

# 11.07.07

## Nasdaq prediction Nov '07

Posted in [Predictions newsletter](#) at 4:24 pm by ChineseCycles

We are reaching the end of our predicted bottom period for the Nasdaq Index, so it is a good moment to review the situation.

Some readers may ask: “where is the predicted bottom?”

Well, it looks increasingly likely that we already hit bottom early in August, and we are now back on the way up.

But how this can be, given the financial crisis that is going on?

Instead of letting the stock markets and the housing prices come down, the central banks have pushed the US dollar off a cliff, in a desperate attempt to save the financial house of cards from collapsing.

This means the hit is being taken mostly by the falling dollar (down 10-20% against most other currencies).

That has a number of effects.

One of them is that prices of raw materials, food, gold, oil AND stocks, can all move up in US\$ terms, just to compensate for the weaker currency.

Our Chinese Cycles point to a likely upward move for Nasdaq next year.

Investor's mood is currently not very optimistic because of all these current problems and worries.

But that's what you usually have at the start of a move higher: the proverbial wall of worries.

Look for the Nasdaq to climb to 3500 next year, as we discussed in our [Long Term Prediction chart](#)

Days of falling stock prices can be used to move to fully invested now.

Technology stocks are likely to be the outperformers for the next 7 years, so they should be overweight in your portfolio.

Happy trading.

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