

Four Pillars Finance Newsletter

Issue #68 (6 June 2006)

The Yang Wood Horse month will start today.
The dominant energies for this month will be Wood and Fire.
This is another mixed bag month as far as Nasdaq Index goes.

Nasdaq fell quite sharply last month, dropping to 2150 in a matter of weeks.
Remember how we mentioned that possibility of a quick drop to 2100 in our April newsletter?
Other stock markets around the world had even sharper drops in May.
We now have a somewhat clearer situation with regards to this market.

The FPF turns back to neutral this month, and positive into July, so we expect the market to stabilize and go back up into a July peak.

Here is our FPF prediction chart for the Nasdaq :



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

Nasdaq

FPF Index: - 2.3 (up from - 12.7 last month)

Nasdaq dropped and is now only just above a major uptrendline (see chart below).

We may well see this market drop to 2100 in June, where it would touch this line, but I expect the market to go up from there.

Whether it will be a weak rise into July or go to a new peak above 2400, remains to be seen.

Short term investors can buy Nasdaq for a rise into July peak.

Get out if the Nasdaq falls below the 2100 trendline.

The FPF index will be very negative in August and September, and that's when another move down to bottom level can be expected.

But July should produce some upside action first.

Here is the updated prediction chart for Nasdaq:



Gold

FPF Index: -25.9 (down from +24.3 last month)

Our prediction for a gold stocks peak above 160 in April/May has worked out nearly perfect. The XAU briefly went above 170 in May, then dropped very quickly back to the 130's.

If you took our repeated advice to take profits above 160 you must be smiling.

Now this market is still quite risky.

XAU is staying above a steep uptrendline, and may well manage to rebound into August (see chart).

But the risk is that we could see a second quick drop in June/July, which would take it down to the 110 area.

I would prefer to postpone any purchases in this gold market till next October, when we enter our next Earth Month projected bottom period for the XAU.

We had a very good run, doubling the money on this way up from last year's bottom, but one need not be invested in the market at all times.

Patience pays..

Here is the updated chart:



Euro - US Dollar

FPF Index: +51.9 (down from +20.8 last month)

The Euro is doing exactly as predicted and we already reached the 1.29 level against US\$

FPF chart for the Euro remains very positive till next September.
We could reach the old top near 1.36 again this summer.
That's were I expect this up move to stop for a while.
Hold on to the Euro.

Here is the 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 Wood Horse month: 5 June 2006 at 15:37 pm EDT (New York)

Start of the next Yin Wood Goat month: 7 July 2006 at 01:52 am 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/news1.php>

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

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