



Weekly Financial Letter

By

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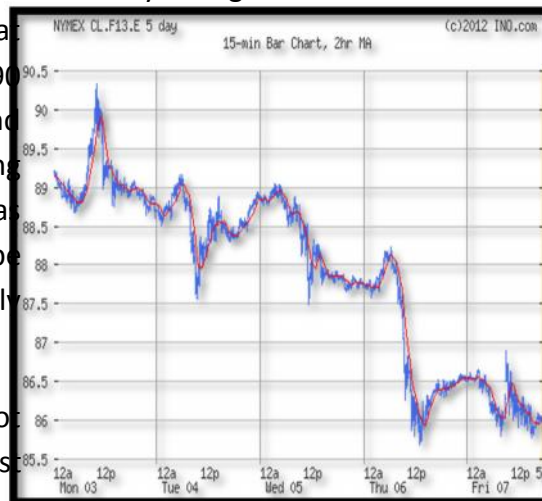


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Dear Members,

Last week markets traded interestingly, as first few days oil gave false technical bullish indications, in fact few of our members said that Mahendra, it looks like oil will be crossing \$90 as technically it is looking very bullish. And answer **was no**, we simply said that hold selling position in oil and use this selling position as a hedge against buying of S&P and silver would be proven profitable trade. It came down sharply after Monday onward.



At this stage the oil or metal move is not important, at this stage **Apple** move is most important one as the Apple stock is playing sentiment games due to **being highly weighted on Nasdaq**. Sharp up or down movement can push the whole market in that direction and market makers will love to do that. Many top guys like Apple as it is the most important tool for many these peoples. As we see a great future ahead for Apple it is clear that a few stocks like **Apple and Google** can decide market directions in the coming time and they will.

This week again **we have a Scorpio Moon, and most of you are aware of how scared we are with Scorpio Moon. I hate to trade or do something new on the day of the Scorpio Moon and I have been recommending the same thing for the past two decades. Most people have lost money when the moon passes through the Scorpio Zodiac sign in Vedic astrology. This week Tuesday, Wednesday and Thursday will be the time of the Scorpio Moon, most of trading decisions can give us loses or put us on wrong path.** What we are not supposed to do we do that in these days. We highly recommend avoiding any big trading position, avoid taking any new trade, also we will advise you to reduce position. Best thing to do is finish old pending work; spend time with family and friends but don't keep any important meeting or don't sign any important documents.

Let's talk about markets as they have been trading in a tight trading range, investors are confused about whether they should buy here or wait? What can the fiscal cliff do? Many other questions are in every ones minds. At this stage metals, energy, bonds, currencies and stocks are look totally confused so let's see what we see for the markets during this week but **we can also come wrong due to the Scorpio Moon.**



This week Fed is also meeting. **This meeting is taking place during Scorpio Moon so we are bit concerned. There is no doubt about volatility but we are worried about sharp swing so traders should be trading carefully. Any sharp rise should be taken selling opportunity or any sharp fall in Indexes, currencies, Bond or metals should be taken as a buying opportunity.** We may be keeping 5% position in our portfolio, and would like to go 95% percent cash and we may enter back in trade once we feel comfortable.

This week newsletter from 10-14 December 2012

TREASURY BOND



During last week, for the first four days Treasury bond traded positive or in the tight trading range but Friday they fell sharply after Job data. Metals also fell after job data but they received sharply not Treasury bond. This gives us clear indications that what we saw for Treasury bond is coming. It is on the way so hold your positions tight as a great time is coming to make money for medium and longer term. Look at multi year weekly and month chart, **our buying recommendations from 2007 worked very well, we are calling top around 51, so time to getout 100% from all positions.**

This week on Monday we will see Treasury bond trading in the below predicted range. Tuesday we will see some positivity but higher sides will be limited.

Wednesday Fed will be announcing rate decisions, Treasury bond will move in both directions so any sharp rise should be taken as selling opportunity, and if it falls sharply then only intra-day traders should cover position, longer term sellers should be holding positions.





Thursday and Friday we may see sharp corrections in the Thirty Year bond.

From this week we are writing price ranges of March 2013. The range for this week will be 151-05 to 148-03. It clearly indicates that a higher side is very limited from here.



Monday's trading range:

TREASURY BOND – 150-02 TO 149-01 (March 13)

Mahendra Sharma, Sunday 5.00 PM, Santa Barbara

Reading daily range: When we predict a **weaker trend** it means prices can break lower side and they can trade below predicted lows. (You can cover short but don't buy extra at lower levels until our indicators give buy signal).

When we predict a **positive trend**, means daily price can break upside and they can trade higher than predicted price (you can book profit but don't short that market).

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