

# Four Pillars Finance Newsletter

Issue #44 (5 June 2004)

The Yang Metal Horse month starts today.

Stocks held steady between 1900 and 2000 on the Nasdaq, and ended the month with some weak positive bias.

We are now entering the Metal months, which have historically produced important lows in stocks. That's also reflected in our FPF prediction graph for the year, which shows negative values for the next four months to come. So we look forward to more downside action in stocks this summer.



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

## Nasdaq

The Nasdaq rose a little bit during May and ended the Snake month just below 2000.

On the chart we now see a clear downtrend that started last January.

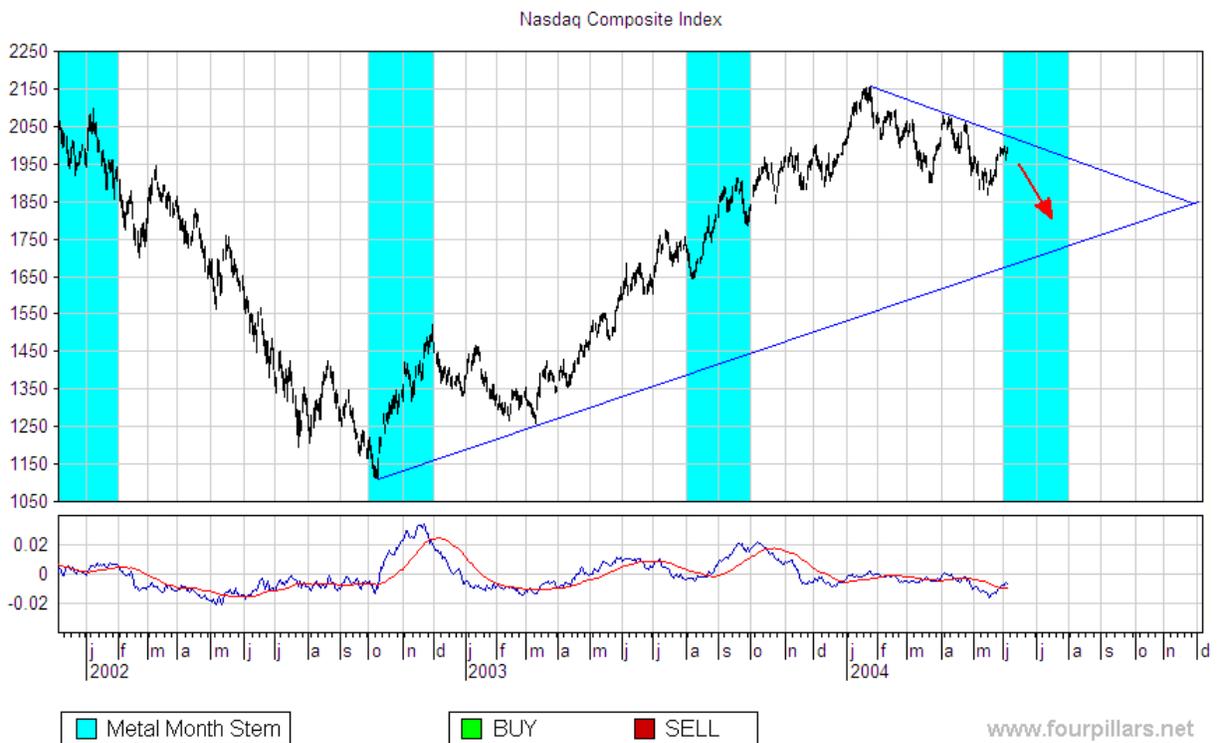
Our FPF momentum indicator also shows weakness and fell to its lowest level since May 2002.

We maintain our downside target around 1700 by July or early August, where the market will probably find some support on the longer term uptrend line.

If this 1700 level is broken then a kind of panic sell-off is likely.

So, we continue to stay out of stock market for the coming months.

Here is the updated prediction chart for Nasdaq:



## Gold

Gold stocks seem to have bottomed at 77 on the XAU index.

Those who took the opportunity to buy gold stocks with XAU between 75 and 80, as we had suggested last month, now have a nice 10 to 15% gain, since the XAU has risen back to 88 already.

We expect the gold stocks to continue upward, but probably not exceed the 115 peak before next year.

Use stop loss if the XAU falls below 75, which would break the long term uptrend.

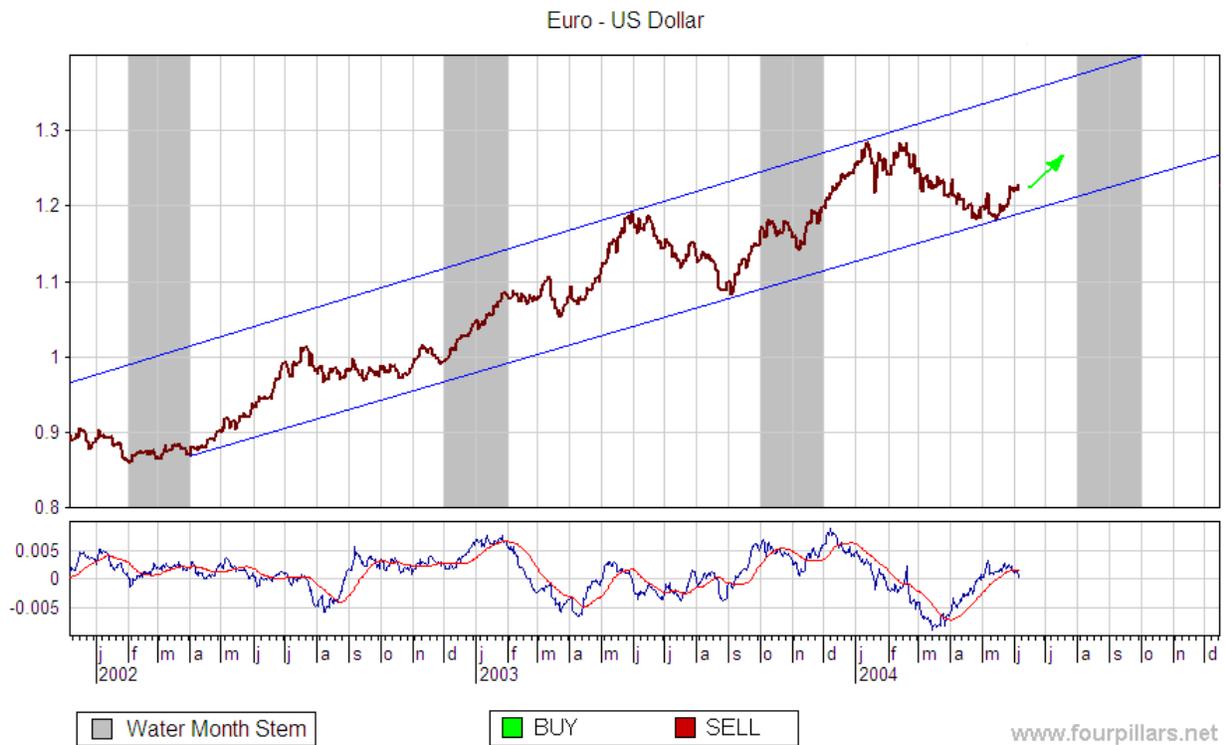


## Euro - US Dollar

A new rally in the Euro against US dollar seems to have started in May, exactly as we predicted last March.

The test of the long term uptrendline in Euro was successful so far, and we look forward to continued rise in Euro for the next few months, probably trying the 1.30 level again.

Keep Euro, sell US dollar.



## 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 Metal Horse month: 5 June 2004 at 04:15 am EDT (New York)

Start of the next Yin Metal Goat month: 6 July 2004 at 14:32 pm EDT (New York)

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

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