

Four Pillars Finance Newsletter

Issue #39 (6 January 2004)

The Yin Wood Ox month starts today.

The stock market kept inching higher, and the Nasdaq ended the month at 2050. That's only 50 points higher than last month, so if we continue at this rate the Nasdaq will reach 5000 again in 2009. The ride will probably not be that smooth.

The Chinese astrology cycles, as shown in our FPF index, are still positive for January, but will weaken in February and March.

We still look for an intermediate term peak here.

Below is the Nasdaq prediction chart for 2004.



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

Nasdaq

The Nasdaq has reached another high during the Rat month , just above 2000.

Our FPF momentum indicator continues signaling weakness ahead.

The market is approaching a critical level.

If it can rise above 2100, the old January 2002 high, then a further rise to near 2500 by April - May would become the more likely scenario.

Until that happens we continue to predict a pullback into February or March.

A drop below 1900 would officially confirm this scenario.

In that case we project probable low in the area of 1650 - 1750

Continue to stay out of the stock market, or buy put options for protection.

Here is the updated prediction chart for Nasdaq:



Gold

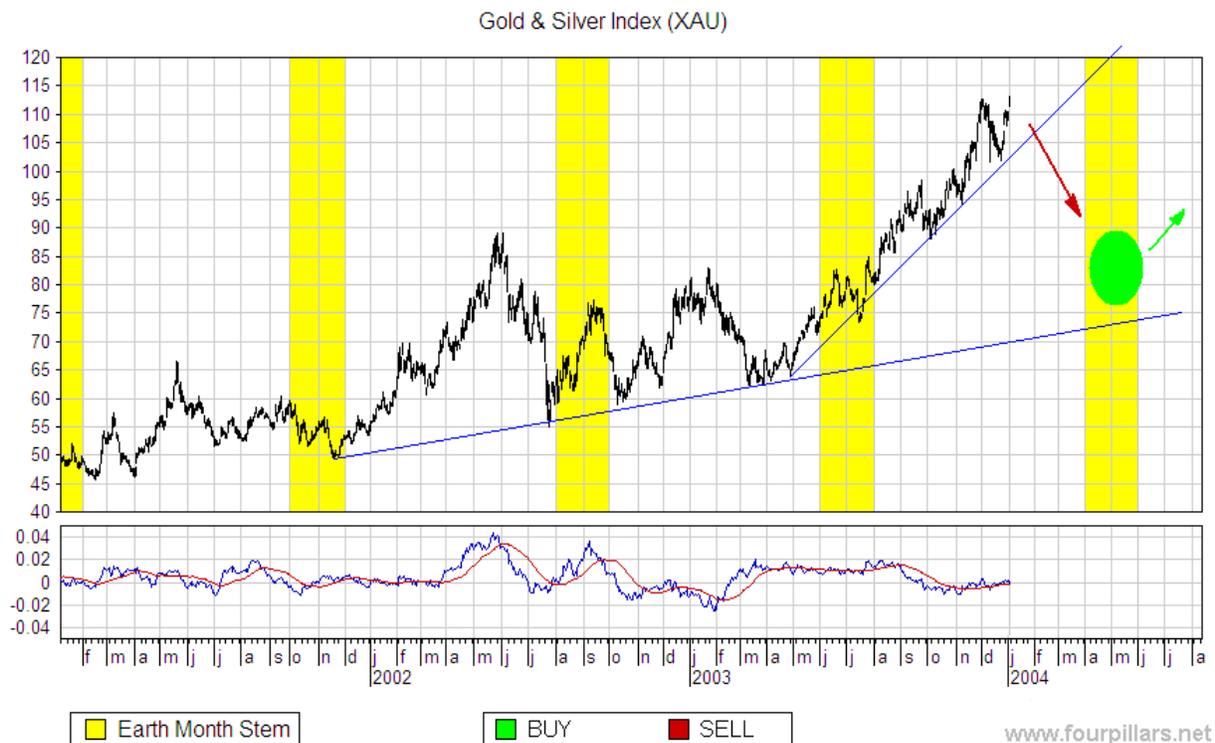
Gold stocks dropped about 10% in December, but rebounded nicely towards the end of the Rat month. The gold market is becoming increasingly volatile.

According to our Chinese astrology cycles, 2004 doesn't look so good for gold stocks. Especially the first half of the year is likely to produce a significant drop.

The projected cycle low comes in April/ May. The XAU can fall as low as 75, without breaking the long term uptrend.

The FPF momentum indicator shows very weak too.

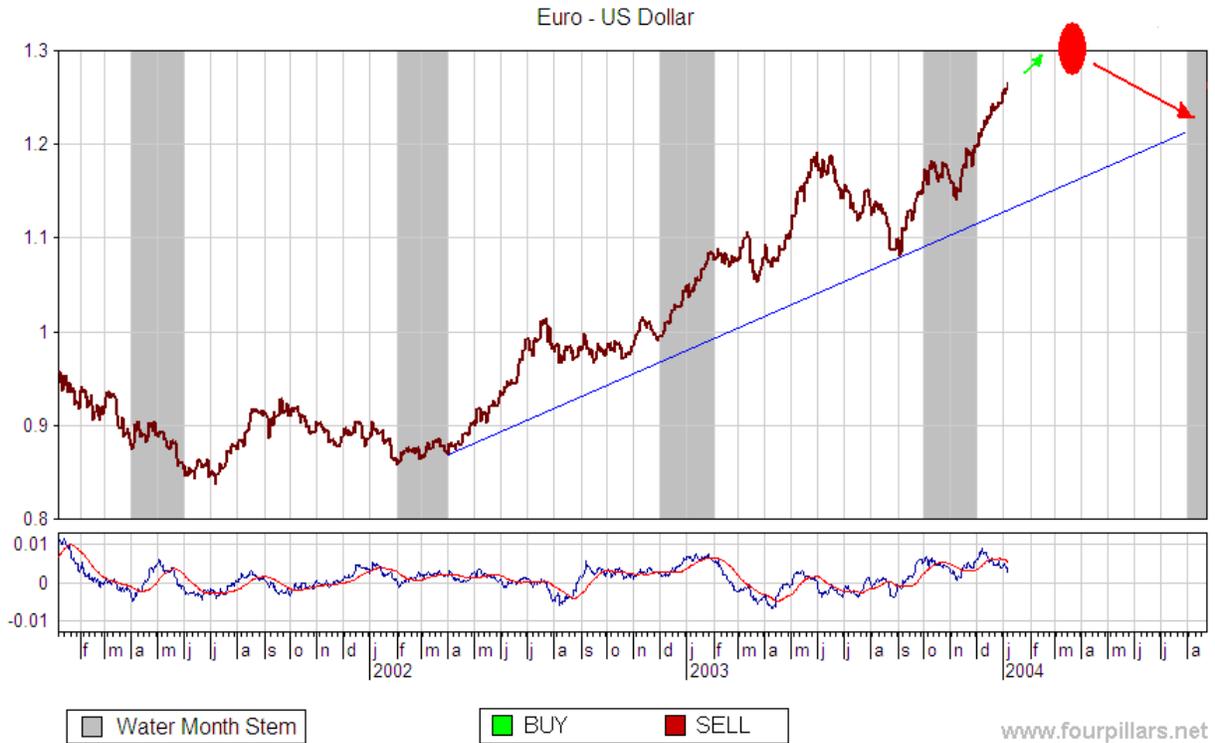
We continue to avoid gold stocks for the moment, too much risk for a sharp decline.



Euro - US Dollar

The Euro has continued to power upward against the US dollar, as was predicted last month.

Get ready to sell the Euro in March.
Likely high is between 1.30 and 1.40



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.

Start of the Yin Wood Ox month: 5 January 2004 at 20:19 pm EST (New York)

Start of the next Yang Fire Tiger month: 4 February 2004 at 7:58 am 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.fourpillars.net/finance/news1.html>

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

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