

# Four Pillars Finance Newsletter

Issue #54 (4 April 2005)

The Yang Metal Dragon month starts today.  
The dominant energy will be Metal and Earth.

Stock markets rose to peak values early in the month, with Nasdaq reaching just above 2100, and then sold off.  
Being (or getting) out of this market has been the right thing to do.

Metal is the most unfavorable element for stocks, so we can expect further decline to a temporary bottom in the next two months.

Our FPF prediction chart for the Nasdaq falls into negative territory, and we look forward to reach a bottom in May:



(Predictive chart made with FPF 1.1 software, available at <http://www.fourpillars.net/finance/fpf.html>)

## Nasdaq

*FPF Index: -11.1 (down from + 31.9 last month)*

Dow Jones and S&P 500 Index reached multi year highs early in Rabbit Month, but the Nasdaq is lagging badly. We reached 2100 and then fell down below the important 2000 psychological level.

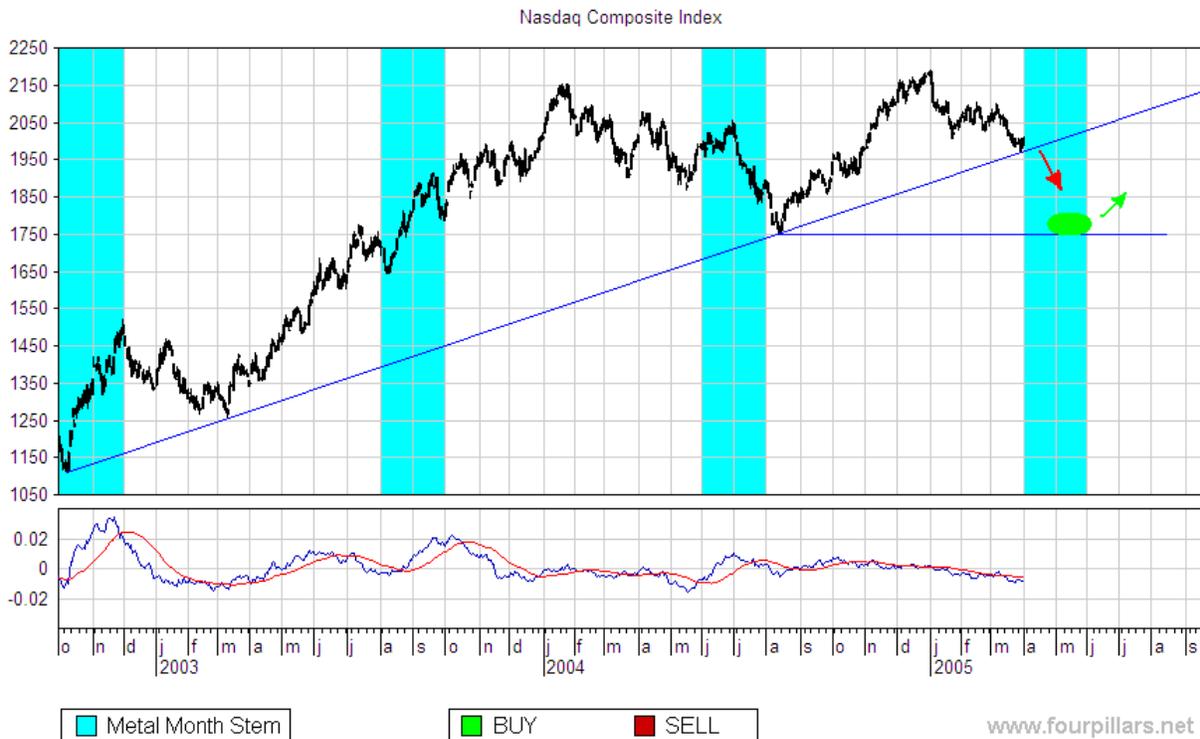
The decline we anticipated is underway already.

As we can see from the chart below, the Nasdaq is now sitting right on its long term uptrendline, and we expect it to break down in this April/May Metal months period.

Most likely downside target/ support level is near 1750, from where a brief rebound rally into June/July is well possible. If the 1750 level doesn't hold, then the decline will turn in something pretty nasty.

We still stay out of stocks, and will assess eventual short term buying opportunity for coming May in our next newsletter.

Here is the updated prediction chart for Nasdaq:



## Gold

FPF Index: - 25.4 (up from -64.7 last month)

Gold stocks fell back to low 90's on the XAU, as predicted.  
A double bottom may be in the making here.

The FPF Index improves from last months reading but remains slightly negative.  
We don't expect a strong rally soon, the prospects for gold do not improve until second half of then year.  
Long term investors can still accumulate gold stocks near 90 on XAU.

Keep using the stop-loss near 85 to limit losses if the long term uptrendline fails.

Here is the updated chart:



## Euro - US Dollar

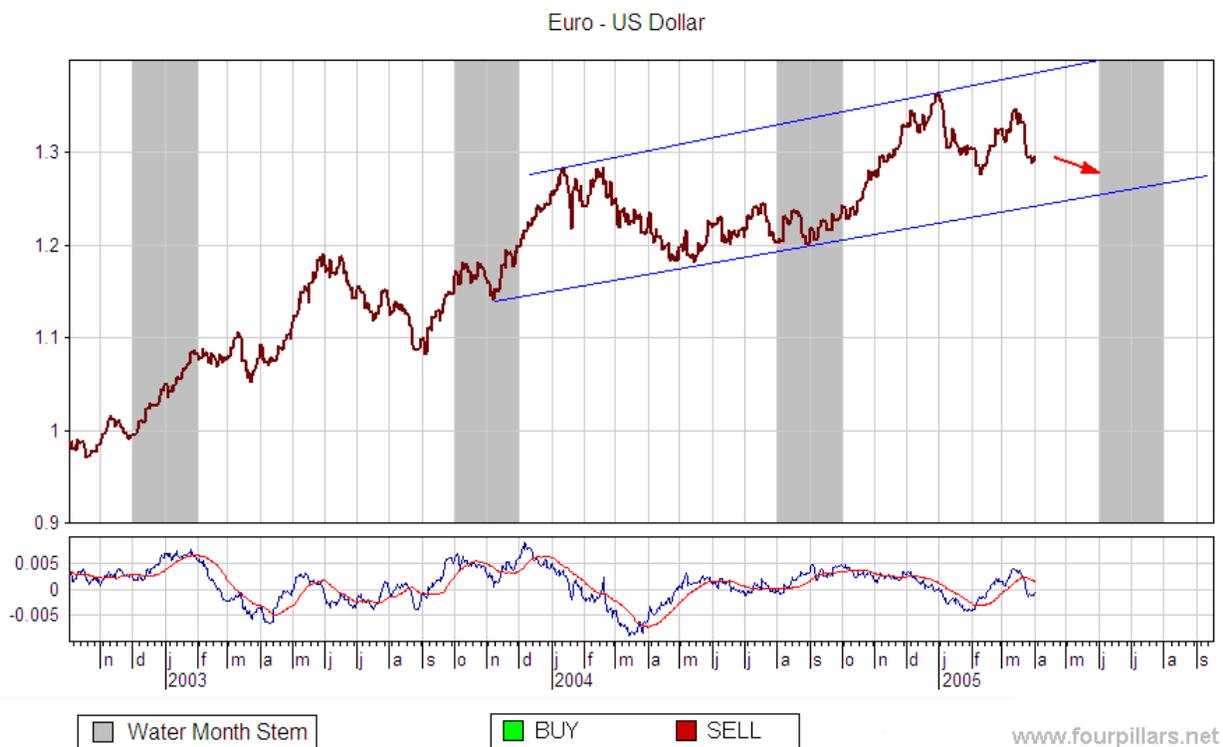
FPF Index: -2.9 (down from +14.5 last month)

The Euro behaves as expected, trading up and down around 1.30 against the dollar.

If this slow market continues we can look for a new move upward to start after June/July bottom period for the Euro.

Target bottom : 1.26 by June/July

Here is the new 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.fourpillars.net/finance/fpf.html>

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.

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Start of the Yang Metal Dragon month: 4 April 2005 at 11:35 am EST (New York)

Start of the next Yin Metal Snake month: 5 May 2005 at 5:45 am EDST (New York)

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You are welcome to forward this free newsletter to anyone who is interested.

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