

Four Pillars Finance Newsletter

Issue #118 (7 March 2013)

Hello everybody.

Since our new year forecasts, most stock markets have climbed nicely with many important indices reaching new all time highs.

That's in line with what we expected based on our Chinese solar cycles, but as you can see in the prediction chart below, once we reach April the best part of the year may be behind us.

Read on for our updated prognosis.

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: 3222

This market has made a very good start to the year and has reached multi year highs. But, the move is probably coming to an end in the 3200-3300 zone, and ready to enter a correction period. An initial downturn in May might hold on to the 3000 level, where important support can be expected. Then some sideways movement in summer. The low of the year is expected for August-September, and is likely to be below 3000.

So, I would take profits right here, and then wait to get back in after a good correction has cleaned the air in the market.

Here is our updated prediction chart for Nasdaq



Gold

Current level for XAU index: 129

In our new year forecast we warned for a potential drop in gold prices by March. That's what we got and gold stocks can now be bought at very cheap prices. I would take that opportunity. You can see an accelerating down move in the chart, a sign of capitulation. Gold may still drop to \$1400, which could see the XAU to 100-120, but that is not a given. Buy in stages to get in at a good average price.

Here is the current chart for XAU:



US 20 Year Treasury Bond Fund (TLT)

Current level for TLT etf: 116

Bonds (TLT) have dropped as expected.

We are now in Wood months, our bottom period for Bonds, so look for a rebound to start, especially if the stock market turns down.

It is quite possible that we go to a double top near 130, and then a more serious decline.

I wouldn't buy, because the risk/reward is too poor.

If TLT goes up to 130, then I would consider to sell short.

Here is the updated chart:



Euro – US dollar

Current level for Euro-US\$: 1.30

The Euro has fallen from its recent high near 1.37.
I would look for a rebound to 1.34, which will be a new opportunity to sell Euro.
Then look for a retest of the lows at 1.20 towards the end of the year.

Here is the updated chart:



Happy trading, Danny

Blog site

Feel welcome to visit the Four Pillars Finance blog, where you can give comments or ask questions:

<http://fourpillarsfinance.wordpress.com>

LunaticTrader

For more short term stock market direction based on moon cycles, visit our Lunatic Trader site and blog. There we offer our weekly comments.

<http://lunatictrader.wordpress.com>

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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>

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