

MARKETS' BOTTOM LINES FOR 2010



December 6, 2009

CHINA

Immediately below is a 10-year weekly chart that found support at the 200-week (3-year) moving average.

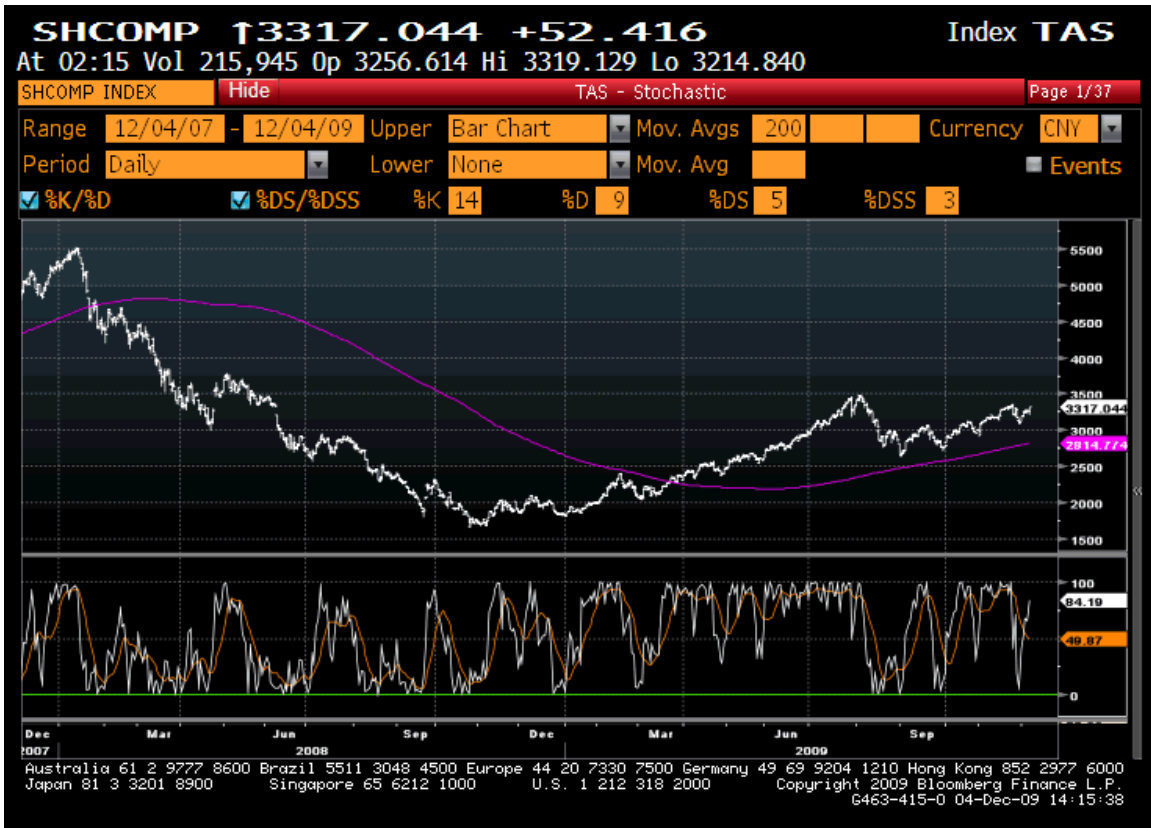
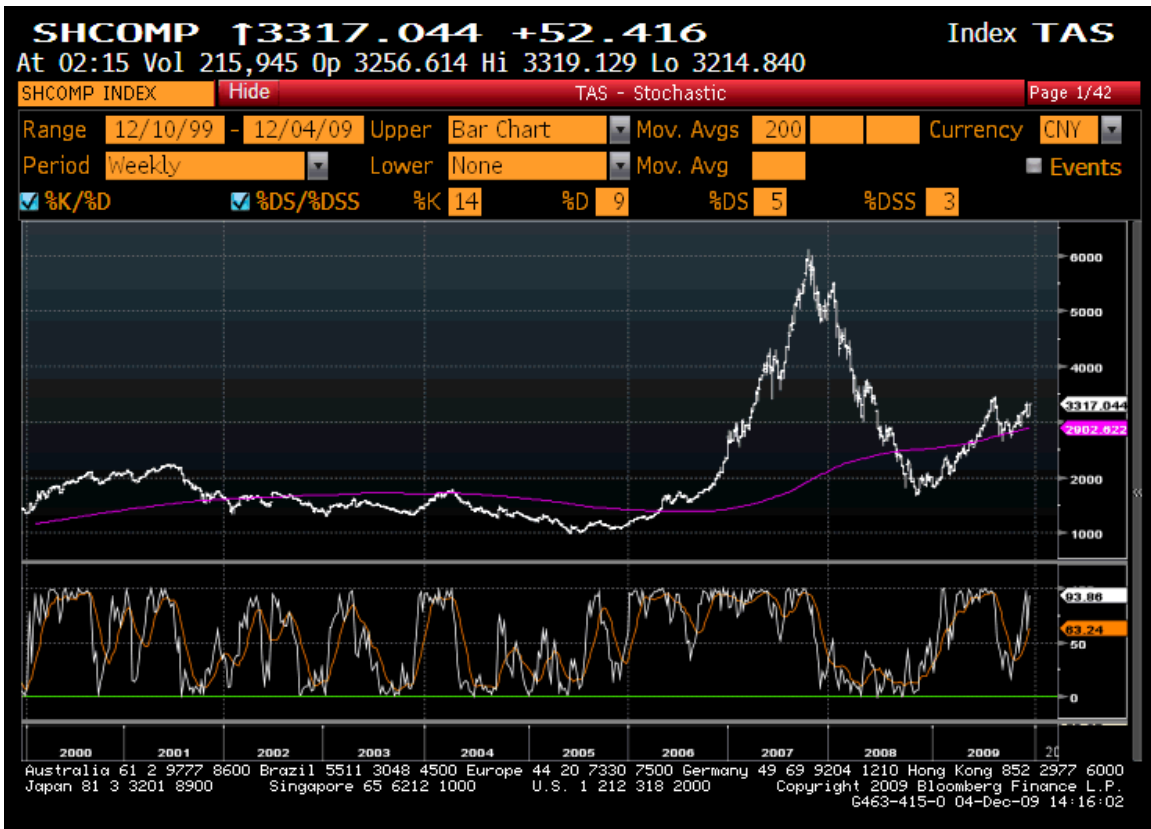
The 2-year daily chart of the Shanghai index can be found on the next page. It also found support at the (more widely followed) 200-day moving average.

From each chart, it is evident why I had selected the 3500 area as my rally target, when the Shanghai index broke below 2000.

This index is off-cycle versus other Asian indices and may peak closer to the Chinese New Year.

Strategy

Either way, price-wise, [this index is points away from its top](#). The timing of the peak may be when the tracker indices come onto line with it, but that's just an educated guess. Breaks of the moving averages could open up the gates to the downside. And what will Asian bourses do then?



Sid Klein

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