

Weekly Newsletter

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Most exciting Final Party

Weekly newsletter from 20-24 February

Dear Members,

S&P bottomed out at \$1090, our wave of nature theory not only called bottom but recommended “go all in” as we were sure that S&P would hit 1350 soon and last in the first week of February it did hit 1350. It doesn't mean that 1350 is done now and it would fall, our next target is 1472, and after 1472 we clearly see 1600 within this calendar year.

I know most of our members are aware about these targets, but many may be concerned with the heading of this newsletter “Final Party”. This heading is meant to put a bigger picture in the mind of our members – that the final party will really be the biggest party of all time in the history of Wall Street. This party can last at least three to four years, and our approximate target of the ending party will be when S&P hits 3200.

Its sound crazy but this is what I saw and this is what I reconfirming here, so if someone tries to make money with shorting on higher side at current level then forget about it because we are talking about a rising cycle to continue for at least three to four years. So better you remain on the right side of the market than try to make small money on selling a thinking which is a short distance from the top.

If you ask me what the scenario will be before this party gets over, my answer is that the stocks will be multiplying, apple will not only hit \$2000 but it will go on towards \$5000.

Many will say at this stage that it impossible, but I say it is very much possible and in a few years many companies will start trading the above four digit figures. Like Hathway many other fundamentally strong companies will start moving up at a crazy rate.

Yes, this will be the most crazy time in the history; investors will make money like money is freely available. Most of you are aware that after any bubble, always the worst crash comes and this will be repeated this time but you don't have to worry about that coming crash which is three to four years away from today so just enjoy the most exciting time, and become a part of this final party. The most exciting part if that because of wave cycle we all aware about start and end of party time cycle.

I will try my best to make sure that you enjoy this party, and exit at the right time. But one thing you have to promise yourself is that you have to keep small part of your profit for most needy. Also we will guide you to keep building other assets in other area when you make money in the next four years.

Let's talk about this week. Monday USA market is closed but rest of world market and globex exchange will be trading. Last week the markets traded as per what the wave of nature indicated. Greece still remains the main card in the hand of many big people and they may use Greece to push market on any sides for short term but for the longer all term markets will move in one direction's and that is upside.

This week financial letter from 20-24 February 2012

GOLD/SILVER

Banking and financial systems change their investment strategy so rapidly, in 2001 when to told my friend to invest in gold and silver, bank of Singapore denied that they said that they don't recommend investment in these kind of high risk assets. Times have changed now; banks and fund manager proudly says that metals is way to hedge against inflations as well as against uncertainty, they call safe haven.

Yes time changes everything, gold and silver sitting almost seven fold higher than 2001, these assets class outperformed most of investment strategies.

You all are aware that USA has been providing more money to the system, Japan has also pumped \$120 billion more in the system and EU has to pump huge amounts in the next two years if they want to pull out five troubled nations from the debt crises. More and more money is coming into the system which means more money is available and this money has to go somewhere in which the banks feel safer.

At this stage gold is holding the tag for the most safest, it has outperformed and demand has been rising. Even small countries would like to increase their holding. I know you all aware about these fundamental points but my theory which predicted gold towards 1600 to 2300 in 2002, is indicating that an exciting time is coming soon; maybe even from this Thursday.

S&P smoothly went through last week though a few days were unstable and this is giving a positive sign.

This week metals and stocks may have a slight mix time from Tuesday to mid Thursday; one should buy gold and silver from mid Thursday and hold position on Friday as well.

Due to holidays we are putting Monday and Tuesday trading range together.

Monday/Tuesday trading range for metals:

GOLD: \$1716.9 to \$1733.90

SILVER: \$33.79 TO \$32.98

BASE METALS

Last week wave cycle advised us very accurately, our longer term outlook for copper, platinum and palladium is very bullish but this week our theory indicates that some weakness or sideways trend may dominate base metals, so avoid these.

Trade base metals as per our daily outlook, this week platinum can perform very well as compared to all other metals. Trade in and out at this stage. Yes, Thursday you can take position in copper, platinum, palladium and carry forward for the next week.

In the month of March we will advise you to build trades for medium term. By the middle of the year, copper will see \$500, platinum \$2000 and Palladium \$1000. Longer term traders can plan their trades without taking much risk.

Due to holidays we are putting Monday and Tuesday trading range together.

Monday/Tuesday trading range for metals:

COPPER: \$375.7 TO \$366.1

PALLADIUM: \$697 TO \$683

PLATINUM: \$1641 TO \$1625

STOCK MARKET

In the last two months we clearly saw that S&P is playing the role of the main engine. The S&P turn around in 2009 March put all major markets back on track. It also gave enough confidence that the world economy is not going for a double digit recession. In mid 2011, the EU debt crises started dominating financial markets, companies and indexes started wiping out billions of dollars from their capitalizations and again S&P turned around and changed the whole scenario. In last five years we have noticed that emerging markets, Middle East markets and European markets don't have the power to change the game in financial markets. So those analysts who talk negative about USA economy either don't understand the importance of USA or they personally don't like USA. When I write any predictions, I never include my personal likes or dislikes because I know that personal biases can put me on the wrong path and may not be able to Give guidance with a pure mind.

S&P doesn't only influence the world equity markets but plays a key role in giving directions to commodity stocks. We see a great time ahead for S&P for the medium and longer term so surely commodities will move along with S&P.

This week S&P will move in a sideways direction after positive trading in electronic market on Monday, and you can say it will consolidate move will come on Tuesday and Wednesday before it moves further. We won't be surprised at all if S&P reaches 1450 to 1472 by the middle of March 2012. Many will say "Mahendra, then won't 1600 be

achieved soon by middle of year?” Anything can happen because 3200 is an important level but there will be correction time during the middle of the year. Maybe S&P will give up some gains, but we don’t have to worry about that at this stage as our weekly newsletter will keep guiding you on the overall trend.

Hold technology stocks and uranium stocks, and start buying some metals stocks as well. On other hand commodities are ready to move up big as well, so you have to have great planning. I don’t want you to miss the greatest life time opportunity to make money. Before the Tech and internet bubble started (In 1995/96), I was talking in the same terms but unfortunately that time I never had big followers, and just my close friends took advantage of the tech bubble. During metals and commodity era few people started following my work but I was new and my theory was new for Wall-street, so people were watching my predictions with interest but with skepticism as well.

Last ten years those who followed my work now can put 100% trust in my theory and that’s the reason that I am saying that you need to act, don’t just keep watching our predictions because the financial world has already entered in most exciting cycle. Keep acquiring stocks we recommend; keep buying uranium and tech stocks. Target Apple at \$600 within a month because its Astro chart looks very powerful so don’t sell apple at all. Keep adding uranium and other mining stocks.

Here is Indexes range for Monday trading ranges:

AUSTRALIAN – 4238 to 4180

NIKKEI – 9548 TO 9445

NIFTY – 5624 TO 5555

HONG KONG - 21589 TO 21370

CAC – 3481 TO 3419

DAX - 6919 TO 6780

FTSE – 5929 TO 5851

S&P – 1371.75 TO 1352.75

NASDAQ – 2608 TO 2563

RUSSELL – 835 TO 818

DOW – 13038 TO 12863

TREASURY BOND

This week thirty year bond will trade on both sides so no need to go aggressive in one direction. Get in and out as per the daily flash. Yes, in the longer term we see the 30 year bond going back to 115, and in medium term it may touch 132/134. Our weekly newsletter will guide you if we see any strong trends coming in one direction.

Monday/Tuesday trading range:

TREASURY BOND – 142-32 TO 141-12

COFFEE/COTTON/COCOA

This week except cocoa, coffee and cotton will trade in the range; we don't see one side directions. In our book we already mentioned that from the middle of March onwards we see a strong one-sided rising trend in coffee and cotton.

Coffee around 192 will be a good buy, and we don't see coffee prices going below 165 under any circumstance, so if any sharp correction comes then you should be ready to acquire as our longer term target is very high for coffee.

We don't see cotton going below \$86.00 and currently it is trading around \$92.00, so very are very close to the bottom.

Cocoa looks like it will hold gains or an upwards rising trend from Wednesday onwards, but the rising trend will be limited so avoid any trading position in cocoa.

Monday all soft commodities will remain close, here is Tuesday trading range for soft commodities:

COFFEE: \$201.80 TO \$197.10

COTTON: \$92.70 TO \$90.11

COCOA: \$2416 TO \$2342

SUGAR/ORANGE JUICE

This week both these soft commodities will trade in an upwards directions so buy sugar and orange juice on Tuesday opening or during the middle of the day. We all are aware that India has announced that it will allow sugar exports and this has had some negative impact on sugar prices lately.

Orange juice growing areas have stable temperature now so the threat of the impact on orange crop has reduced, but our Astro indicators are not showing any weakness in prices from late Wednesday so any weakness should be taken as a buying opportunity. Brazil has good orange juice crops but USDA is looking closely as they may deny Brazilian oranges in the country as they see that these oranges are infected and not good for health.

Anyway, our theory doesn't indicate any sharp up move but surely we won't also recommend any shorts at this stage.

Buy sugar during this week on any weakness or at the predicted low on Tuesday or Wednesday.

Monday all soft commodities will remain close, here is Tuesday trading range for soft commodities:

SUGAR: \$24.89 TO \$24.46 (Buy sugar)

ORANGE JUICE: \$190 TO \$185.20

GRAINS

Last week grains traded as predicted in the Newsletter. We recommended buying in grains on Thursday and they moved up on Thursday as well as Friday. This week we see the grain prices will dominate upside trend so hold your position in grains.

In last week's newsletter we clearly mentioned that our theory indicating sharp up move in grains from the middle of 2013. And the 2014, 2015 scare will spread to acquire food; people will queue outside supermarkets for food storage and many government will announce quote or limitation on buying.

I think longer term traders should start buying call options of 2014, 2015, and 2016 even at the current prices. First indication of some scariness in grains and soft commodity crops will come during June/July of this year. And if you see that prices are rising then this will confirm that in coming time our predictions will come true.

Anyways, this week the grains market should trade positive so hold your trade for those who bought on our recommendations. Last week Soy prices moved up sharply from \$1225 to \$1277, as we were very bullish on our soy outlook during last week.

Buy corn and wheat on Tuesday, and on the other hand book some profit in soy during the middle of this week.

Monday grains markets will remain close so here is day trading range for Tuesday:

CORN: \$650.5 TO \$638

WHEAT: \$653 TO \$635

RICE: \$14.29 TO \$14.02

SOY: \$1281 TO \$1260

SOY MEAL: \$335 TO \$330.90

SOY OIL: 53.73 TO \$53.09

OIL

Last week oil and natural gas traded as predicted. We highly recommend holding position in natural gas. Don't go short in oil and natural gas, in fact, start accumulating even at these prices from Thursday. Tuesday and Wednesday oil and gas will trade in the predicted range so watch our flash news trading range and acquire some position on any weakness. Monday we may see higher opening in oil and gas.

Our longer term outlook is very bullish on oil.

Monday/Tuesday trading range for energy April contracts:

OIL: \$105.09 to \$102.51

NATURAL GAS: \$2.95 to \$2.69

CURRENCIES

US dollar stabilized during last week and it may remain in a tight range during this week after money bit weakness. We may see some upward trend in dollar on late Tuesday, Wednesday and early Thursday but some profit booking opportunity will come in US Dollar.

Once Greece risk is taken away from market then risk factor ratio should go down from books of buyers as USA and Germany's economic data are showing very positive indications. Don't take one side longer term trade in currencies, so just focus on shorter term trend as currency markets will move on both sides.

Our daily flash news will guide you on the in and outs, but surely longer term outlook for dollar looks very encouraging even though risk factors ratio will be down due to positive economy and markets moving in a positive direction. But still dollar will keep moving higher so yes our medium and longer outlook for dollar looks very positive.

Monday/Tuesday trading range is here:

DOLLAR INDEX – 79.16 to 79.78

EURO – 1.3212 to 1.3087

AUSTRALIAN DOLLAR – 1.0728 to 1.0642

CANADIAN DOLLAR – 1.0078 to 1.0008

BRITISH POUND – 1.5948 to 1.5771

JAPANESE YEN – 1.2541 to 1.2647

SWISS FRANC – 1.0937 to 1.0828

RUPPEE – 49.12 to 49.56

RAND – 7.74 to 7.66

STOCKS

Rising commodities and oil may have some impact on many sectors, and specially airline stocks should be avoided. Food stocks, uranium and USA tech and housing stocks should be added in your portfolio. Avoid emerging market (China and India's) housing stocks.

Our theory clearly indicates that investment will be safest in USA as compared to any other part of the world. Yes, Australian and Canadian investors will make a fortune if they remain invested in uranium and mining sectors. Both these countries investors shouldn't be looking at any other sector apart from uranium and mining (silver and rare earth).

Rare earth stocks rising trend may start from 2013 as I don't see a great trend in 2012 as our theory is only giving positive sign after 11 months from now.

USA – Buy Apple call strike price \$500 and \$550 as soon we will see mark of \$600 and by the end of the year we may see Apple towards \$800.

We still recommend buying FMCC, and FNMA even though prices have moved up more than 70% in the last one month since we recommended.

Buy VLNC, ACPW, MWSNF and GDLNF. In the last two week PLUG, FCEL, XIDE, ZOLT and BLDP have performed extremely well and we still recommend holding these stocks. We also recommended uranium stocks that did well and we highly recommend adding more of those stocks.

In Indian market, we recommend buying BPCL (Bharat petroleum), HPCL (Hindustan Petroleum), IOC, Indian oil Corp), COAL INDIA and VARUN IND during this week.

Important advice:

- Don't short markets, any weakness should be taken buying opportunity in stocks.
- Start buying metals (silver) from Thursday; before Thursday metals may remain directionless.
- Hold position in grains for the first three days, buy sugar and natural gas for this week.

Thanks & God Bless

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