



the technical analyst

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26th February 2013



Best performing emerging market ETFs

Mark Sturdy

Disclaimer



SUMMARY

Emerging markets have now both broken their Highs of 2012 and are now outperforming the S&P. We have chosen the exceptions that are performing in line with or better than the EM index with good scope for future outperformance in their underlying structures.

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Weekly iShares MSCI Emerging Market ETF Chart + relative strength to the S&P

Here is the breakup of the emerging markets that we have been waiting for - through their Prior Highs in March 2012.

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Daily iShares MSCI Emerging Market ETF Chart

In detail : the clear outperformance of EM from the beginning of February has coincided with the latest rally and break up through the Prior Highs.

The EM market is now powerfully underpinned



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DB xTracker ASX200 Australia weekly chart:

The continued outperformance is clear : Australia is powering ahead of the EM index.

In the recent period of EM confusion in the last few weeks, there has been no absolute fall in Australian prices.



DB xTracker ASX200 Australia daily chart:

Note the well-structured trend: with Prior Highs acting as good support.

And the relative strength especially sustained by the solid bull trend since the year end.

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KOREA

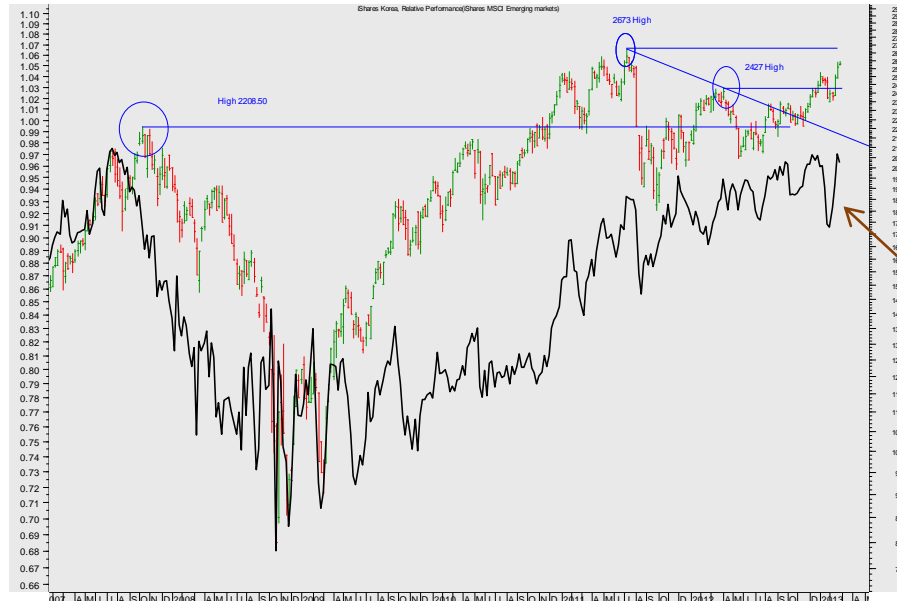
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iShares Korea weekly chart:

Korea has been trending well since May.

The trend is well-structured with prior Highs acting as good support.

Note the relative of Korea to teh EM index since the beginning of 2013.



iShares Korea daily chart:

In the detail, the market has completed an island reversal while bouncing off both short-term support (2350) and medium-term support (2378).

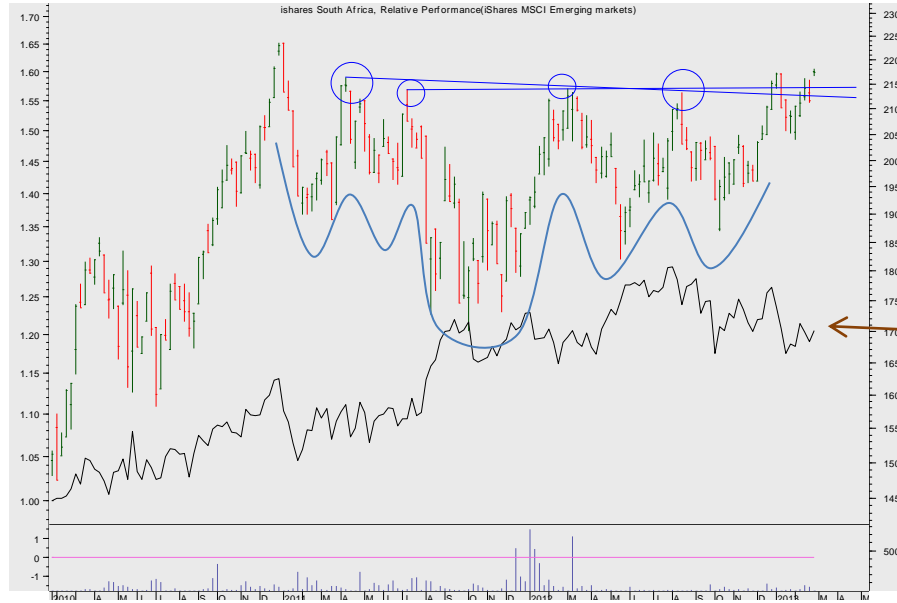
Note the bounce in the relative strength trend from the bottom of the range.

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SOUTH AFRICA

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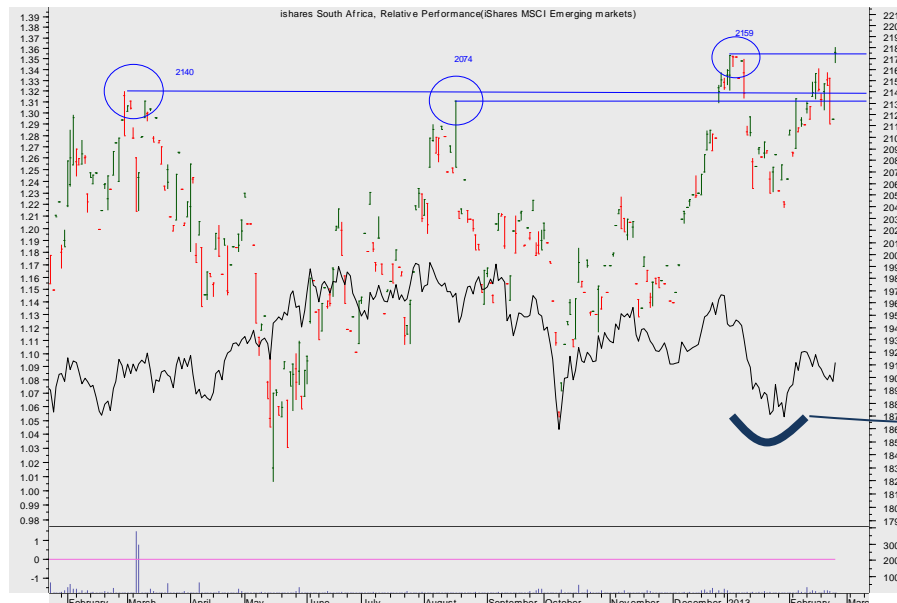


iShares South Africa weekly chart:

South Africa is very powerfully set up with a complex nested H&S pattern.

Which has now completed.

The relative strength has not yet registered in the weekly chart.



iShares South Africa daily chart:

The market has broken up through the succession of highs so the market is set for a powerful next bull leg..

The short-term down-turn in the relative strength looks to have found support **And a new trend of relative strength is beginning.**





iShares ASIA DIVIDEND

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iShares Asia dividend weekly chart:

The market has clearly overcome the 2023 High, which is now good support and should ratchet the market better from here.

Note the steady rising relative strength (with some fluctuation) in the relative strength since the beginning of 2009.



iShares Asia Dividend daily chart:

The absolute and relative strength in the short-term is clear from the beginning of 2013.

Note especially the new trend of relative strength





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