

Four Pillars Finance Newsletter

Issue #48 (9 October 2004)

The Yang Wood Dog month has started.

Stocks struggled a bit early in the month, but ended up quite nicely near 1950 on the Nasdaq.

Our FPF prediction chart for the Nasdaq is slightly positive for October and November, we can expect the rally to continue:



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

Nasdaq

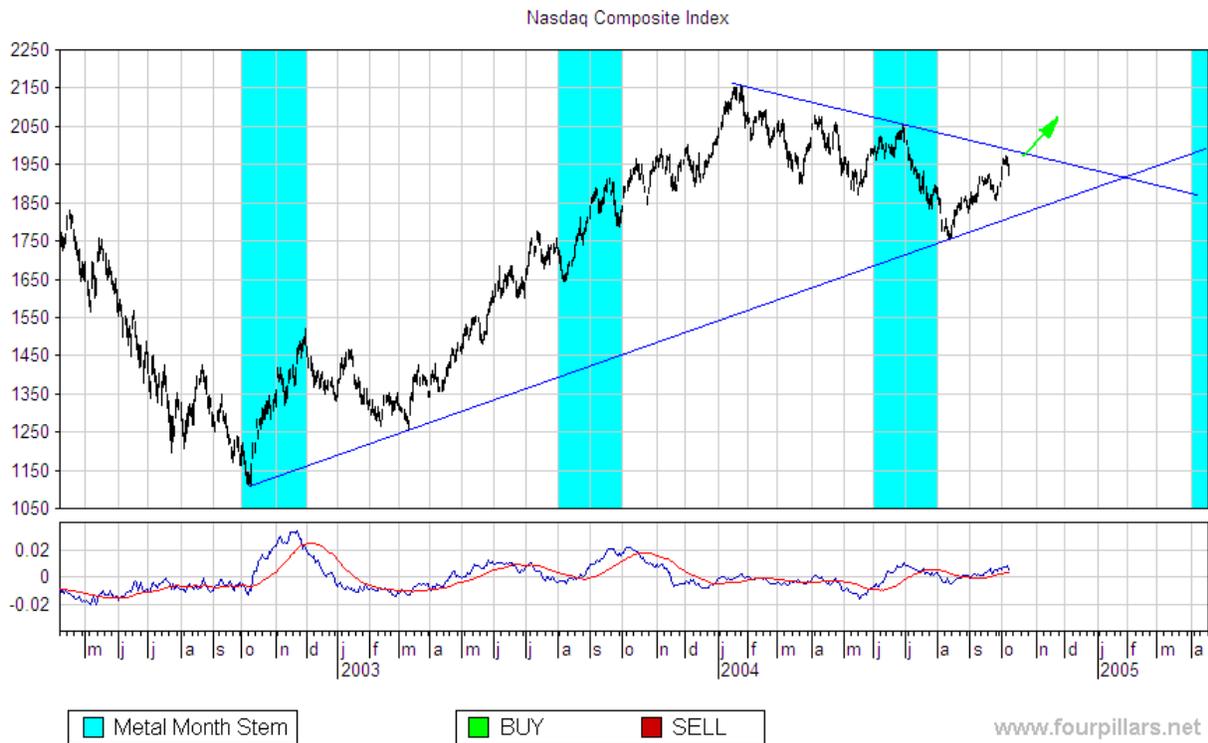
Stocks did not fall to 1800, our projected buy target, instead the market held at 1850 and then went higher in the last week of the month.

So the rally we announced for October/November is probably already underway.

There is a good chance we can reach up to the 2150 peak, which was recorded last January, and eventually exceed it by early next year.

Get out if the Nasdaq falls below 1800.

Here is the updated prediction chart for Nasdaq:



Gold

Gold stocks rose to 105 in what looks like a break out above the downtrendline (see chart).

Our FPF software predicts weakness in Gold stocks for October and November, so we are looking for the gold stocks to fall back during the next two months.

Also note that our FPF momentum indicator (below the chart) badly fails to confirm the recent peaks, actually the FPF momentum is making one year lows, not a good omen.

So we still stay out of gold stocks and look for buying opportunity at lower prices.

These may come in October /November, or by next February/March when we have our next Earth Month cyclical lows coming up.

Target buy levels : XAU in the 80's

Here is the updated chart:

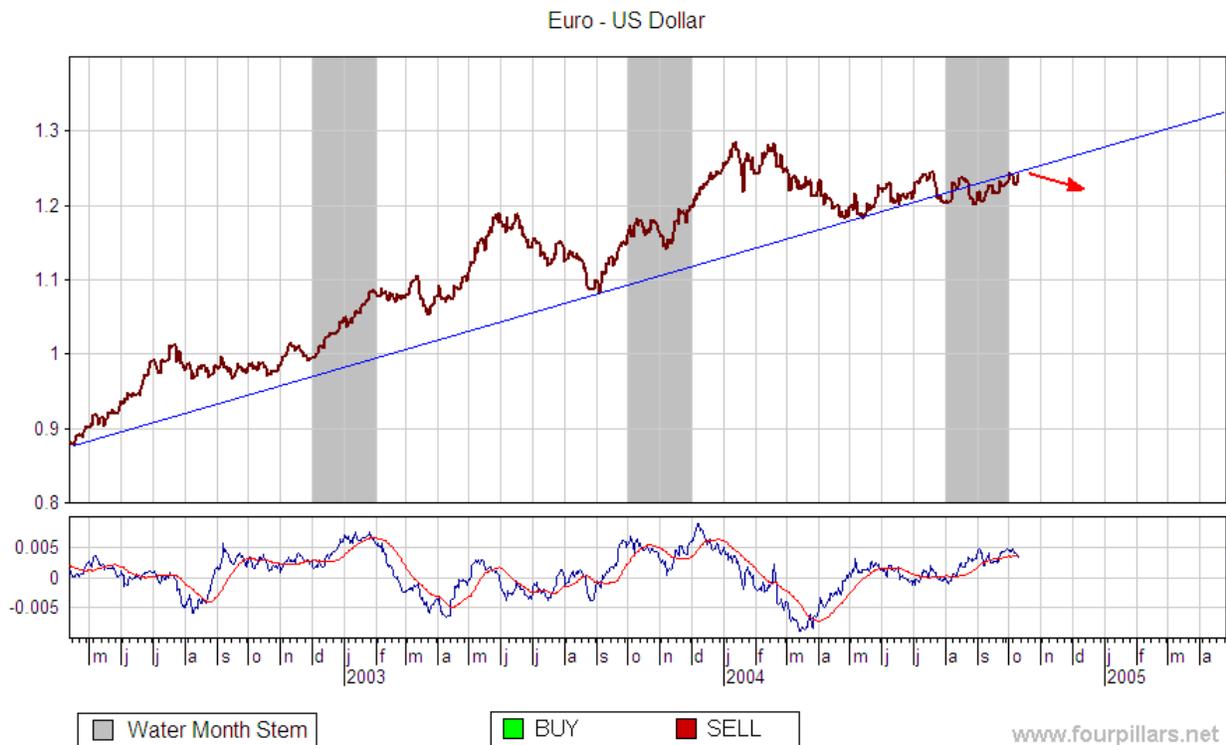


Euro - US Dollar

The Euro remains stuck in a very tight range.
No big drop has happened so far, and the 1.20 level has proven a strong support.

This market is now very difficult to predict.
The sideways move could continue for several more months.
A break below 1.20 would likely produce a quick drop.

The FPF chart for the Euro/Dollar is slightly negative for coming November and December.
So a slight downward bias with a new test of the 1.20 level is what we expect here.



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 Yang Wood Dog month: 7 October 2004 at 17:51 pm EDT (New York)

Start of the next Yin Wood Pig month: 6 November 2004 at 21:00 pm EST (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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