

Four Pillars Finance Newsletter

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Hello everybody.

As we are approaching the middle of the year, it is a good moment to take a look how our forecasts are panning out.

Our FPF projected path for stock markets is doing quite well so far.

Some markets have seen a sharp decline in May (e.g. Japan). This opens a window for the more resilient markets to go on climbing into July.

But our upcoming Metal months bottom period for August-September is looming on the horizon.

Here is the FPF prediction chart for the Nasdaq in 2013.



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

Nasdaq

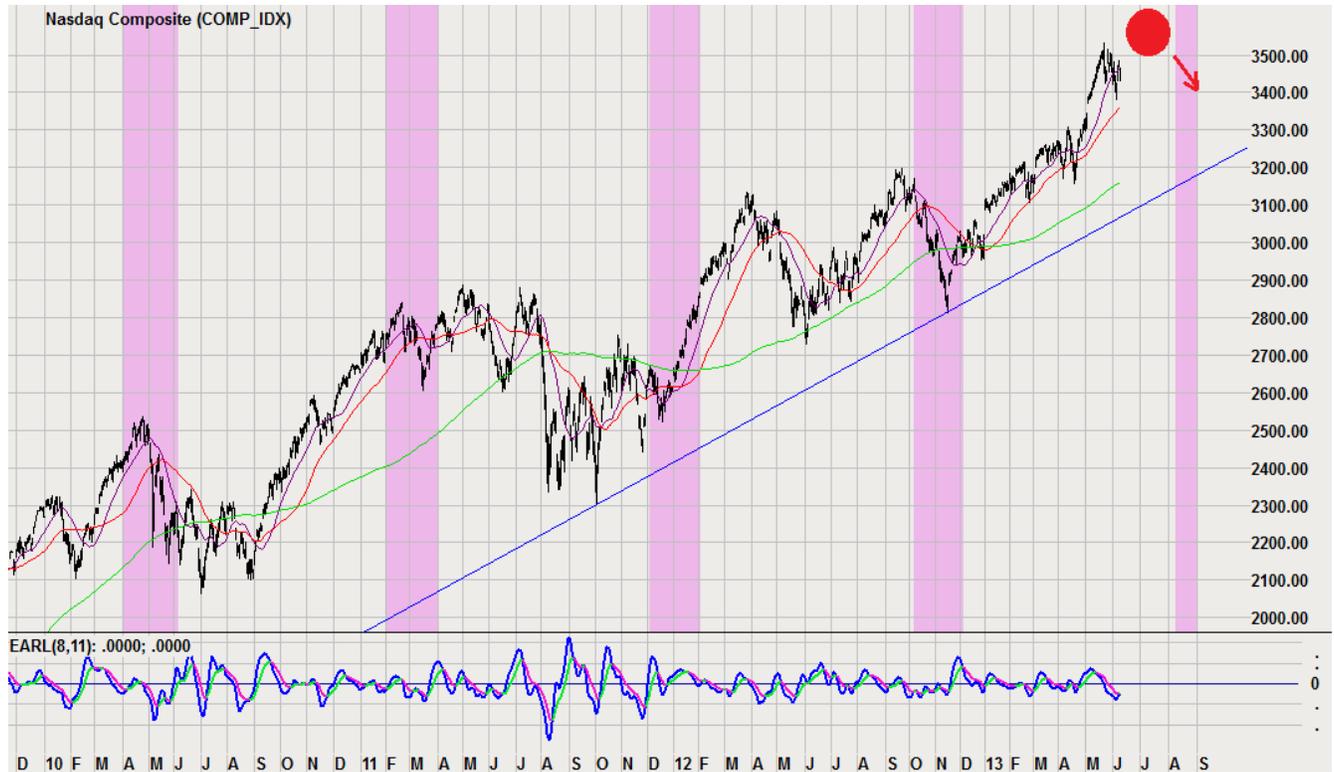
Current level: 3437

The Nasdaq had some pullbacks in April, but then pushed higher again in May. There is room for another push upwards in June-July, but whether that gives us new highs or just a double top remains to be seen.

In either case, I would use any rally to prepare for the upcoming bottom period in August-September. Given the gains stocks have recorded this year, we could easily get a +10% drop at that point.

Important support will be around 3200.

Here is our updated prediction chart for Nasdaq



Gold

Current level for XAU index: 102

We saw the XAU gold stocks index dropping to our lowest downside target of 100. It is now trying to form a base near that level, and we are entering our Earth months bottom period for gold.

While a final washout is still possible, potentially reaching a low around 90, I would look for a rally to start in June or July.

Buying in stages, as we advised in our previous newsletter, remains a good idea. Initial upside target will be 140 for the XAU.

Here is the current chart for XAU:



US 20 Year Treasury Bond Fund (TLT)

Current level for TLT etf: 114

Bonds (TLT) produced the rebound rally we mentioned in March, but didn't reach the 130 level that would have given us a good point to enter short positions.

Going forward, I think bonds will stage another weak rally towards 120.

The next bottom period is coming up in December-January, when I expect TLT to slide down to the major support level at 110.

Here is the updated chart:



Euro – US dollar

Current level for Euro-US\$: 1.33

The Euro has rebounded, as expected on the basis of our cycles.

We are now coming very close to our 1.34 target.

I would sell in the coming weeks, especially if 1.34 gets touched.

The rest of the year is likely to bring renewed downside pressure on the Euro, with our next bottom period for December-January.

If the support at 1.28 gets broken, then look for a revisit of 1.20 by then.

Here is the updated chart:



Happy trading, Danny

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<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.

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