

Invest In Asian Nations With These 4 ETFs

Investors around the world are wondering if markets are finally forming a bottom and are positioned for a move higher. One group of countries that are of specific interest to international investors are those known as **ASEAN**, which stands for Association of Southeast Asian Nations. Stronger than average growth rates across this region make emerging market economies such as Indonesia, Malaysia, Singapore, Thailand and the Philippines key areas of growth in the decades to come. In this article, we'll take a look at several key exchange traded funds that track these dynamic economies and analyze if whether now is the time to add a position to your portfolio. For more on this topic, see: [Investing In The ASEAN Region](#)

Investors interested in adding exposure to the broad basket of economies such as those mentioned above may be interested in the Global X Southeast Asia ETF (**ASEA**). As you can see from the five-year weekly chart below, the recent selloff has sent the price of the fund toward a key level of long-term support. Notice how the break below the ascending trendline in early summer marked the beginning of a short-term selloff. At this point, many technical traders are using **oversold** readings on indicators such as the Relative Strength Index and the **MACD** to suggest that this group of countries is due for a bounce. Based on the chart, bullish traders will likely set their target prices for this fund near ascending trendline, which is currently trading near \$15.50. (For more, see: [A Primer On The MACD](#))



Indonesia

When it comes to investing in emerging markets one nation that is capturing attention around the globe is Indonesia. Taking a look at the six-year weekly chart of the iShares MSCI Indonesia Investable Market Index Fund ([EIDO](#)), which is a common product for gaining exposure to this region, you'll notice that the price is trading near its inception level (shown by the dotted trendline). The selloff over the course of 2015 has provided a bullish trader with an ideal opportunity to enter a position and the forecasted bounce higher is being confirmed by the low RSI reading. Generally speaking, RSI values below 30 suggest that a selloff is oversold and is due for a bounce. In the case of EIDO, many technical traders will watch for a corrective bounce toward the 50-week moving average, which is trading near \$25. (For related reading, see; [MINTS \(MINTs \(Mexico, Indonesia, Nigeria, Turkey\)\)](#))



Malaysia

While many emerging market economies are technical trading within established downtrends, one region that may have been pushed into oversold territory is Malaysia. Taking a look at the chart of the Malaysia iShares ETF ([EWM](#)), you'll notice that the selling pressure pushed the RSI value into oversold territory and the bulls have recently started to respond by forming a well-defined bottom. The recent bullish crossover between the MACD indicator and its signal line (shown by the blue circle) is a technical buy sign and many traders are now expecting the upward momentum to carry the price toward the horizontal resistance level near \$12.50. (For related reading, see; [Finding The Top Retirement Cities In Malaysia](#))



Singapore

Another southeast Asian nation that looks due for a bounce higher is Singapore. Based on the chart of the Singapore iShares ETF ([EWS](#)), you'll find that the pattern is very similar to that of EWM shown above. The formation of a short-term bottom combined with a bullish MACD crossover is all technical traders need to trade a bounce toward the upper resistance near \$12. Again, the recent oversold readings on the RSI indicator suggest that this nation along with many others in the region have been pushed to unjustifiably low levels and could be price candidates for a bounce higher. (For more, see: [ETF Analysis: iShares MSCI Singapore](#))



The Bottom Line

Stock markets across the globe have felt the pinch over the past several months, but few have felt it more than the Association of Southeast Asian Nations. Emerging market economies such as Indonesia, Malaysia, Singapore, Thailand and the Philippines have been particularly hard hit and the charts of key exchange traded funds suggest that they could be gearing up for a short-term bounce higher. Granted each of these nations are trading within established downtrends, but oversold readings on key indicators suggest that the selloff may have gone too far and that a bounce higher could present an interesting opportunity for those willing to take on risk. (For more, see: [Make A Play For Asia's Frontier](#))