

# Four Pillars Finance Newsletter

Issue #56 (5 June 2005)

The Yang Water Horse month starts today.  
The dominant energy for this month is Water and Fire.

Our predicted bottom for May seems to have come earlier than expected, and the stock market already moved up strongly, with the Nasdaq finishing at 2070.

This is the upward bounce we had expected for June and July.  
Odds have now increased that we are going to make a double top

Our FPF prediction chart for the Nasdaq improves for June and will reach a high by July, so we look for the market to top out in the next few months:



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

## Nasdaq

*FPF Index: -1.5 (up from -36.9 last month)*

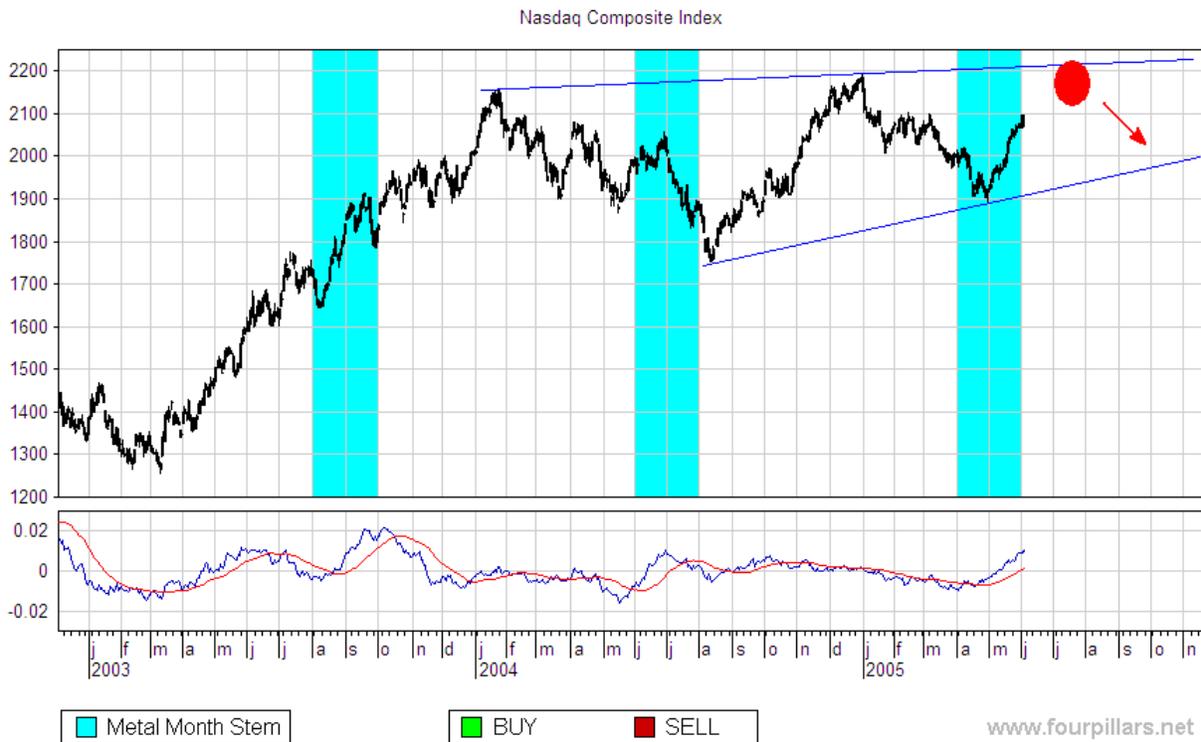
Stocks rebounded from their late April lows and rose strongly.  
Our buy target of 1800 or lower was not reached, and now it looks too late to get in on this upmove.  
One can't catch every move in the market, and it is important to be patient and not trying to be invested all the time.

Basically this stock market has gone nowhere since September 2003.  
Sooner or later it is going to come out of this sideways pattern, and make a sizeable move up or down.

Likely scenario going forward is a double top near 2200 in June or July, followed by a decline in the second half of this year.

We still stay out here, waiting for better opportunity.

Here is the updated prediction chart for Nasdaq:



## Gold

*FPF Index: + 1.8 (up from -14.4 last month)*

Our prediction for gold stocks worked a bit better.  
The XAU briefly dropped to 78 and has since rebounded swiftly to 90

Those who followed our suggestion to buy below 80 can already take the quick profit here.

The longer term picture is still unclear.  
The FPF index for gold stocks turns more positive later in the year, but we can't rule out a break down below 77 yet.

Be careful if you decide to hold on to the gold stocks, and use a protective stop loss at 77 on the XAU

Here is the updated chart:



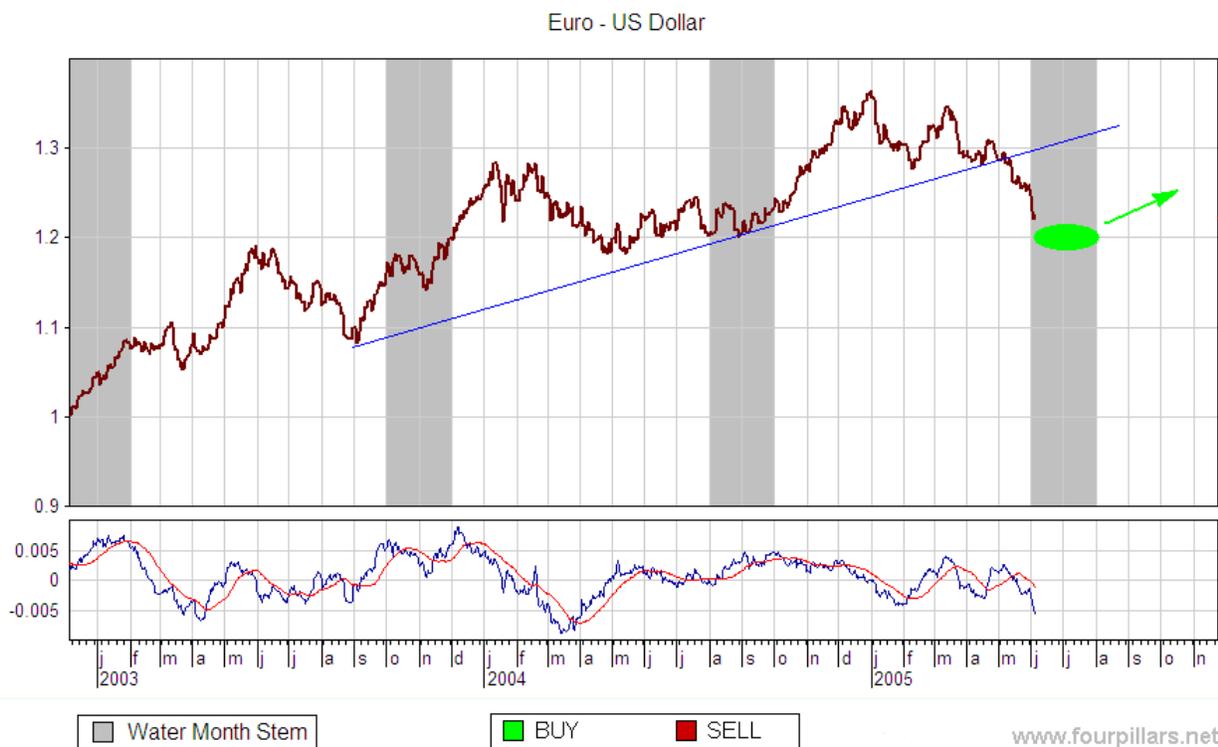
## Euro - US Dollar

*FPF Index: +2.0 (down from +14.2 last month)*

The Euro accelerated to the downside and has fallen to 1.22 against the US\$. This market is well on its way to make a bottom in our projected June/July timeframe.

We can lower our buy target to the 1.17 – 1.20 area.

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.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 Yang Water Horse month: 5 June 2005 at 10:02 am EDT (New York)

Start of the next Yin Water Goat month: 6 July 2005 at 20:18 pm EDT (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/newsletter.php>

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

\*\*\*\*\*

Copyright © 2000 - 2005 FourPillars.net

mailto: [finance@fourpillars.net](mailto:finance@fourpillars.net)

Disclaimer: Investing in stocks, commodities or currencies is risky. No guarantee can be given that the above prediction will be correct. Fourpillars.net cannot in any way be responsible for eventual losses you may incur if you trade based on the information given in this article.

Hypothetical or simulated performance results have certain inherent limitations. Unlike an actual performance record, simulated results do not represent actual trading. Also, since the trades have not actually been executed, the results may have under- or over-compensated for the impact, if any, of certain market factors, such as lack of liquidity. Simulated trading programs in general are also subject to the fact that they are designed with the benefit of hindsight. No representation is being made that any account will or is likely to achieve profits or losses similar to those shown. This information should not be considered as a recommendation to engage in the purchase and/or sale of any futures contract and/or options. Trade at your own risk.