

Four Pillars Finance Outlook 2003

(4 February 2003)

The New Chinese Year of Yin Water Goat starts today.

A good moment to look in our crystal ball and find out what may be in store this year.

Last year we predicted 2002 would be another bad year for stocks..

Many people could not believe that, but the Chinese cycles proved right again.

Will 2003 be another down year?

The monthly FPF prediction graph for the Nasdaq Index looks like this for 2003:



Basically we can look for highs in March or June-July and a low in September.

It looks to become one of the better years of this decade, but will this be enough to break out of the long term downtrend since 2000 ?

We can see the situation on the following chart:



To end 2003 in the plus column, the market will have to break above the long term downtrend line since the 2000 peaks (Line 1).

We will need a lot of very good economic news to accomplish this.

In absence of this the market is likely to move in a new downtrend channel, capped by trendline 3 in the chart.

That would mean 2003 is likely to be another down year again, and we tend to give an 80% odds for this scenario.

A few other markets to watch:

Gold and most other commodities are likely to continue to rise in 2003.

The US Dollar should try to rebound a little till November and then resume its downtrend against other major currencies in a multi year decline.

The main stock market with the best prospects for the next few years is Japan.

Be ready to buy in Japan whenever prices are low during this year.

The Chinese cycles are very positive for the Nikkei Index in 2004 and 2005

Yearly , monthly and daily prediction charts for different stocks, commodities, indices and currencies are available in the Four Pillars Finance software program.

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