

Four Pillars Finance Newsletter

Issue #55 (5 May 2005)

The Yin Metal Snake month starts today.
The dominant energy for this month is Metal and Fire.

The stock market continued to decline as predicted and the long term uptrend was broken.

Metal and Fire are unfavorable elements for stocks, so we can expect a bottom this month.

Our FPF prediction chart for the Nasdaq reaches a very low level in May, and will then rebound into July
:



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

Nasdaq

FPF Index: -36.9 (down from -11.1 last month)

Stocks have broken their multi-year term uptrend and the Nasdaq fell below 1900 before recovering a bit towards the end of the month.

We expect to see the low on this move in May or early June.

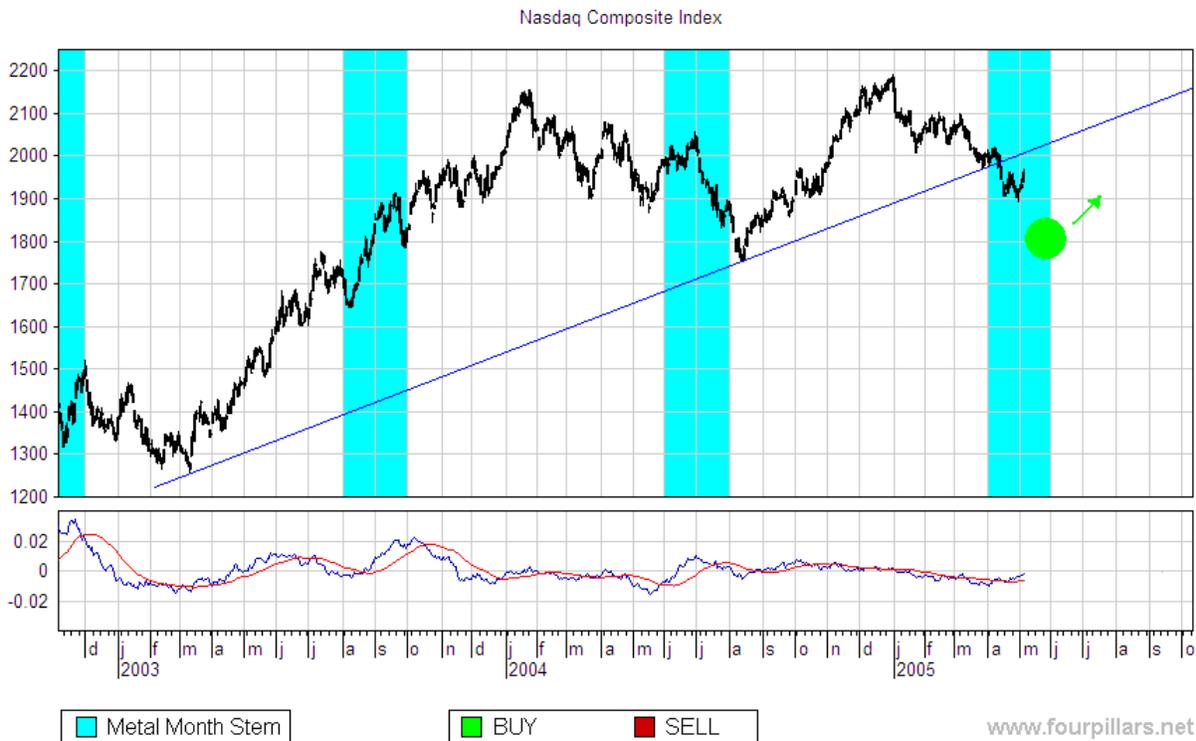
So far the decline has been a steady erosion, and unless it accelerates we will hold above the important 1750 level for now.

Short term speculators can get ready to buy Nasdaq between 1750-1800 in order to profit from an anticipated rebound rise into July.

Use a stop-loss at 1750

Long term investors better stay out of this stock market.

Here is the updated prediction chart for Nasdaq:



Gold

FPF Index: - 14.4 (up from -25.4 last month)

Gold stocks also dropped from their multi-year uptrend.
Our long positions were stopped out at 85

A break of the 77 level on XAU, which is last year's low, would confirm a new long term downtrend.
The FPF Index for gold stocks remains negative this month, so a test of the 77 level is well in the cards.

A drop below 80 can be used to buy for quick profit on a rise into August.

Also here long term investors better stay out till this market gives more clarity.

Here is the updated chart:



Euro - US Dollar

FPF Index: +14.2 (up from -2.9 last month)

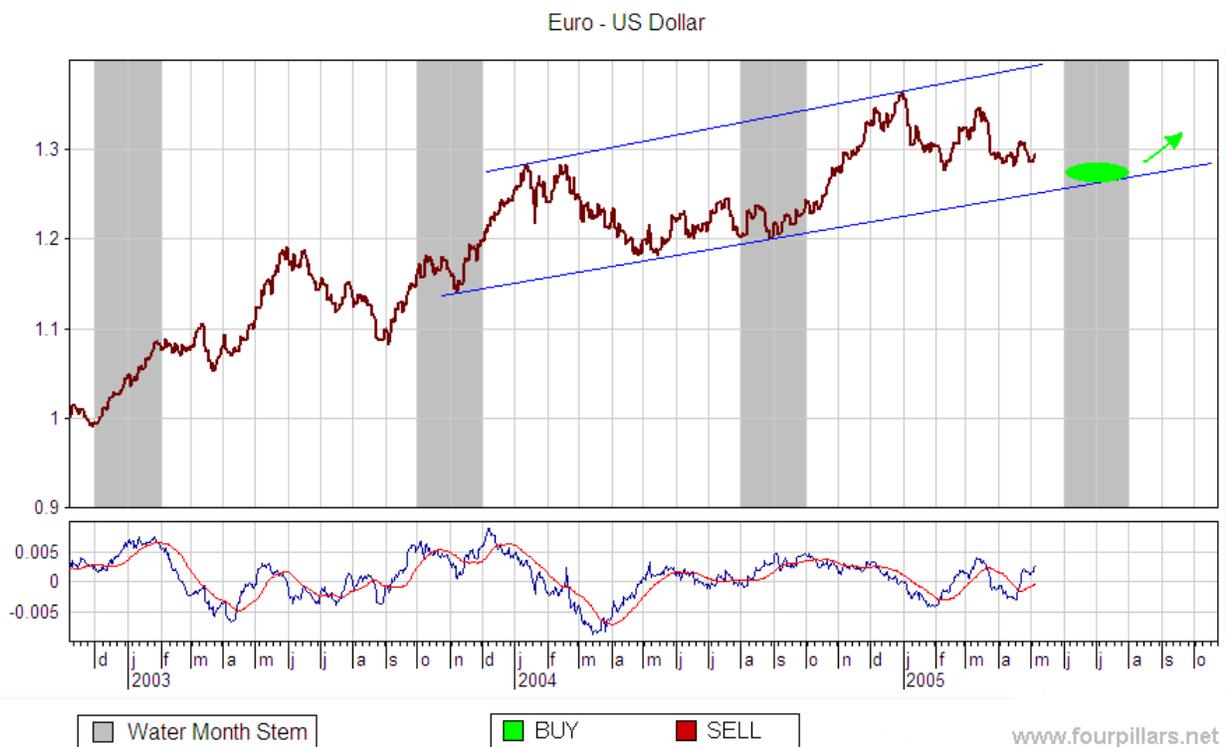
The Euro continues the flat trading around 1.30 against the dollar.

No changes to the predicted outlook here.

The FPF turns positive for May, so we expect a rally attempt in the next weeks.

But the bigger picture is still for a bottom in the June/July period, with probable target near 1.26

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.html>

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 Metal Snake month: 5 May 2005 at 5:45 am EDT (New York)

Start of the next Yang Water Horse month: 5 June 2005 at 10:02 am EDT (New York)

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

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