

Weekly Newsletter

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Weekly Newsletter from 24-28 September 2012

Dear Members,

Last week Indexes and metals remained in bullish tone. Oil and grains remain weaker as investors were getting out of positions. Many are confused at this stage with the oil move because indexes and metals performing well then why energy is not moving with the markets?

Our cycle theory is clearly indicating a weaker trend in oil for a few more weeks; it doesn't show high stocks and metals move so you shouldn't be buying oil on any fall. The best strategy will be keep trading in and out of oil without holding positions overnight. Sell oil on the higher side predicted price, from where we don't see oil moving higher than \$96.32 and on the down side \$75.50.

The wave of nature cycle theory is clearly indicating a bull-market for Indexes, metals and soft commodities for the medium term, so any corrections in the shorter term should be taken as a buying opportunity in indexes.

There is no doubt that in 2012, stock markets will outperform every other assets class. More and more money will keep flowing into indexes as compared to commodities and currencies. We still recommend our members to keep adding stocks or indexes for the rest of 2012.

In our book "2012 Financial Predictions", we mentioned that stock markets may see some weaker trends from 23 September to 27 September. We have to watch these dates and if weakness comes in the market then we should take it as a buying opportunity on late 27 September.

Important note: this week one should trade with light position without going aggressive. Also book profit on Monday and remain watchful until Thursday or Friday. Once this week passes smoothly then we may be able to get clear directions.

Here this week's weekly letter from 24-28 September 2012

GOLD/SILVER



Last week metals went nearer to the Feb 2012 high. This week we see metals struggling to keep higher side so avoid any aggressive buying position. Book profit in futures market position but keep December 2012 call options position in gold, silver and platinum.

On Monday we may see a weakness coming in the prices of metals during the US trading sessions, so on a higher point one can book profits during the Asian and European trading session.

Tuesday metals will remain within the predicted trading range, so watch Tuesday's flash news range.

Wednesday we will see weakness in precious metals.

Thursday and Friday watch base metals, add position. Don't short Platinum at any price because we see platinum moving up sharply during this week (buy platinum on weakness).

We see gold holding \$1739 and silver \$33.28. Once gold and silver start trading higher above \$1793 and silver \$35.18 then we may see gold going toward \$1847 and silver \$36.78.

Avoid any position in precious metals stocks; if you are holding position in metal stocks then you should book on Monday opening.

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

GOLD: \$1784.80 to \$1765.80 or lower up to \$1757

SILVER: \$35.02 TO \$34.33

BASE METALS



This week base metals will trade mixed or will perform far better than precious metals but **platinum** will outperform all metals. Monday evening and Tuesday base metals will remain weaker.

Wednesday our members should avoid trading metals; one can sell on higher levels as predicted in the daily range.

Thursday and Friday one should buy Palladium and platinum. Platinum especially will move up sharply. We won't be surprised at all if platinum prices move to a multi-year high.

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

COPPER: \$382.90 TO \$374.50

PALLADIUM: \$678 TO \$660.90

PLATINUM: \$1650 TO \$1616, Great buy around \$1616

INDEXES



Last week world markets remained very positive. As per the emails we have been receiving from different part of world, most of the investors missed this stock market rally. In fact many are in shorts in market due to the negative outlooks published from many experts. We highly recommend our members not to short markets at any level. Yes, one should book profit on Monday on higher side and stay away from for the first two to three days.

The best strategy will be to keep adding small position of call options of December 2012 and 2013. We have always noticed that when people trade futures markets they exit very quickly on small profit but investors normally don't book profit that quickly in options trade. The second good part is that we are aware about risks. We still remember when in 2002/3 we were recommending people to buy call in gold and silver for 2005 and onwards because we were targeting gold prices to hit \$1000 to \$1600 in ten years and silver \$28 to \$38.

Most of you are aware that we are very bullish for Indexes for the longer term (two to three years). If you buy call of S&P reaching 1800 to 2000, you will get these calls cheap and if prices reach there then you will make a fortune. We are also very bullish for Nasdaq; it may hit 5000.

Anyways this week is mixed or a bit uncertain so avoid any big buying, or don't hold any big position at this stage.

Monday we see some profit booking in market at higher levels.

Tuesday corrections will come in late hours in USA after stable trading in Asia and Europe.

This weaker trend will continue on Wednesday, so avoid any buying position.

On Thursday the same trend will remain in morning hours but some buying will come after latter USA trading.

Friday we will see markets stabilizing and moving higher.

Last week most of the markets performed well; DAX and Nifty did extremely well.

Monday trading range (September 2012 contract):

AUSTRALIAN (Cash) – 4439 to 4426

NIKKEI – 9105 TO 8975

FTSE – 5870 TO 5809

NIFTY S&P (Spot) – 5709 to 5653

S&P – 1459.75 TO 1443.25

SINGAPORE (cash) – 3081.00 TO 3077.00

NASDAQ – 2869.5 TO 2828

HONG KONG (cash) – 20772 to 19619

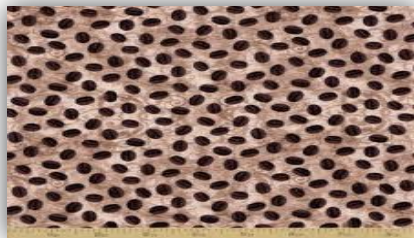
RUSSELL – 855.50 TO 8436.25

CAC – 3504 TO 3477

DOW – 13577 TO 13550

DAX – 7483 TO 7401

COFFEE/COTTON



Soft commodities have been struggling so far this year, but they are very close to blow upside so our members shouldn't be missing the opportunity of buying. Medium and longer term outlook for all major short commodities looks great from here onwards. At this stage start accumulating coffee, cotton, sugar and lumber. Lumber is our short term trade, so don't miss the opportunity to acquire lumber trade from Monday this week.

Coffee, cotton and sugar are medium and longer term trades; keep building position in all of these three soft commodities. Buy December 2012 call, September 2013 and December 2013 call options. Take \$90, \$100 call for cotton, \$190 and \$200 call for coffee, and \$24 and \$28 call for sugar. As per our wave of nature cycle these three soft commodities will move beyond anyone's expectations. Get in on these trades without fail.

Buy lumber this week from Monday. Keep adding coffee and cotton without fear.

Tuesday and Wednesday's trend will remain mix but from Thursday there will be sharp up move.

Monday's trading range (November & December contracts):

COFFEE: \$175.35 TO \$171.25 (keep accumulating)

COTTON: \$74.47 TO \$72.80

COCOA/SUGAR/ORANGE JUICE



Avoid cocoa and orange juice during this week but buy sugar position as very soon it is going to break the up-side and we may see new multi month high. Monday sugar prices will remain in a

tight range during electronic session but will start moving higher after USA market open.

Tuesday and Wednesday we will see sugar prices moving higher. Thursday sugar prices will trade slightly weaker but late Friday they will close either stable or up.

Monday's trading range (November & December contracts):

COCOA: \$2530 TO \$2480 (avoid)

SUGAR: \$19.18 TO \$19.65

ORANGE JUICE: \$126.80 TO \$123.95 (avoid)

TREASURY BOND



This week is again a great opportunity to sell Thirty year Bonds on late Wednesday and early Thursday. Monday to Wednesday we will recommend that you trade in and out.

Thursday and Friday one can sell bond and carry forward selling trade as we will see Treasury bond breaking 140. Build up trade in bond, buy put options of December 2012 and we are sure you will

make good some of money.

Monday's trading range:

TREASURY BOND – 147-18 TO 146-10 (Dec)

GRAINS



Soy, meal and soy oil crashed during last week in spite of savior drought conditions. Two weeks back our wave of nature cycle already indicated a fall coming in soy and meal, we predicted fall fearlessly due to the wave of nature cycle giving negative indications.

Monday and Tuesday we may see the weakness remain, but late Wednesday short astro cycle is turning positive so cover all shorts in soy, corn and wheat. Also, you can take some position either on mid Tuesday or Wednesday and hold position until late Thursday or Friday.

Longer term and medium term traders should avoid any big positions in soy and soy meal at current levels. Surely Corn is a great pick as compared to soy so start accumulating corn for short term trade.

Wheat will trade mixed during this week, and we may see a sudden rise and fall in wheat.

Note: This week is purely a trading opportunity week in grains. Follow our trading range in the daily flash news.

Monday's trading range (December contracts):

CORN: \$755.75 TO \$738.50

WHEAT: \$911.25 TO \$884.5

RICE: \$15.35 TO \$15.14

SOY: \$1637 TO \$1600.75

SOY MEAL: \$492.80 TO \$478.00

SOY OIL: 55.55 TO \$54.30

OIL



Last week oil prices crashed, and this week oils trend will remain weaker as well so avoid any one side trade. Trade in and out on a daily basis and sell oil on any rise. Tuesday to Thursday oil will trade weaker and we won't be surprised if its trades below \$90 and going eventually \$75.50.

We have been clearly mentioning that oil has a bleak future amongst all commodities. Metals, grains and soft commodities will perform far better than oil in the medium and longer term.

Monday and Friday we may see some positive momentum but still oil will struggle at the higher side of the day.

Natural gas will trade better than oil. We see a positive trend in gas during this week and we won't be surprised at all if it moves to a multi months high. Monday gas will move in the tight range on both sides but trend will remain positive. On Tuesday gas prices will move higher but later in a day they may come down. Thursday and Friday gas prices may move towards a multi months high.

Monday's trading range:

OIL: \$93.98 to 91.10 (Nov)

NATURAL GAS: \$3.17 to \$2.97 (Nov)

CURRENCIES



This week currencies will trade mixed, we recommend trading in and out. Yes, dollar will gain value from mid or late Tuesday and an upward trend in dollar will remain on Wednesday or till early Thursday. From mid Thursday or Friday dollar will start losing value again.

We received few emails asking that if a bull trend in the stock market will continue then how will the dollar move up? Our theory clearly indicates a longer term bull cycle in dollar but short term bear trend will remain for another two weeks from here.

Dollar index will hold 78.35 in any circumstance, so we are close to the end of the bear cycle in US dollar. If you ask us that whether we will trade in currencies our answer will be no because we have far better trades than currencies such as indexes, soft commodities and metals.

Last week our call of loading up Indian Rupee against all major currencies was proven to be money spinning as Rupee gained handsomely and few of the Rupee traders made a fortune.

Please focus on these kind of trades and take advantage of them. Right now buying soft commodities looks like a great trade as they will spin money for you in coming time.

Monday's trading range (December Future contract).

DOLLAR INDEX – 79.69 to 78.16

AUSTRALIAN DOLLAR – 1.0405 to 1.0325

CANADIAN DOLLAR – 1.0245 to 1.0182

BRITISH POUND – 1.6284 to 1.6157

EURO – 1.3055 to 1.2939

JAPANESE YEN – 1.2848 to 1.2770

SWISS FRANC – 1.0783 to 1.0691

RUPPEE – 54.89 TO 54.01

RAND – 8.25 to 8.15

This year our predictions of S&P and USA stock rise proven so far with accuracy. Most of you aware that we strong recommend buying S&P around 1100 and targeted 1463 by September 2012 and 1600 by December 2012.

Grains traded very positive as predicted. Last three weeks our recommendations of booking profit also proved so far very fruitful.

Currency and Treasury bond done well, Oil and metals advice did well as well.

We were very wrong on soft commodities outlook.

We are very much satisfied with our weekly newsletter and flashnews advise.

Thanks & God Bless, Mahendra Sharma, 23 September 2012, Santa Barbara