

Four Pillars Finance Newsletter

Issue #43 (7 May 2004)

The Yin Earth Snake month has started last Wednesday.

Stocks did not continue their upward path , as we had predicted.
Instead the Nasdaq has fallen back to just above 1900

And while May still shows a positive value for our FPF index, the weak showing for April makes it likely that we are already in decline going towards lows in July or even September, which have the lowest negative values for the year in our monthly FPF prediction chart.



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

Nasdaq

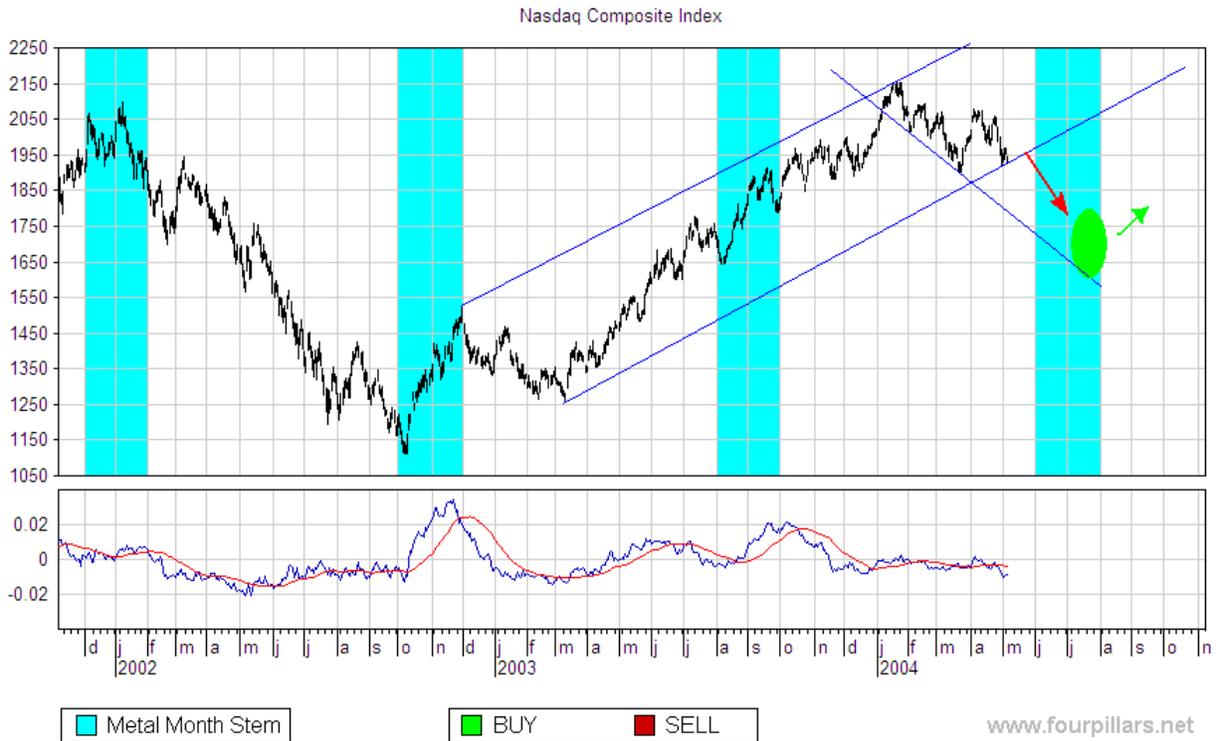
The Nasdaq displayed clear weakness during April, despite strong positive value in our FPF prediction chart..

The uptrend channel is still intact, and the market may try to stay within this channel during May, but with the Metal months approaching in June and July, I expect a rather significant decline into these summer months. Any fall below 1900 will confirm this scenario.

There is also weakness shown in the FPF momentum indicator.

The downside target is estimated to be around 1650 - 1750 by July or early August.

Here is the updated prediction chart for Nasdaq:



Gold

Our prediction for gold stocks has been right on the mark.

Panic selling has seen the XAU gold stock index fall to 80, exactly as we have been predicting since the end of last year.

With still another Earth month for this May, we could even fall to 75, which is right on the long term uptrendline.

But don't count on it.

Anywhere between 75 and 80 we are buyers for long term here.

Only a fall below 70 would make the long term picture much worse.

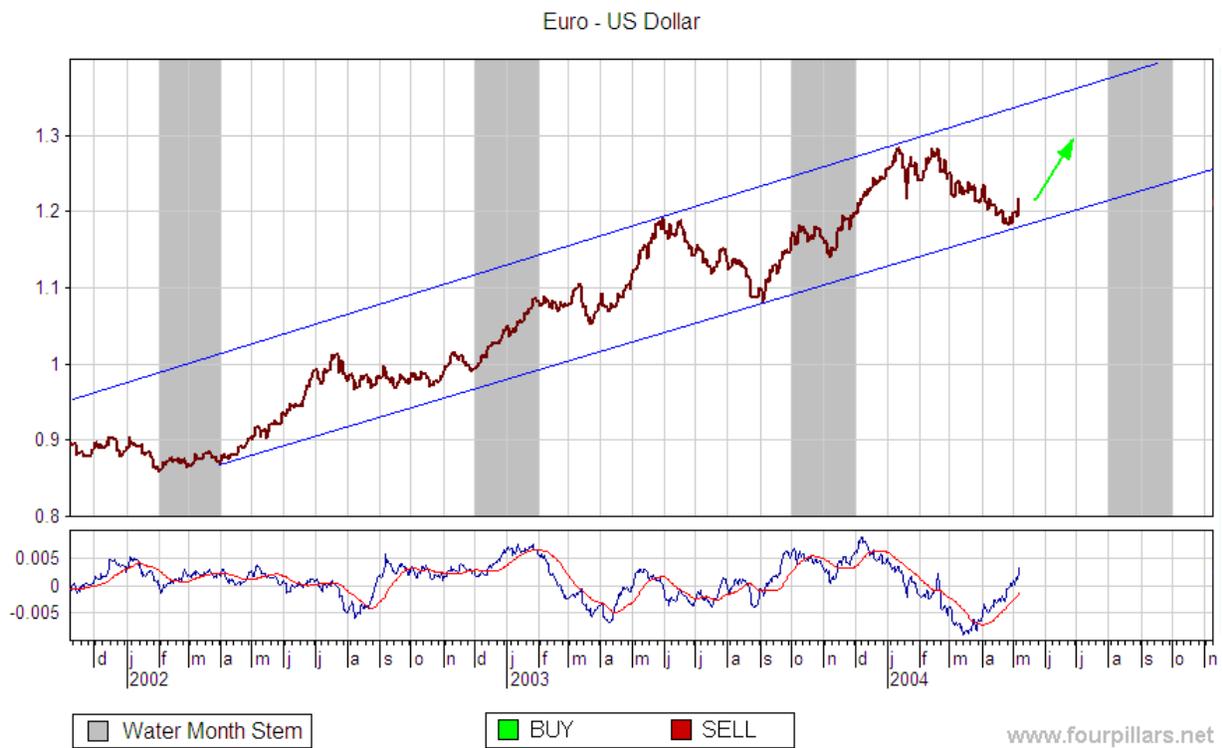
We expect the gold stocks to recover in second half of the year, but it will probably be next year before we can see the XAU go above 115



Euro - US Dollar

The Euro seems to have bottomed at 1.18, nicely staying within the uptrend channel.
There is room for a new rally here towards 1.30 over the next two months.
The FPF momentum indicator also shows very strong, with positive divergence since March already.

Buy 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.

Start of the Yin Earth Snake month: 5 May 2004 at 00:04 am EDT (New York)

Start of the next Yang Metal Horse month: 5 June 2004 at 04:15 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.html>

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

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