

Chinese Cycles Newsletter

(formerly "Four Pillars Finance")
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The Yang Fire Horse month has started.

The dominant energy for this month will Fire.
Fire element is typically negative for the Nasdaq Index.

Stock markets have probably peaked and now the FPF cycle index goes negative for June.
So we look for some downside action in the coming month.

Here we repeat our FPF prediction chart for the Nasdaq in 2007:



(Predictive chart made with FPF 1.1 software, available at <http://www.chinesecycles.com/fpf.php>)

Nasdaq

The Nasdaq has climbed further to above 2600, but could not decisively break above the long term uptrendline.

Our predicted summer downmove has probably started already.

Since June is one of the bottom values in our FPF prediction chart for 2007, the initial downturn could be rather brief and probably followed by a rebound into August, next a second decline.

So we watch and wait for buying opportunity by the coming autumn.

Here is our updated prediction chart for Nasdaq:



Gold

Our gold stock scenario also remains on track so far.
But the expected upside action has been weak.
This may signal further weakness ahead.
So I am turning more cautious on this market.
Given the long sideways pattern in XAU we can expect a large move coming up.

We still stay into gold stocks but raise our stop-loss level to 130 on XAU.
Get out if we fall below that level.
This gives us a break-even trade at worst, since we entered XAU at 130

Here is the updated chart:



Euro - US Dollar

Our predicted Euro peak near 1.40 did not come to pass and we may well have seen the top in Euro-US\$ already

The FPF prediction chart for Euro turns negative for the rest of the year, so take the profits if you have not done so already and move to the sidelines.

You can even consider a small bet on a rising US dollar till year end.
The Euro falling back to 1.26-1.28 area is well in the cards here.

Here is the prediction chart:



Four Pillars Finance software - Free trial download

For more detailed daily prediction charts you are welcome to download the Four Pillars Finance 1.1 software on our site : <http://www.chinesecycles.com/fpf.php>

The program calculates the Chinese cycles and shows you in advance the best days , months or years to buy or sell stocks, gold, bonds, currencies, commodities...

No experience in Chinese astrology is needed in order to use this program.

Start of the Yang Fire Horse month: 5 June 2007 at 21:28 pm EDT (New York)

Start of the next Yin Fire Goat month: 7 July 2007 at 07:43 am EDT (New York)

If you want to receive our next monthly outlook in your mailbox, please subscribe to the free Newsletter on our site: <http://www.chinesecycles.com/news1.php>

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