



# **Weekly Financial Letter**

**By**

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## Weekly Newsletter from 19-23 November 2012

Dear Members,

Once we would like to you that it is important that you must read first part of our newsletter very carefully.

Last week two major events took place: first was China got a new leader and second was that a Middle-east conflict started. **Both these events took placed on a Scorpio Moon, like the Facebook IPO.** World leaders should watch the Scorpio Moon closely, in fact not just world leaders, everyone should watch every Scorpio Moon closely. Investors and traders should avoid the Scorpio moon for new investments, trading and don't even hold any big positions on these days otherwise you can get a margin call or your positions can earn loses. In the last twenty years I always pay close attention to the Scorpio Moon. **"Last week Wednesday and Thursday was Scorpio Moon"**

First event: New Chinese leader "Xi Jinping" took over leadership on Thursday (most negative news), he will start making mistakes within the **first 29 days** (before Moon came back to Scorpio or after changing 11 Zodiac cycles). Under his ruling China will go down socially and economically. He will also develop some health issues in the third year of his ruling once Saturn becomes 10 degree in Scorpio house. There will be a lot of political changes during his ruling; I call him a complete failure as the leader of China.

Second event: Middle-East conflict started on Wednesday on Scorpio Moon, so it is clear that for the **next twenty seven days this issue will remain in the headlines with agreement of peace and disagreement.** Fights and attacks will continue with in-between some breaks as well so this conflict will not end soon.

At this stage we are not too worried about the **above mentioned issues** as these both events won't affect USA that much. You subscribe to our services to get future outlook of the financial markets, at this stage everyone should be closely watching S&P, Apple, oil and gold.

Oil and gold are very sensitive, they always move rapidly on any uncertainty. Last week's middle-eastern conflict not helped gold, and oil was also modestly up and not showing any panic. In the past we have seen that oil and gold run up on any kind of conflict or uncertainty in the middle-east.

The most important point you have note, is that **S&P will outperform against all major markets as well as commodities, except for coffee and silver.** S&P's trend is important for all markets, **S&P has to perform, it has to move up sharply to confirm that the biggest bull market is on the way.** We are not too worried about commodities (gold or oil) trend in 2013/2014, S&P's trend is important.

Last week was negative week astro cycle week and that negativity created some panic in markets but now it looks like that last week on Friday the stock markets have bottomed out. **Wealthy and large investors in America are expecting that the Bush tax cut may expire** and this can result in



them paying huge taxes next year if they carry the same investment position so they are booking profit in the best performing stocks like APPLE, Google, Priceline and many more. This is the reason why key value stocks or stocks which had a good run are falling on profit booking and in our view, most of the longer term holdings have been unloaded in the market due to not renewing the Bush Tax plan.

**Important note: If all major market don't recover from the middle of this week then that will be a concerning sign but we are sure that markets and commodities will recover from middle of next week (99.99% chances that markets will start moving higher).**

**Here is this week's weekly newsletter from 19-23 November**

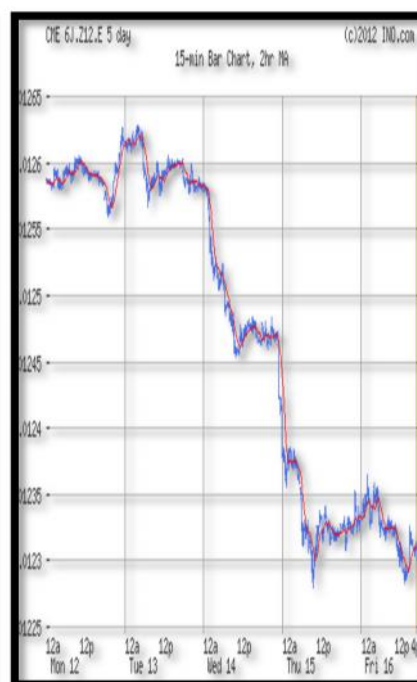
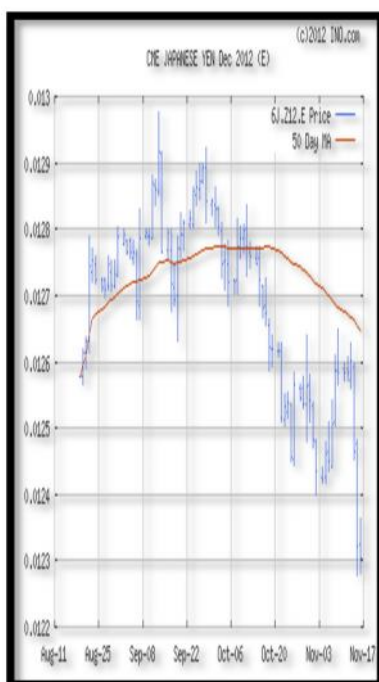
## CURRENCIES



Japanese Yen fell sharply, carry trade not working; developed market currencies interest rate is not making Yen Loan that lucrative but yes emerging market deposit interest rates looks attractive against Yen loan rate. Many are also worrying falling in emerging market currencies value.

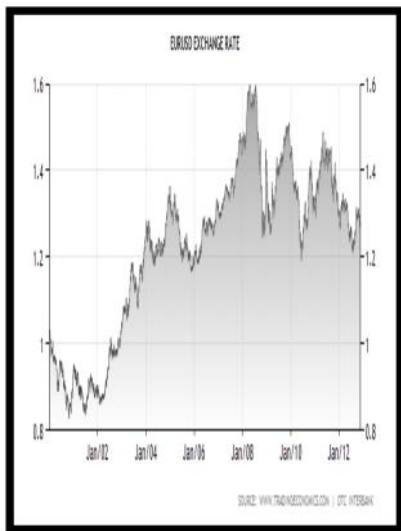
Here is our medium term out outlook on currencies:

Yen will keep losing value against all major currencies, during last week it fell drastically against all major currencies. We don't surprise at all if Yen goes to 1.1880 by year end. Our longer term view on Yen is very negative also fundamental and technical indicators are predicting same. **Here is one year and one week chart.**



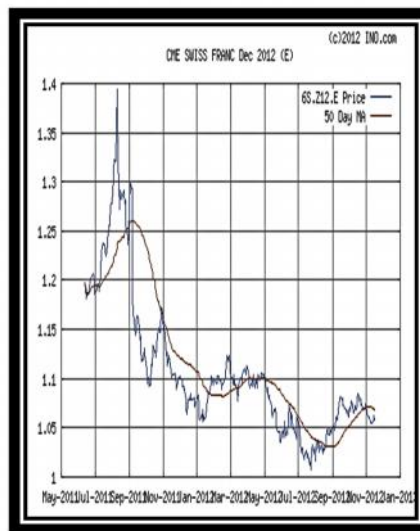


Euro, British Pound will remain weaker as well even after stocks recovery and this may surprise many. Higher side is limited for both these currencies. **In the last 11 years astro indicator gave two best predictions, one was buying Euro at 0.83 and second one was selling Swiss Franc at 1.40. Swiss Franc made fortune in short term as it just had free fall from 1.42 to 1.02. Here is one year chart of Swiss Franc and ten year chart of Euro.**



Australian dollar is considered most volatile currency; again higher side is very limited for this currency as well against Dollar and emerging market currencies.

Canadian dollar will remain far stable compare to all major currencies.

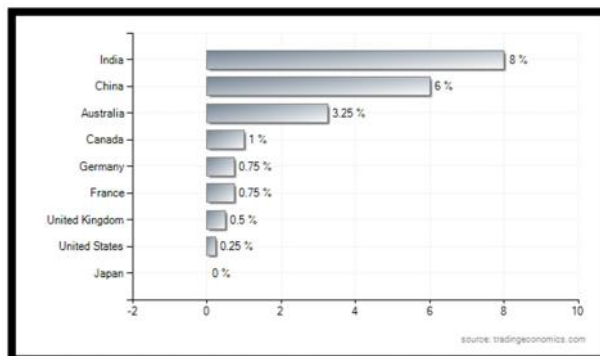


Emerging market currencies will have handsome gains so keep accumulating around higher sides, they will trade with very volatile trend. If you see charts of these currencies of last one year then you can learn that they look's very risky in terms of trading prospective.

This week currencies will trade mix, best strategy will be trading in and out, though we see markets moving higher but currencies won't able to take advantage of it. Swiss Franc can still Fall, Pound can do same thing with Euro but interesting trade will be emerging market currencies.

From last quarter of 2011 emerging markets currencies have been trading with huge volatility, look at trend of Indian Rupee, Real, Peso and Rubbles. These currencies are moving up and down with 10 to 15 move and that is huge because currency markets are very high leverage. Few of our members from India are concern about Indian Rupee trend as per them it Rupee showing very strange trend but according to us it doing what it supposed to do. Rupee is nearer to top, few months back we called top in Rupee around 57.20 to a dollar, and from there it fell back to 52 our predicted target. Now again it came back to 55.20, may be another .50 to .80 paisa on down side. Our all medium term range will remain from 56.30 to 50.70 against USD.

When Rupee top out means other currencies will do same, so those who trade emerging market currencies should follow Rupee trend. Still Banks in India are paying handsome rates on Deposit, yes Rupee devalue factors remain in outside depositors who convert dollar into Rupee. Here is world banks rates chart (from tradingeconomics.com): Above few charts are





taken from yahoo and ino.com.

This week Monday dollar will trade mix against all major currencies, some concern will be there due to Middle-East crises but Tuesday thinks will normalize. Wednesday again dollar will gain due to concern news developing from any events but Thursday again dollar will lose momentum. Friday USA will remain close but Globex markets will trading so watch closely and take trading advantage if you see any sharp move in currency market.

Note: Our medium and longer term view for dollar is very positive even though globally there will be positive economic scenario. In USA housing markets will improve, companies earning will be far better, consumer sentiment will be market friendly but dollar moving up will surprise many in year 2013.

**Monday's trading range (December Future contract).**

**DOLLAR INDEX – 81.45 to 80.98**

**JAPANESE YEN – 1.2380 to 1.2265**

**AUSTRALIAN DOLLAR – 1.0365 to 1.0289**

**SWISS FRANC – 1.0618 to 1.0540**

**CANADIAN DOLLAR – 1.0018 to 0.9957**

**RUPPEE – 55.23 to 54.60**

**BRITISH POUND – 1.5932 to 1.5844**

**RAND – 8.84 to 8.70**

**EURO – 1.2789 to 1.2712**

Thanks & God Bless

Mahendra Sharma

Sunday 3.00 PM Santa Barbara