

# Weekly Newsletter

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## Weekly Financial letter from 5-9 March 2012

Dear Members,

Last week metals and energy remained very volatile. S&P traded in a very tight trading range. On the other hand, dollar gained against many currencies. Many members are appreciating the last six months buying call on S&P and metals but people should forget Swiss Franc and Yen fall selling call because both these currencies traded nearer to historic high and then the fell sharply. Swiss Franc created history by falling almost 27% in a month from 1.42 to 1.05. I was in short a small quantity around 1.39 and got out too quickly otherwise I would have made 10 times what I invested in puts.

People make money if they stay with the trend, for traders it is always a touch to have. I have noticed in the last twenty years that investors are making more money those who remain in wave cycle rather than longer or shorter term. When cycle comes positive you have to remain invested until cycles get negative. When cycle get negative you have to get out, it doesn't matter how good stock or futures position you holding. These cycles are a minimum of three months and a maximum of three years. If you still remain invested negative cycle then one sharp fall will bring you back from where you started.

We have been successful in predicting medium and longer term trend for the last 17 years because I closely follow the wave of nature and Astro cycles. We normally get signals well in advance about which direction which market will turn. Like oil sitting at \$145, and all my indicators (10 out of 10) gave the indication of oil falling and we predicted the oil crash fearlessly. In fact, our statement was very clear and I still remember saying "Let Morgan Stanly or Goldman Sachs predicts oil reaching \$170 or \$200, but we recommend selling oil buy puts as oil is headed towards \$50". After predicting this within 36 hours oil start crashing and reached \$32.00. Even I never thought that oil would fall that fast.

Globally, many investors and institutions now trade in commodities, currencies and other future markets very aggressively, which give them hedging strategies. Many just blindly trade or speculate. Risk takers are many but only a few win, and only if they are in the good time cycles. I am not saying that speculation is evil, if you understand the meaning of speculation and if you analyze it then it is normal thing. When we sit in a plane, we don't know the pilot but still knowing or unknowingly we trust him/her

and we board that plane. Only one mistake of that pilot can take our life, so isn't sitting in plane speculation? I think we take a different kind of risk or speculation every day in our lives, so those who says that they don't do speculation are wrong. Even investments in anything are speculations.

In the commodity market we have to understand the impact of any trade and if that trade goes against you. Once you take off that risk by covering or going low leverage you will always make money. If you trade aggressively, either you can make a fortune or you can go brook.

Above all, you are also aware of what I mentioned but writing this may give you self realization, or awareness about yourself and how you trade.

Anyways, the coming time is great for stocks and future market investors, and the next three years will prove to be the best in history so plan well because these kinds of time to make money won't come again (at least in one decades).

### Here is this week newsletter from 5-9 March 2012

#### **GOLD/SILVER**



Last week gold and silver corrected big time on Wednesday. Our concerns were well justified as we mentioned in the last week newsletter that one should avoid trading or holding gold and silver from Tuesday to Friday.

This week as per our theory, Monday gold and silver will trade on both sides but one should start accumulating positions in gold and silver.

On Tuesday gold and silver will remain in a tight range, and on any weakness one should start adding more positions as later in the evening or before USA close, gold and silver will turn positive.

Wednesday hold your trades in gold and silver. Ignore any negative news if they come in the market because they will be proven short life.

On Thursday gold and silver will make solid upwards moves. Short term traders can book some profit by the end of the day. **Silver will hit new high of 2012 on Thursday and gold will perform well too.**

On Friday we see strong data may push gold down so buy back the positions that you sold on Thursday.

Important note – Metals (Gold/silver) technical indicators are weak, fundamentals are mixed, sentiments turned a bit cautious due to last week's correction but our indicators are showing most positive signs.

Currently the wave of nature/Astro cycles are very bullish for metals so buy on any drop in metals. We still believe that gold will hold \$1687 and silver \$33.80. I am not putting any targets on the upper side.

Monday's trading range for metals: Gold April and silver May contract.

GOLD: \$1701.9 to \$1726.90

SILVER: \$35.18 TO \$34.09

Note – Only problem in silver is storage otherwise I can predict \$300 target in the next two years.

### COPPER/PLATINUM/PALLADIUM



All base metals are giving positive indications, don't short or sell any of these base metals. The current Astro indicators are giving bullish indications for copper from Tuesday and this rising trend will continue until Thursday. Friday will be a mixed day for all these base metals.

Those who are holding base metals should keep positions and one can add more on Tuesday. Monday and Friday are mixed for base metals, or you can follow precious metals as all the base metals will follow precious metals during this week.

Monday's trading range for metals: Platinum are April contract and rest of May.

COPPER: \$385.9 TO \$393.8

PALLADIUM: \$719 TO \$709

PLATINUM: \$1673 TO \$1705

### STOCK MARKET



We are very thankful on coming accurate on stock predictions. Many times in the past we have struggled with our predictions and our followers were not paying close attention to our stock market predictions. I finally feel happy somehow that we got the nerve of indexes and are able to predict with far greater accuracy on the shorter, medium and longer term.

Today again I will humbly thank all of you for shorting my work and giving importance to our theory. I sincerely apologies for

my wrong predictions or whenever I was wrong and you lost money because of my advice.

Lets come back to this week's outlook. Last week I repeatedly mentioned that S&P touching 1407 or on 18 March I still hold that prediction. The down side is very limited so I don't recommend any shorts in S&P and European markets. Down side is limited for S&P, may be 1351 to 1343, and next week 1407/17.

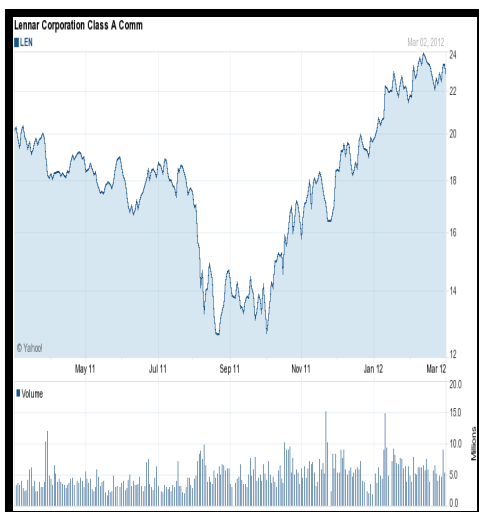
Lately USA, European and Japanese markets are moving in one direction as predicted. Many were very surprised by our last week's sideways outlook of the emerging markets. All these emerging markets traded sideways and not able to take full advantage of the rising trend in USA and Europe. We mentioned the same thing in our book "2012 Financial Predictions".

**This week on Monday S&P all other markets will trade sideways and some selling will come during the last closing. Tuesday, during the middle of the day or before closing one should take buying opportunity and one should finish building position by late Tuesday.**

**On Wednesday and Thursday USA, European and Asian markets will move together. Friday will be mixed day. This week we will see some wild movements on Monday, Tuesday and Friday in indexes but buy on weakness.**

**Hong Kong and Indian Market should be on watch list, as both these market can perform very well. Hang Sang down side is very limited, maximum risk 900 point but upper side it can move close to 24000. Same for Indian market Nifty, down side 116 point risk, but upside it can touch 6000 in this calendar year. Don't short both of these markets during after this week, in fact take buying opportunity on any weakness during this week by Friday. Buy Jubliant Food, Tata Global and TATA Coffee.**

**In USA market, buy real-estate or housing stocks without any fear. Four months back we strongly recommended buying this sector. Look performance of few stocks.**



Last week we recommended selling Russell Index and holding or buying S&P as well as Nasdaq, this trade has proven unbelievably accurate. Look at below chart of Russell, S&P and Nasdaq, Russell remain weaker compare to S&P and NASDAQ, we recommended to short/sell Russell and hold S&P as well as Nasdaq. These hedging trades done amazingly well. Five day trading chart pattern below.

Important note – Don't sell Tech stocks, don't sell indexes, if you want to hedge your position then sell Pharmaceutical and oil stocks.

Here is Indexes range for Monday's trading ranges:

AUSTRALIAN – 4293 to 4250

NIKKEI – 9879 TO 9755

NIFTY S&P – 5330 TO 5398

HONG KONG - 21639 TO 21369

CAC – 3533 TO 3473

DAX – 6969 TO 6859

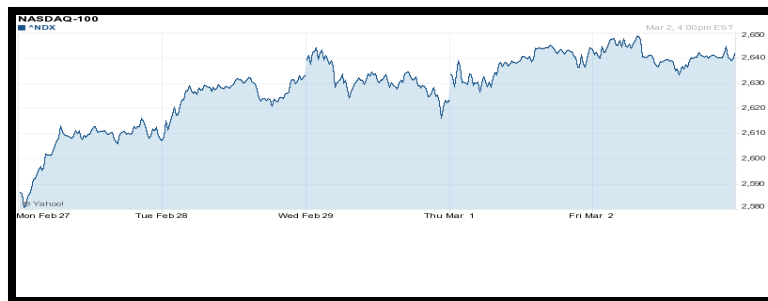
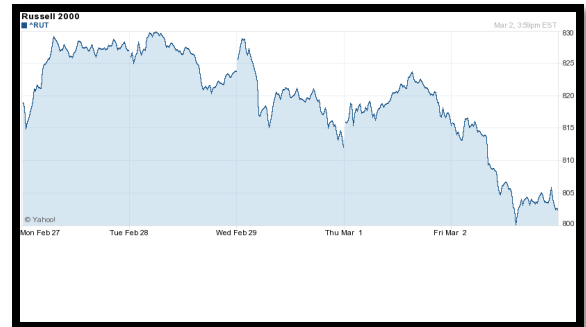
FTSE – 5929 TO 5841

S&P – 1375.25 TO 1360.25

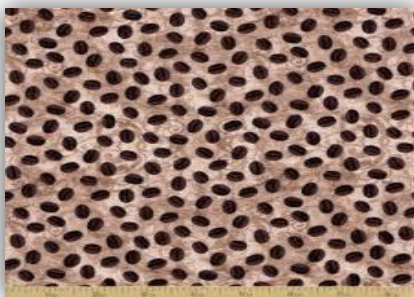
NASDAQ – 2656 TO 2636

RUSSELL – 809 TO 793

DOW – 13002 TO 12882



## COFFEE/COTTON



This week also looks mixed for coffee and cotton. On Monday they will trade sideways. Some positivity will come on Tuesday but it will prove short life as from late Thursday again both these soft commodities will trade on weaker the side.

Last three months our advise of not buying positions in coffee and cotton have proven to be very helpful to our investors. You don't have to invest your money when any market is indicating sideways

or weaker because you can use that same money in other market.

HOWEVER – I recommend you to start accumulating some call options position for December in coffee and cotton. Coffee call - December 2012 call strike price \$255 and cotton December Call Strike price \$105.00.

Futures – In the worst case scenario coffee can fall down to \$192 and cotton \$81.80.

Here is Monday's trading range: May contracts

COFFEE: \$203.90 TO \$200.10

COTTON: \$89.80 TO \$87.20

### COCOA/SUGAR/ORANGE JUICE



Last week's buying recommendations in orange juice have done well. I still recommend you to hold your position in orange juice as prices can reach \$200. We see sugar remaining in a positive trend as we have recommended. Both these soft commodities have been trading a bit positive as compared to all the other soft commodities.

Avoid cocoa at this stage as it looks weaker. I don't recommend any trades in cocoa.

Here is Monday's trading range: May contracts

COCOA: \$2368 TO \$2303

SUGAR: \$25.18 TO \$24.71

ORNAGE JUICE: \$193.20 TO \$187.20

### TREASURY BOND



Thirty year bond prices will trade positive during this week so if you are short, cover positions. There will be a small upward rally for the shorter period. Sell positions by Friday. Interest rate all closer to the low and may remain on the lower side for the next ten months before it starts rising rapidly from March 2013.

Also, too much money is going in and out of the Bonds due to the debt



crises in Europe, yes they have sorted out the shorter term problem but overall, in the longer term, the European situation will remain under water.

Monday's trading range for energy April contracts:

TREASURY BOND – 142-02 TO 143-01

## GRAINS



Soy bean has been trading as predicted for the last month. It moved up more than \$100. Corn and wheat have also traded positively during last week. On Friday Rice prices jumped sharply after touching \$14.03 lows and went up sharply to \$14.56. Soy Meal remained stronger but soy oil went down with oil.

This week a big grains report is coming out on Friday 8 March; so we recommend you to reduce your holding in grains.

Soy, soy meal and wheat are to trade positively. Avoid any position in corn and soy oil. Our Soy buying trade provided huge returns, See below chart of Soy for the last 3 months.

Here is day trading range for Monday':

CORN: \$647.5 TO \$659

WHEAT: \$684.75 TO \$666.5

RICE: \$14.75 TO \$13.33

SOY: \$1342 TO \$1328

SOY MEAL: \$362 TO \$355.7

SOY OIL: 54.39 TO \$53.79



## ENERGY



Last week we saw a huge amount of volatility in oil prices, Natural gas also remained in a weaker trend. This week I see oil bouncing back on **Monday and Tuesday** even though some bearish news, and the mixed trend on **Wednesday and Thursday** but oil prices will fall on Friday.

NATURAL GAS will start moving up from the 16th of March so one should watch it closely. On the lower side one can build long position if it touches \$2.28. On Monday and Tuesday gas will trade a bit positive but for the rest of week it will trade mix.

Trade in and out in energy as per the daily predicted range. Last week Thursday and Friday our range came a bit off in oil and gas but normally daily range accuracy is very high so trade in and out with range.

Monday's trading range for energy April contracts:

OIL: \$108.17 to \$105.15 (weekly range will be \$104.21 to 109.89)

NATURAL GAS: \$2.53 to \$2.43 (We see some positive momentum though technical chart is bearish)

## CURRENCIES



Japanese Yen made six months lows, euro and other currencies gained sharply against Yen. US Dollar traded mixed but went up on Thursday and Friday. Last week we mentioned that dollar has limited on the lower side. Soon all major currencies will adjust prices, and dollar will be the only currency which will perform extremely well in the medium and longer term specially against Euro, Yen, Australian and Pound. Canadian dollar will remain quite positive and will gain against all major currencies in the year

2012.

This week dollar will trade mix on Monday and Tuesday. The sideways trend or bit weaker trend will come from Wednesday and Thursday. Dollar will trade positive against all currencies on Friday but sell all currencies on late Thursday.

This week we recommend covering all positions in Yen. Here is last one month chart of Yen.

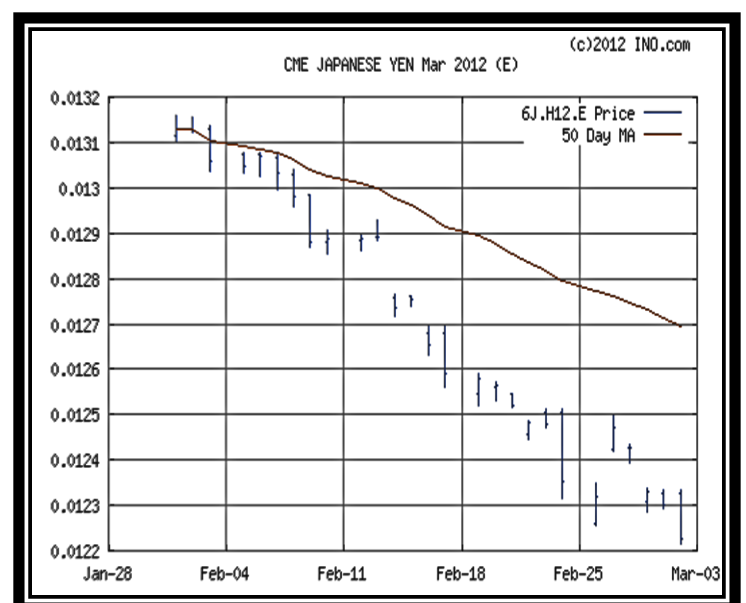
As we don't see any great excitement in currency trading, trade in and out and don't hold any big position on either side.

Monday's trading range is here:

DOLLAR INDEX – 79.19 to 79.79

EURO – 1.3272 to 1.3151

AUSTRALIAN DOLLAR – 1.0769 to 1.0662





CANADIAN DOLLAR – 1.0152 to 1.0071

BRITISH POUND – 1.5903 to 1.5777

JAPANESE YEN – 1.2201 to 1.2289

SWISS FRANC – 1.1001 to 1.0909

RUPPEE – 49.60 to 49.35

RAND – 7.47 to 7.56

Here is Swiss Franc chart of last one year.  
Currency trading is most danger one like

futures but if you are on right side of market then you can make fortune, like George Soros.



## ETF



From this week we are adding ETF services in our newsletter for those who would like to have safe trades without much volatility. This will also help our members to hedge and have positions in all different areas so you don't have to depend on a single stock and you don't have to take risks in the futures market.

**LONG:** These three EFT's below are the ones we are recommending to buy for the next two weeks: All three of these are Real estate ETF's. Even though they have moved up, you can still buy these three for this week as we see nice upside moves coming in them. Buy stocks or broke company like FNMA, FMCC, this is purely a risky trade so keep it mind that you may lose that money but I am right on these both stocks then you will make multiple money. As this section is for ETF so here few ETF's I am recommending for this week. **Buy VNQI - \$47.18, IVR - \$17.52, ICF - \$73.90.**

**SHORTS this two ETF's to hedge you trades:**

**IJR – at \$73.68**

**SMH – at \$34.23**

**Buy EWJ - \$70.30 (Brazilian market) and EEM - \$44.60 (Emerging market) ETF's.**

**On 5 March, Monday 9.00 AM all discount offers will end, you can extend your services if you wish to, also please don't forward newsletter to none subscriber, just tell them to subscribe their own services.**

Thanks & God Bless Mahendra Sharma, Published on 4 March 2012, Sunday 9.00 AM Santa Barbara,