

# Four Pillars Finance Newsletter

Issue #50 (6 December 2004)

Welcome to the 50<sup>th</sup> issue of FPF newsletter.

The Yang Fire Rat month is getting underway today.

The stock market seems to be reading this newsletter too, with the Nasdaq reaching a high of 2160 last month, exactly where we had predicted it to be, and again up 5% from last month.

Our FPF prediction chart for the Nasdaq turns negative in December, so we expect a pullback with probable bottom coming up in January:



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

## Nasdaq

FPF Index for December: -10.5 (down from +16.7 last month)

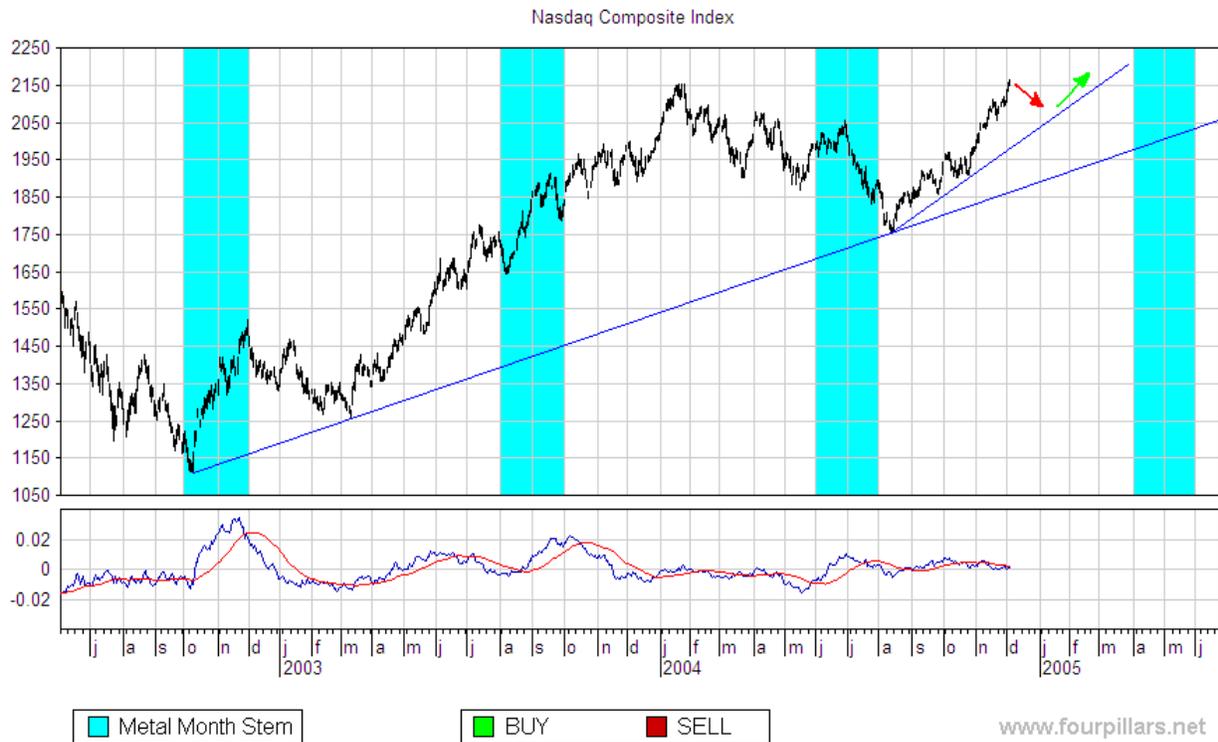
Stocks continued the uptrend, and reached their highs of the year, which were set last January.

The FPF Index turns negative, so we look for the market to consolidate.

Most likely is a mild pullback towards 2000-2050, from where a new leg upward could start into a February-March peak.

We will discuss this in our upcoming preview for the year 2005.

Here is the updated prediction chart for Nasdaq:



## Gold

FPF Index for December: +23.8 (up from -19.7 last month)

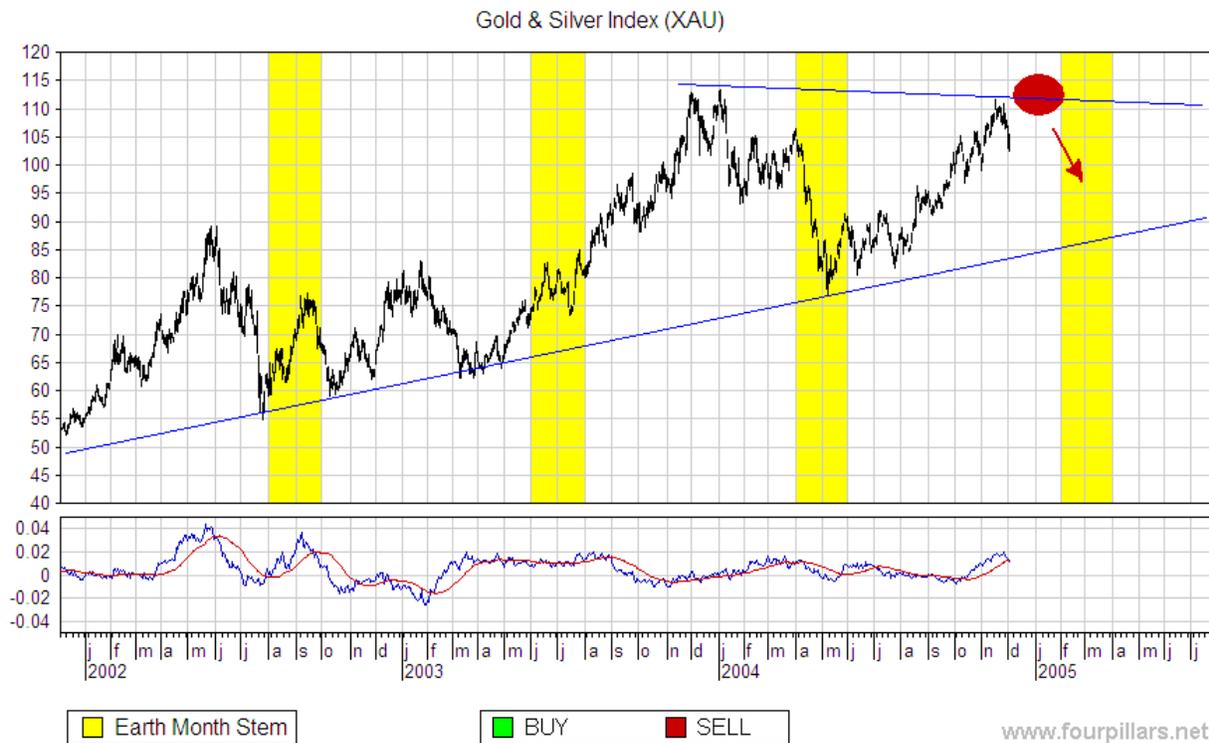
We didn't miss much by staying out of gold stocks for the past two months. While price of gold itself has moved to 16 year highs, the mining stocks refuse to go to new highs. XAU ended the month at 102, that's about where it was in early September.

Our FPF Index goes positive for December.

Expect the gold mining market to try the upside again, and possibly even make a brief sprint to take out the old January high near 115, but unless it comes as a massive upward break on huge volume I would sell in such a rally as the Earth months are approaching quickly.

The upcoming cyclical lows next February/March are likely to provide us with a better buying entry point.

Here is the updated chart:



## Euro - US Dollar

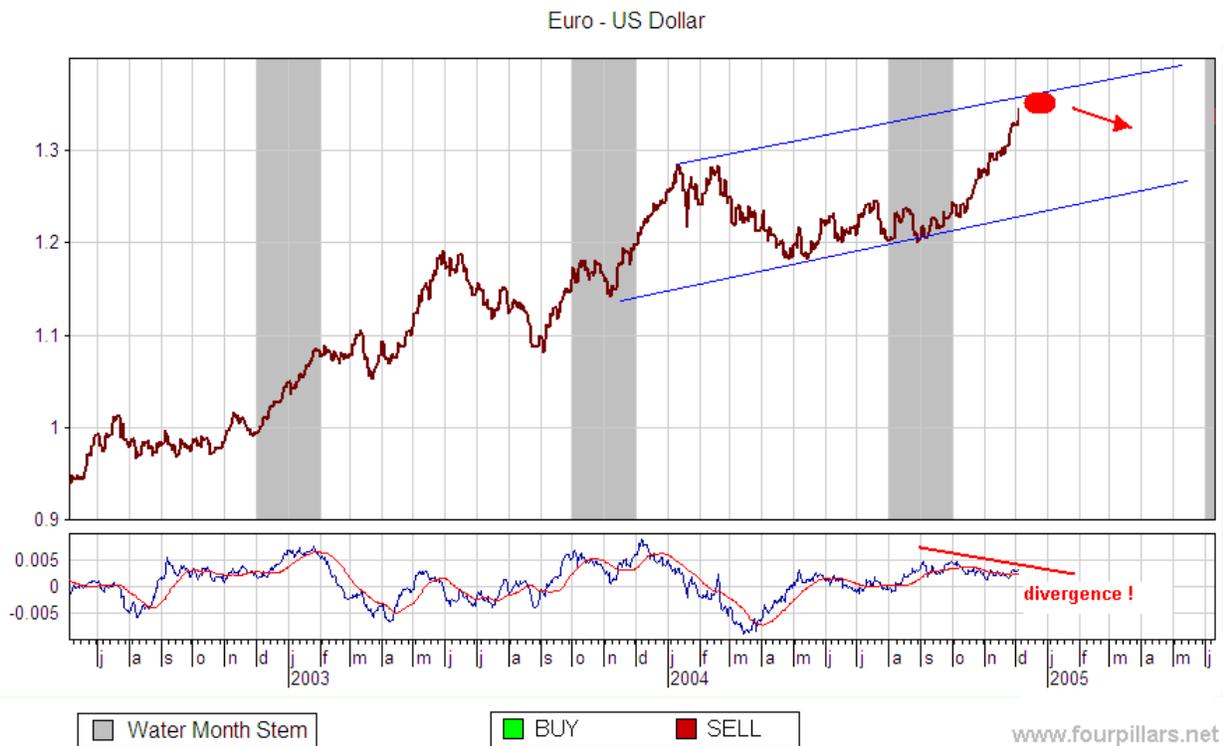
*FPF Index for December: -3.2 (up from -5.1 last month)*

Our predictions for Euro/Dollar are clearly not on track for the moment.  
The Euro keeps going up and reached new all time highs against US dollar.

The FPF value remains near neutral, but based on the trendlines it looks like this current move will stop at about 1.35 and probably move sideways for a while.

Longer term our Chinese cycles point to ongoing dollar weakness till 2006 - 2007

Here is the new 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://finance.fourpillars.net>

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 Fire Rat month: 6 December 2004 at 13:50 pm EST (New York)

Start of the next Yin Fire Ox month: 5 January 2005 at 1:03 am EST (New York)

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

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