

Four Pillars Finance Outlook 2005

(January 5, 2005)

The New Chinese Year of the Yin Wood Rooster will start coming February 3.

A brief recap of the predictions we made last year:
(see <http://www.fourpillars.net/pdf/year2004.pdf>)

We expected a flat year for stocks: most major market indexes ended with small gains indeed.

We called for a down year in gold stocks: the XAU ended the year with a 10% loss.

For the Euro/Dollar we predicted sideways after a peak in March.

The Euro reached a high of 1.30 early in the year, but surpassed those highs in the last two months of the year, so this prediction was not so good.

Our stock pick SBC was very flat all year long and ended unchanged, but it pays a good 5% dividend.
That's not too bad, but it was definitely not a big winner.

Our commodity pick Sugar did very well, and rose steadily throughout 2004.
Below is the chart for Sugar in 2004.

As you can see Sugar started rising as soon as the new Chinese year got underway in early February and ended the year about 60% higher.



Predictions for 2005

Here is the new Nasdaq prediction chart for 2005:

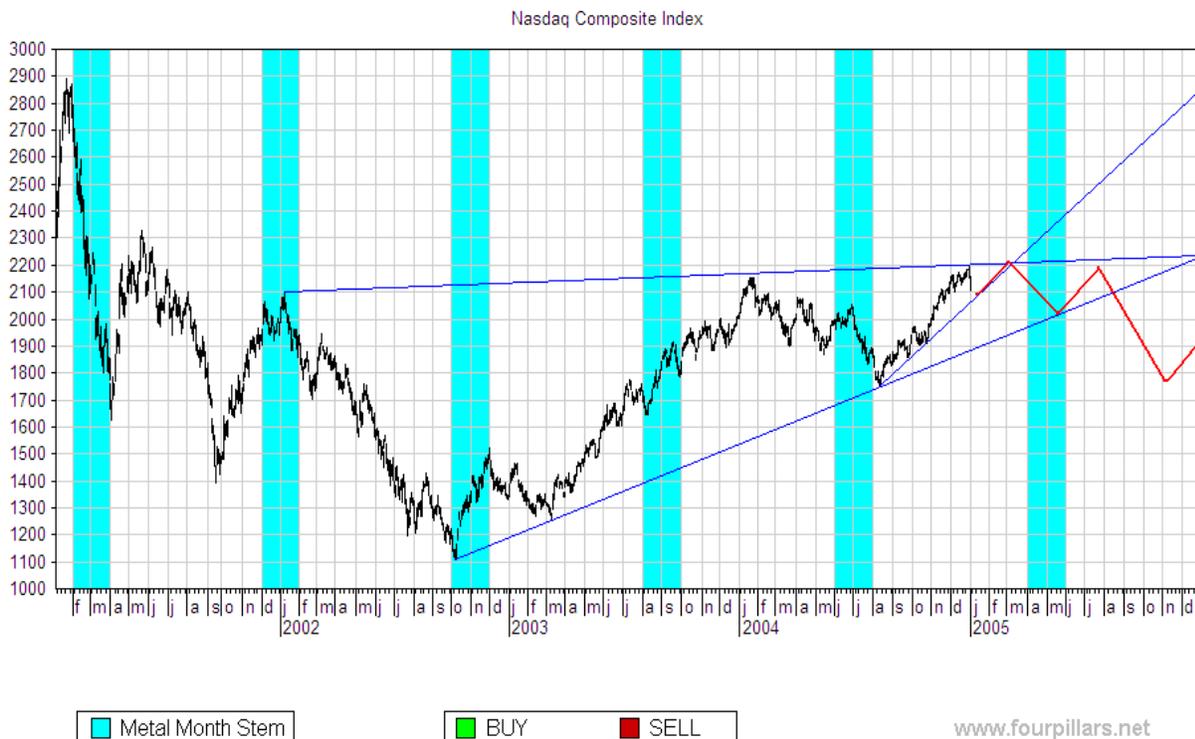


(Predictive chart made with FPF 1.1 software, available at <http://www.fourpillars.net/finance/fpf.html>)

This looks pretty red.

To end the year in the plus we will need a good rise in February and March and then hold on to these gains till December. The odds are for a peak in March or possibly July, followed by a decline in the second half of the year. It is more likely to be a down year which we expect to end somewhere near 1900 .

Here is our rough prediction chart for Nasdaq in 2005:



Other markets:

Gold stocks: a weak first half of the year, but probably ending with small gains.

Euro/US dollar: Expect the Euro to decline slowly till July, and recoup the losses in the second half.

Our picks for 2005:

Not many stocks show great prediction charts for 2005.

Last year's stock pick SBC is still looking good for 2005, so you may want to stick to it.

As a new stock pick we have selected NEC Corp, a Japanese stock which also trades in the USA (ticker NIPNY). It ended 2004 at \$6.13

The commodity for 2005 is : Corn.

Its FPF prediction chart doesn't look fantastic, but Corn prices are depressed and we have a good chance to see some profitable rallies here.

Expect peaks in July and again in December for Corn.

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.

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>

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