



## Special Report: BRIC Markets – September 19<sup>th</sup>, 2011

**Brazil, BOVESPA (57210):** last time ChartGuidance published about BOVESPA was August 2<sup>nd</sup> (58535). At that date we rated BOVESPA with a down intermediate trend and with a down primary trend. We recommended avoiding that market as long as monthly indicators do not reverse up into a fully positive reading. On August 8<sup>th</sup>, BOVESPA touched 47793 or a sharp decline of -18%. Between second and third week of August, weekly indicators triggered an intermediate rebound. Few monthly indicators are up and most are down, signalling primary trend is still down. In case of continuing intermediate rebound, BOVESPA will find strong resistance in the 61000 area, then in the 64000 area. Major pivot line on monthly indicators is at 65280; a move above that price is required to restore positive primary trend. As long as monthly indicators do not post a fully positive reading, there won't be any sustainable advance for buy and hold investors. We expect the primary trend to resume its decline toward 41000-42000 next year, ideally late Q1 2012, before a major bottom could be found. **Intermediate trend is up. Primary trend is down.**

**Russia, RTS INDEX (1574.94):** weekly indicators are down and most monthly indicators are down. An intermediate bottom will be found in October while a major bottom will be found at 1200-1250 level at best, and 620 at worst.. **Intermediate trend is down. Primary trend is moderately down.**

**India, SENSEX (16933):** weekly indicators are down, close to get intermediate bottom, and monthly indicators are mostly down. SENSEX has strong resistances in the 18000-18500 area. While an intermediate bottom is expected in October, major trend is still down into next year toward 14500 at best, or ideally toward 12500 level. **Intermediate trend is down. Primary trend is down.**

**China, Shanghai Composite (2482.34):** last time ChartGuidance reported about Chinese index was on August 2<sup>nd</sup> (2679.25) when we recommended to avoid that market as intermediate trend was rated down and primary trend was rated neutral with negative bias. In the absence of a rise above 2832, we saw 2440 as next major support. That support has been tested twice, on August 9<sup>th</sup> and on September 14<sup>th</sup>. Weekly indicators are down, getting closer to intermediate bottom, while monthly indicators are mostly down. A move above 2765 is required to restore neutral primary trend and a move above 2940 is required to restore positive primary trend. There are chances that a significant bottom will be reached next year, ideally during H1 2012. **Intermediate trend is down. Primary trend is moderately down.**

For all these markets we recommend to stay away on a buy and hold strategy as only intermediate rebounds are seen for the time being. Next major buying opportunity could present itself next year.