

Four Pillars Finance Outlook 2006

The New Chinese Year of the Yang Fire Dog will start next February 4.

A brief review of the predictions we made last year:
(see <http://www.fourpillars.net/pdf/year2005.pdf>)

We predicted another flat to slightly down year for the Nasdaq; the Nasdaq Index actually finished with a 1% gain after spending most of the year in the minus.

For gold stocks we expected a weak start in the first half, followed by price recovery in the second half of the year. That's what happened.

The XAU reached a major low in May, next went up to finish the year with nice gains.

Our prediction for Euro/Dollar was not so precise.

The Euro fell to a low in July, as we had predicted; but the expected recovery towards year end did not materialise.

Our commodity pick Corn did very well.

We predicted profitable rallies with expected peaks in July and December.

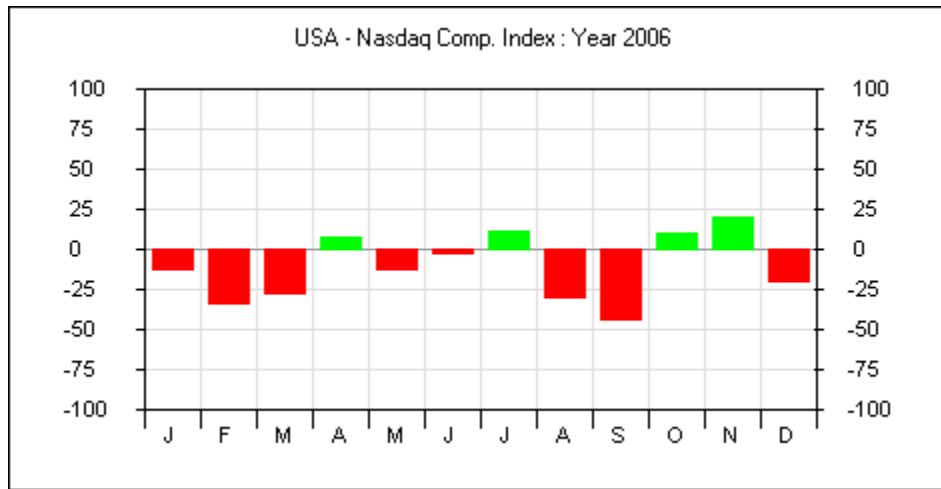
And that's exactly what we got.

Here is the price action we saw for Corn this year:



Predictions for 2006

Here is the new Nasdaq prediction chart for 2006:



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

A lot will depend on the start of the year.

Projected Metal Months bottom is expected for February/March.

If the Nasdaq can stay in the uptrend and holds above 2000, then it will be a good omen for the rest of the year.

Projected peaks are for April, July and November.

In this scenario the Nasdaq can end the year near 2500 or higher.

Here is our rough prediction chart for Nasdaq in 2006:



Other markets:

Gold stocks: will probably continue to go up after some weakness in the first three months of the year.

Euro/US dollar: the Euro could rise strongly in 2006. Probably all the way back up to its 2004 peaks near 1.35

Our picks for 2006:

Year of Fire Dog is not likely to generate the same devastating natural disasters as we have become used to in recent years. This should benefit stock investments in the insurance sector.

Our commodity pick for 2006 is : Silver.

Silver prices have been asleep for decades, but now the FPF prediction chart for silver looks excellent for the next 4 years.

The monthly FPF chart looks weak till next March, perhaps giving you a chance to buy it at attractive levels.

Next silver prices should rise till 2009.

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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