly see base metals moving down sharply from Tuesday as well as on Thursday. Wednesday all base metals will trade sideways. Friday mixed trends will dominate base metals.

Copper can fall up to \$411 so hold your short positions until lower side price achieved. Platinum will also come to \$1,753.

STOCK MARKET

This week all major stock markets will remain weaker. I highly recommend that investors invest money in select industries instead of the whole market. Negative trends in commodities may place a little bit negative impact on markets as energy, base metals, metals and commodity stocks will be hit hard.

If you still like to hold long positions in stocks then buy S&P, DAX or FTSE then short ETF's of commodities. At this stage GLD, ZSL or DUG will be great hedging trades. Also watch coffee (JO), cotton (BAL), grains (DBA, JJA, JIG, CORN) or soft commodities (JJS) ETFs as they are sitting at the top but look shaky. There are so many ways to hedge your trades these days so why not do it?

This week Asian markets will continue to struggle. Japan will suffer a setback as Sun is not giving any positive signs. Singapore, Hong Kong and India will remain weak along with the Australian market. Expect two to three percent corrections in Asian market and within the next few weeks as planets are indicating ten percent fall in these markets in the coming time.

Europe and USA will trade far better than Asian as well as emerging markets. Planets play very important roles in creating positive and negative sentiments. In 2007, when planets gave us the most negative sign on all major world markets, most people, even many top Wall Street firms, had no clue of crash coming and all markets collapsed. Then in Feb 2009, the most powerful indications came from planets that market would rebound in a big way but no one again had a clue why markets would do so given the grim news everywhere.

We see huge rise on the way for USA and European markets. USA story for longer term looks very strong as per planetary positions of USA on astro charts, but Europe will continue to worsen over time until EU is broken up. However, we don't see this break in the next two years so it is clear that European investors will enjoy the ride as well.

S&P will try to make new highs this week and then a weak trend will start. So wait for great buying opportunity in the coming time. I won't recommend any short positions in S&P as well as CAC and DAX but if you are adding positions, again, you should hedge them with shorts in commodities through futures, options or ETFs.

This week still we recommend adding stocks like HEV, ULBI, VLNC, UQM and QTWW. In uranium area you should buy URZ.

TREASURY BONDS

Thirty year bonds are trading in a very narrow range, so I highly recommend that you keep acquiring bond positions as from next week on they will blow upside and it will be too late to buy them, just like natural gas. Last two weeks we keep recommending buying gas around \$4.34 and last week it reached \$4.77—a quite large move in a few days.

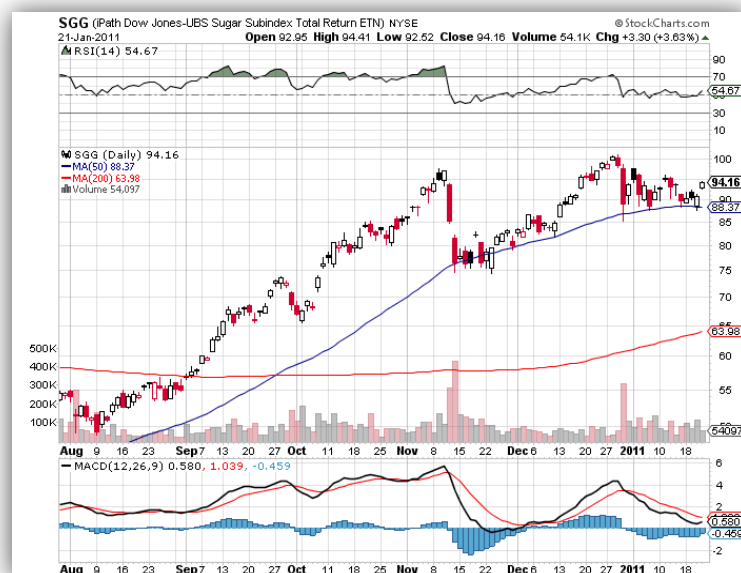
Once again any weakness in the thirty-year bond would be taken as a buying opportunity around 119 to 120 as Mercury which rules the bond market is giving us indication of a rise of more than five percent in the coming time (in a one month).

COFFEE/COTTON/SUGAR/COCOA/ORANGE JUICE

This week coffee will also trade weaker, but traders are playing news of Brazil flood so watch carefully. Yes we don't see any sharp rise so one can sell ETFs or buy puts to minimize risk. Higher side coffee will still struggle to trade above \$243 and in the medium term we see coffee prices coming back to \$212.

Cotton prices again moved up sharply on Australian flood news. Once again at 159, cotton will be a great sell. You can take short positions in futures or ETF, or buying puts. Returns in the next two weeks should be great.

Sugar is also acting with huge volatilities because of Australian flood. Analysts are calculating loss of crop in sugar and cotton but I don't see much upside from here. Futures markets are very volatile so it's better to take trades in puts and ETFs. Next week planets are indicating huge corrections in coffee, cotton and sugar—all these soft commodities are trading near multi-year highs so there is an opportunity to make money. Again the safest way to trade is through buying March puts options or sell ETFs—coffee's ETF is JO, cotton BAL and sugar SSG. Or if you like to



trade all softs together then JJS is a great trade from this week on so short JJS.

Cocoa prices went up sharply on the news of Ivory Coast's political tensions. However, no planetary position is giving any strong indication of serious political turmoil so we won't recommend buying cocoa at this stage. But at the same time we won't recommend any selling in cocoa so just avoid any trade in cocoa. Trading range will be \$3,230 to \$3,080. Once we see any trading opportunity

then we will come out with updates. Meantime watch cocoa ETF (NIB).

This week planetary positions clearly indicate weaker trends in orange juice, so one can get out, if you are holding any long position. Sell orange juice around 175 and expect 162.

GRAINS

We are all aware that currently grains markets are too volatile due to weather impacts. In early part of this newsletter we already mentioned about natural events taking place. I highly recommend avoiding naked future positions (long or short) in grains, but yes we have trade recommendations for you here:

Wheat may remain in a positive trend as Sun and Venus are supporting wheat so don't go short in wheat. One can go long in wheat and expect March 2011 prices to go up to \$890.

On the other hand you can acquire short positions by buying puts in soybean oil and soy bean as planets are indicating weaker trends for them.

We are also seeing weaker trend in March corn in the coming time so one can take some short positions in Corn as well.

Corn and soy will start trading weaker from late Monday, so Monday opening will be the right time to build positions. Expect five to seven percent fall in grains within next fourteen days. Also you can build short positions in grain ETFs like (DBA, JIG, JJA and CORN).

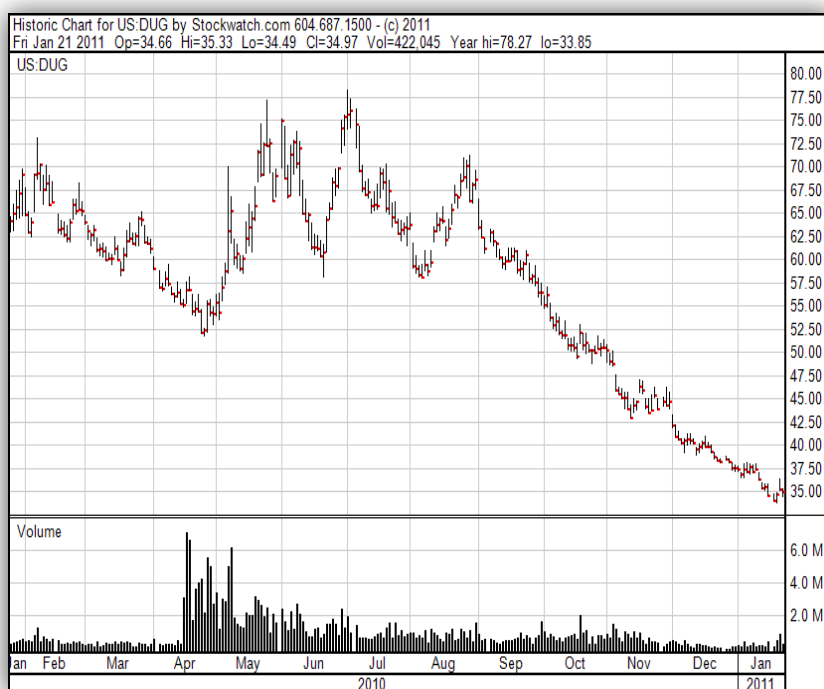
OIL

Last two weeks trading range of oil remained as per our predictions and it was not able to trade above predicted prices. Therefore it is clear that downfall in oil is on the way. This week oil will start trading weaker from Monday so it's a great time to build short positions in oil. Weaker trends will continue for the whole week so any rise should be taken as a selling opportunity.

Trading range of oil will remain from \$90.70 to \$86.30. If oil trades below \$86.30 then next target will be \$93.90 which I think will take place next week. Some rising trends might come on Wednesday, but Thursday and Friday again oil will trade weaker. Heating oil and RB gas will follow oil so you can also sell both of these energy products.

Natural gas has done wonders for our members as it moved up as predicted. This week natural gas will trade positively so keep adding positions on any weakness. Monday positive trend will continue but later in the day prices will stabilize. Tuesday will move up again but late Wednesday sideways or weaker trend will come again. Late Thursday and Friday gas will move up again. Trading range will remain from \$4.65 to \$4.89. Once it cross \$4.89 and trade above this level for more than three hours then next target is \$5.07.

Natural gas ETF - You can trade natural gas ETF's like ULN and UNG. Both of them can move up sharply, at least 15% in the coming days.



CURRENCIES

Last week US dollar remained weak against all currencies except Australian and Canadian dollar. Emerging markets currencies remained sideways without any directions. One thing is sure that Dollar is ready to start a huge upside move for a longer period but at this stage we think dollar will still remain in a sideways trend.

Dollar will remain in range of 77.95 to 79.38 so it is clear that its downside is limited. Monday dollar will gain in the morning but later in the day it will give up gains. From late Tuesday it will start gaining and until Thursday midday again dollar will start giving up again but buy it before Fridays close.

Australian and Canadian dollar will trade weaker. Mars indicating that higher move for Canadian has ended last week so it means that in the near future Canadian won't be able to see 1.0150 again. On the lower side it will touch 0.9780. Australian dollar will trade in the same manner so we expect Australian to touch 0.9580. Any rise during this week should be taken as a selling opportunity in both these commodity currencies from Monday to Friday.

This week Swiss Franc and Yen will trade in a similar trading range of last week. Yen range will remain from 1.2218 to 1.2072 and Swiss Franc will remain in the range of 1.0470 to 1.0270. I strictly recommend to trade with a tight trading range and make trades per dollar movement which we mentioned already above.

This week British Pound will still remain in positive directions before it starts falling from next week on. Higher side it can touch 1.6045 and lower boundary will be 1.5780. British Pound will fall from Thursday and Friday.

Euro will gain again from late Monday and Tuesday again it will try to remain up but will likely give up gains after USA market opens. Wednesday it will move down significantly. Thursday and Friday Euro will remain sideways. Trading range will be 1.3690 to 1.3383.

Important note – Commodity currencies (Australian, Canadian, South African Rand and Brazilian real and) will trade weaker. Emerging market currencies like Rupee, Yuan and Russian ruble will also trade weaker. This is the final week for USD to trade weaker or sideways before it starts its next journey of rising.

Thanks & God Bless

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