

Four Pillars Finance Newsletter

Issue #103 (5 November 2009)

The Nasdaq market failed to break significantly higher and then fall back, as we predicted last month. November could produce yet another attempt to push higher, but then...
Read on below...

Starting this month we have a small change to our newsletter.

We now start covering the US treasury bond (= interest rates) instead of the Euro-US dollar.

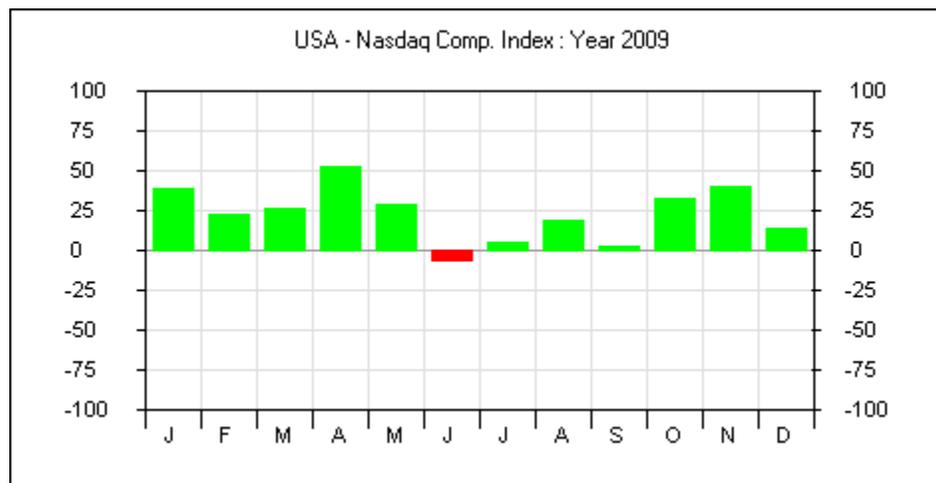
The Euro-US dollar rate is rather strongly correlated to gold and oil prices, which are both already covered in the newsletter. So we thought it better to add another type of market, and we think the interest rates story could become quite interesting in the next years.

Especially considering how much debt is being pushed around in the economy at the moment.

The evolution in interest rates is important for all who rely on interest sensitive income (e.g. from savings account), and for those who have debts or a mortgage to serve (which is unfortunately a large part of the population in some countries).

Here is the FPF prediction chart for the Nasdaq in 2009.

More predictions charts for other markets, stocks, indices and commodities are available to the registered users of our FPF software program:



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

Nasdaq

Current level: 2055

The Nasdaq again failed at 2200 level, and dropped back to 2050 again.
The long term uptrend that started in March is now broken on the charts.

FPF Index is still positive November, so I think markets will try to the upside once again, and probably fail again.
Then start to decline into April next year.
We may keep up till January, but I don't want to be invested very heavily with a Metal year coming up.
Metal years often produce some serious contraction.
Stay out.

Again our lunar cycles pinpointed the recent decline very nicely.
You can already find more details on our newly created site: <http://www.LunaticTrader.com>
The special software program will be announced shortly.

And here is our updated prediction chart for Nasdaq:



Gold

Current level for XAU index: 169

Gold stocks remained very volatile.

The XAU has gone as high as 180 and as low as 153, now back at 169 as of this writing.

Despite the gold price itself having gone to new highs of near \$1100 /ounce, the gold stocks themselves go on lagging and are still nowhere near their peaks reached in early 2008.

This is not a good omen as normally the gold stocks lead the price of gold, not lag it.

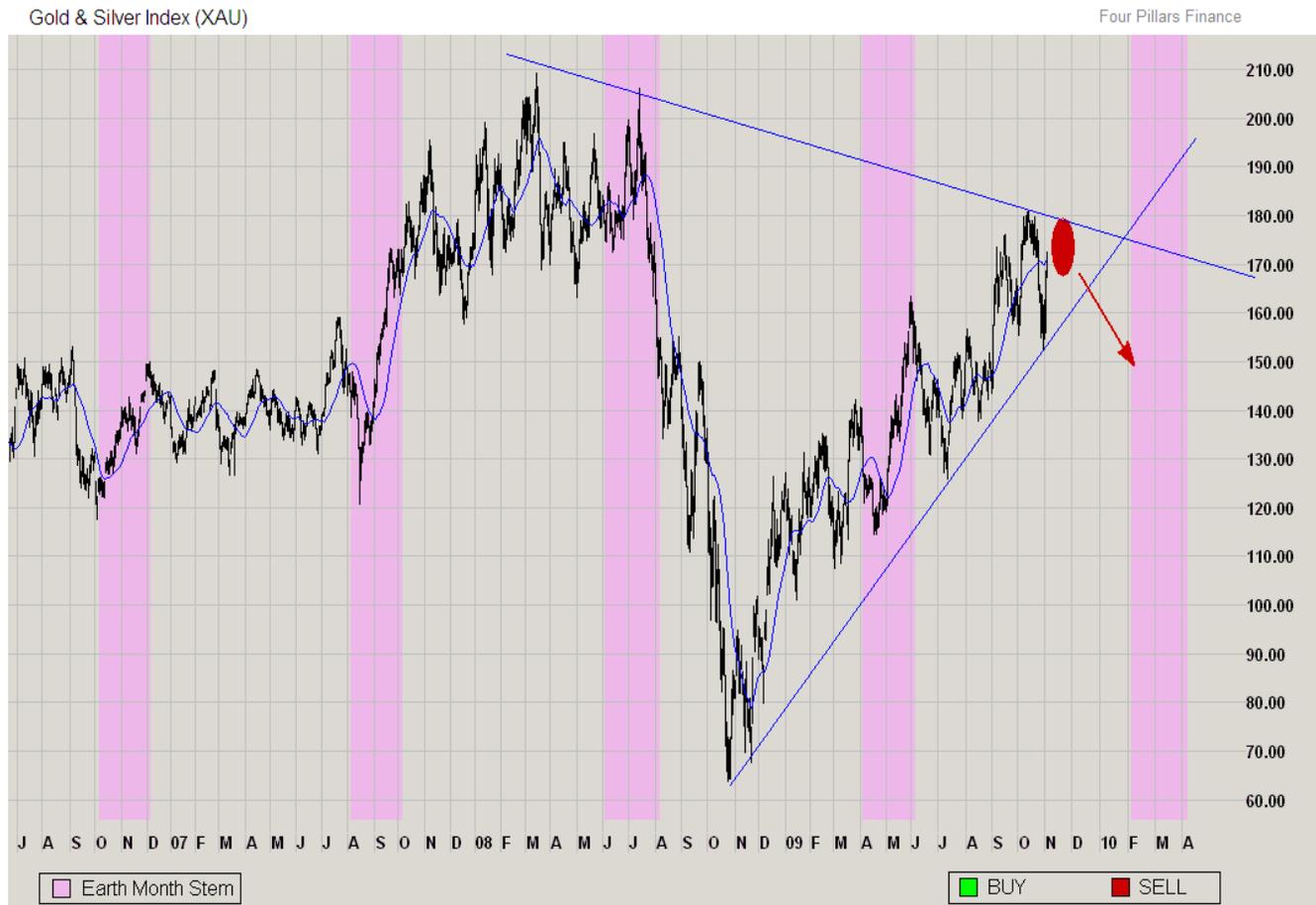
So be very careful in this market.

We could see a serious drop into the next February – March bottom period.

A break below 150 will likely produce a drop to 120.

Staying out.

Here is the updated chart:



US 20 Year Treasury Bond Fund (TLT)

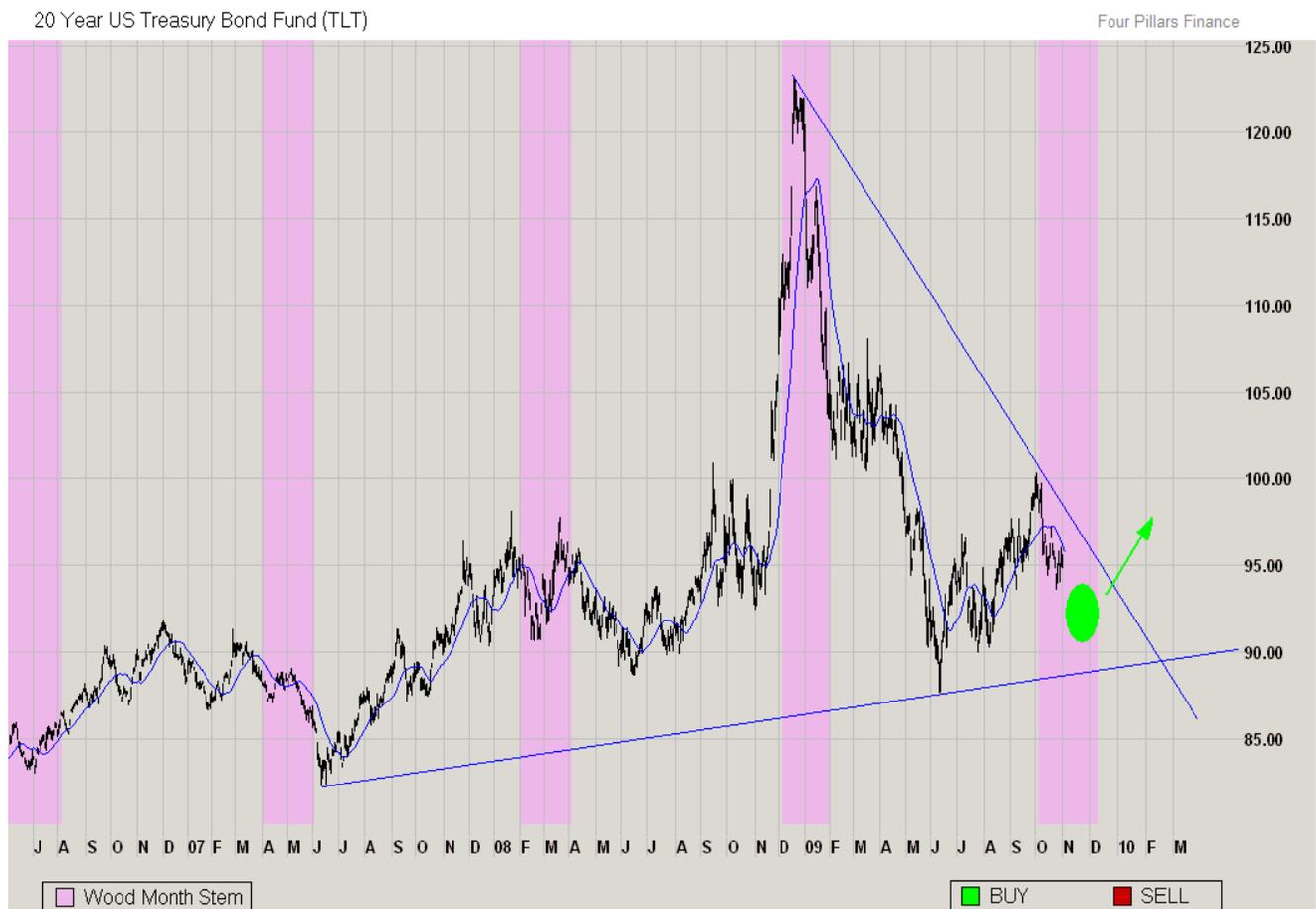
Current level for TLT etf: 93

This month we start covering long term bonds, which move opposite to interest rates: when interest rates go up bond prices drop, and vice versa.

Bond prices have a history of decline and bottom in Wood months.

We are in a Wood months bottom period for bonds right now, so looking for a bottom and then upward move in bond prices. Interest rates should stay artificially low well into early next year, but then bonds could fall rather sharply in the second half of the year, when Wood will be the dominant element.

Here is the prediction chart:



Crude Oil

Current level for USO: 41.0

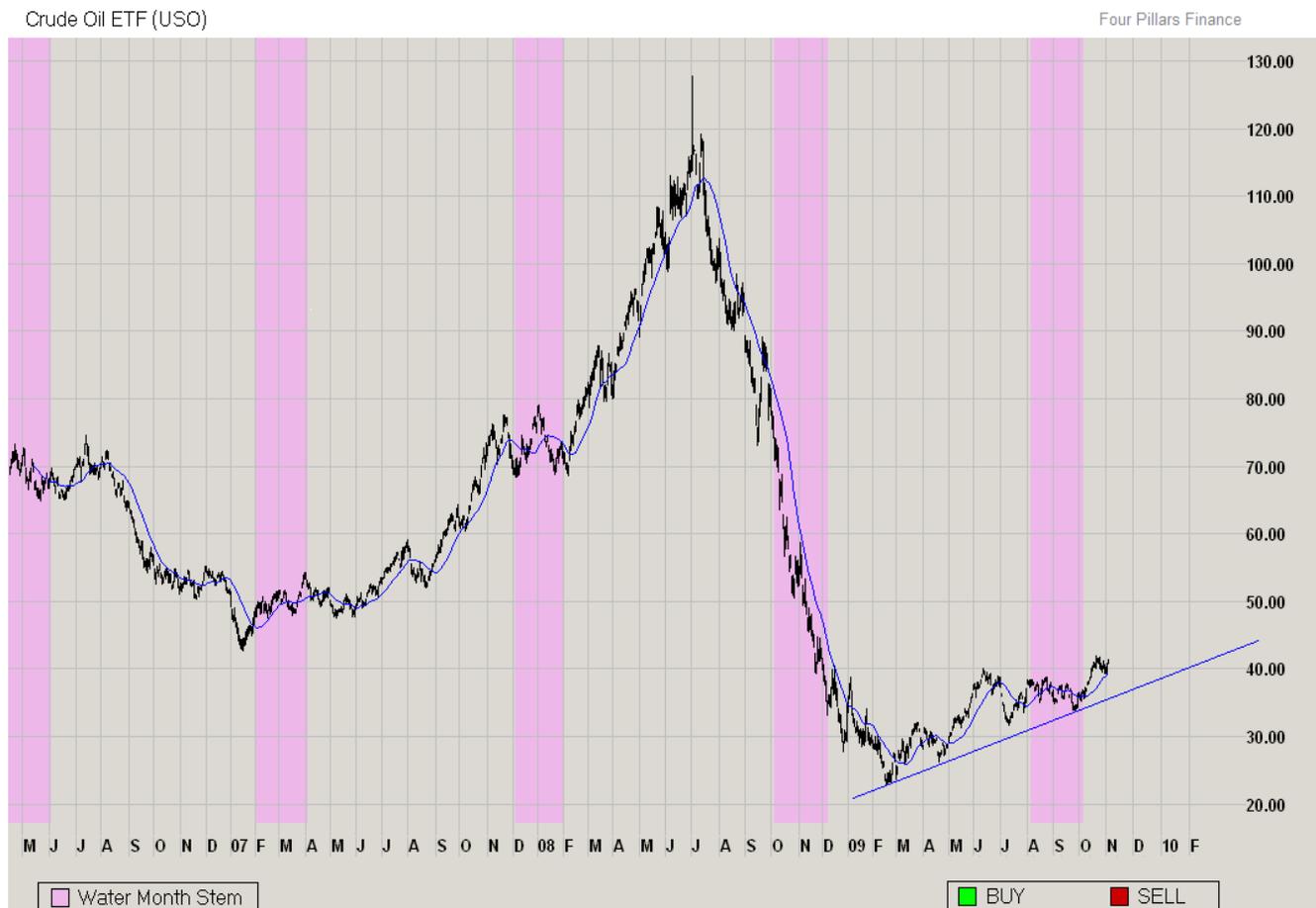
Oil has gone up a bit last month, and reached its highest level of the year.

Hard to tell where this one will go next.

It may push higher for several more months, but could equally well drift sideways into the next bottom period coming June-July

Watch the uptrend line that started in February, as long as it stays intact oil is in a slow uptrend.

Here is the updated 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.

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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