

Chinese Cycles Newsletter

(formerly "Four Pillars Finance")
Issue #77 (6 March 2007)

The Yin Water Rabbit month has started.

The dominant energies for this month will be Water and Wood.
These elements are quite positive for the Nasdaq Index.

The Tiger month produced the late dip I warned for in last month's letter.
We now have a clearer picture.
Next two months still have positive FPF index, with a peak value in April.
I expect the market to rebound over this period, then fall again later in the year.
The scenario is well in line with our long term prediction for 2007.

Here is 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 sudden fall in most stock markets, took many by surprise.

Not for our ChineseCycles readers.

We have been telling since last November to move on the sidelines, and last month we told again it was an opportunity to sell stocks.

As you can see in the chart below, you didn't miss much if sold in November.

What next?

Positive FPF index value will probably allow the markets to recover.

Some stock markets may even succeed to reach new peaks, but most will probably fail or at best form a double top near the February highs.

Do not bet on it however.

This expected rebound will be a last chance to sell, as our Chinese Cycles do not look good going into second half of the year.

We look for a second wave of selling through the summer.

Here is our updated prediction chart for Nasdaq:



Gold

Gold stocks took a beating too.
But we remain in the long term uptrend channel.
There is no change to our long term scenario here.

I expect this market to break out to the upside later this year, so we just stay patient.

Get out if the XAU drops below 115.

Here is the updated chart:



Euro - US Dollar

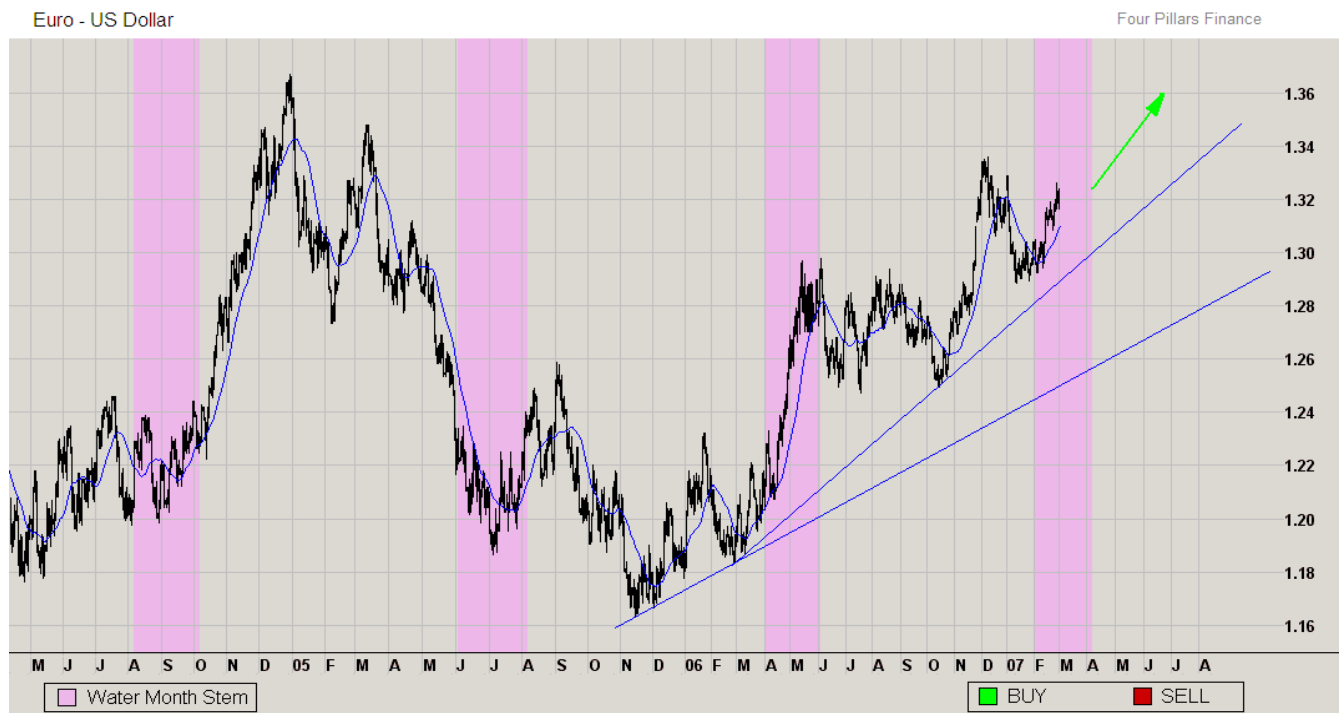
Our Euro prediction remains on track.

Euro went up to 1.32 already, and is now close to the point where it could break out upwards to 1.36 level.

Especially from April onwards the odds for a further rise in the Euro are good.

So we stay in Euro 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 Yin Water Rabbit month: 5 March 2007 at 18:18 pm EST (New York)

Start of the next Yang Wood Dragon month: 4 April 2007 at 23:06 pm EST (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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