

“Around the World or at Least Some of Europe”

I am of the opinion that due to globalization, most of the world stock market indices move in concert with each other. In other words, *while some world indices lead and others lag*, when the trend is down, for the most part, all world stock market indices go down. When the trend is up, for the most part, they all go up.

In light of all that is going on overseas and especially in Europe, let’s review some overseas stock market proxies.

In order to look at certain overseas stock markets, I am going to use the equivalent exchange-traded fund as my proxy, in most cases. I’ve included the 200-day moving average (DMA) and suggest *using its direction* (up, down, flat), as a reference point for the overall trend.

iShares S&P Europe 350 Index Fund (IEV/\$33.07)

(Comparable to the S&P 500)

50-day average volume = 682,000 shares

With a lot of overhanging selling pressure at \$34.26 and again between \$38 and \$41, I would take seriously a close beneath support at \$30.75.



Please read domestic and foreign disclosure/risk information beginning on page 9 and Analyst Certification on page 9.

DJ EURO STOXX 50 ETF (FEZ/\$32.00)
(Comparable to the DJIA)
50-day average volume = 76,800 shares

The following price points represent levels of selling pressure (resistance): \$35.50, \$39-40, and “in and around” \$43.50. Consequently, a close below support at \$29.85 would lead to further downside selling pressure.



iShares MSCI United Kingdom Index Fund (EWU/\$14.31)

50-day average volume = 2.3 million shares

With the 200-DMA curling down, I would implement some type of hedging technique if support at \$13.25 is violated.



iShares MSCI Germany Index Fund (EWG/\$19.37)

50-day average volume = 2.9 million shares

With a lot of selling pressure between \$21.48 (declining 200-DMA) and \$23.40, I wouldn't take too kindly to another breakdown below \$17.97.



iShares MSCI France Index Fund (EWQ/\$20.64)

50-day average volume = 574,000 shares

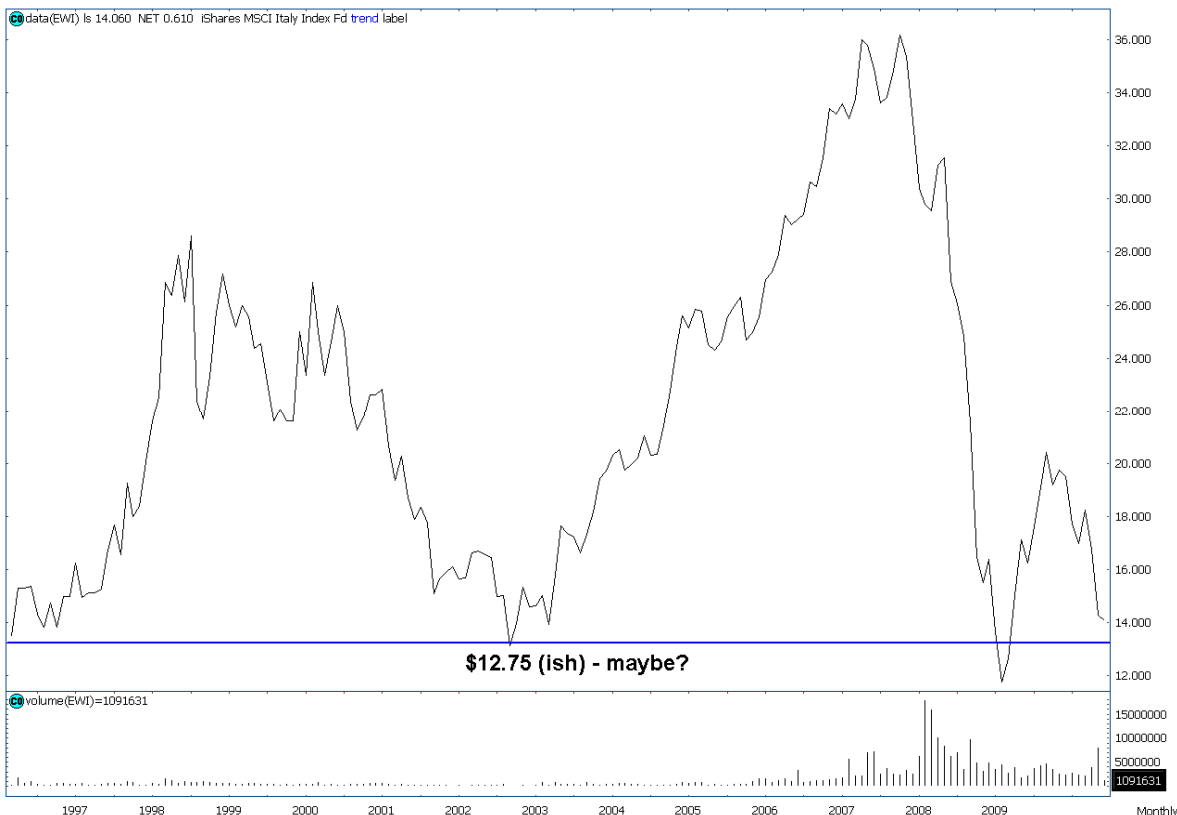
I need not say more.



iShares MSCI Italy Index Fund (EWI/\$14.23)

50-day average volume = 263,000 shares

As Inspector Callahan (Clint Eastwood) was fond of saying in the movie *Dirty Harry*, "Go ahead; do you feel lucky?" If support doesn't hold, I think the odds are stacked against it.



iShares MSCI Spain Index Fund (EWP/\$32.78)

50-day average volume = 446,000 shares

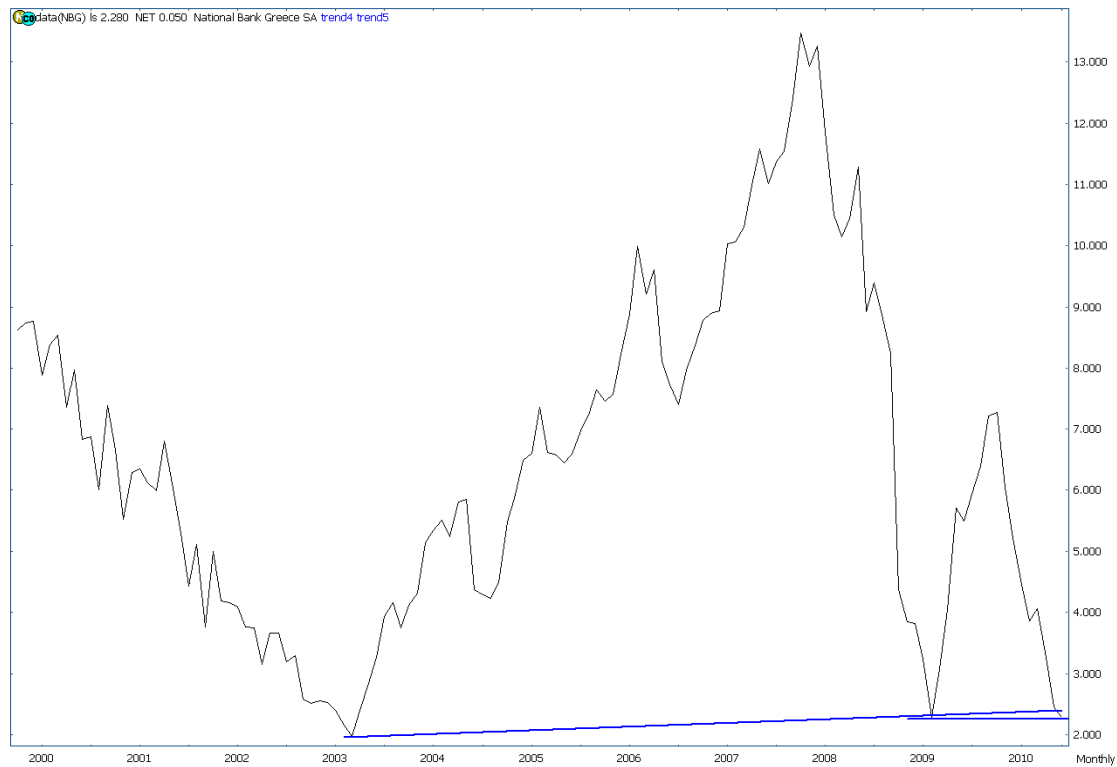
I think a weekly line chart that includes the 40-week moving average (200-DMA) paints a sufficient picture



National Bank of Greece S.A. (Greece) ADR (NBG/\$2.28)

50-day average volume = 13.9 million shares

While this isn't a pure play on Greece, it was the best I could find. Something better hold in here.



Energias De Portugal ADR (EDPFY/\$30.75)

PORTUGUESE UTILITY COMPANY ENGAGED IN GENERATING AND DISTRIBUTING ELECTRIC POWER TO PORTUGAL, SPAIN, AND BRAZIL
 50-day average volume = 17,000 shares

While this isn't a pure play on Portugal, it is the best I could find. No matter how you want to view a weekly chart, which includes the 40-week moving average (200-DMA), the stock better start "gripping" between here and \$27.70



Charts courtesy of Thomson Reuters

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