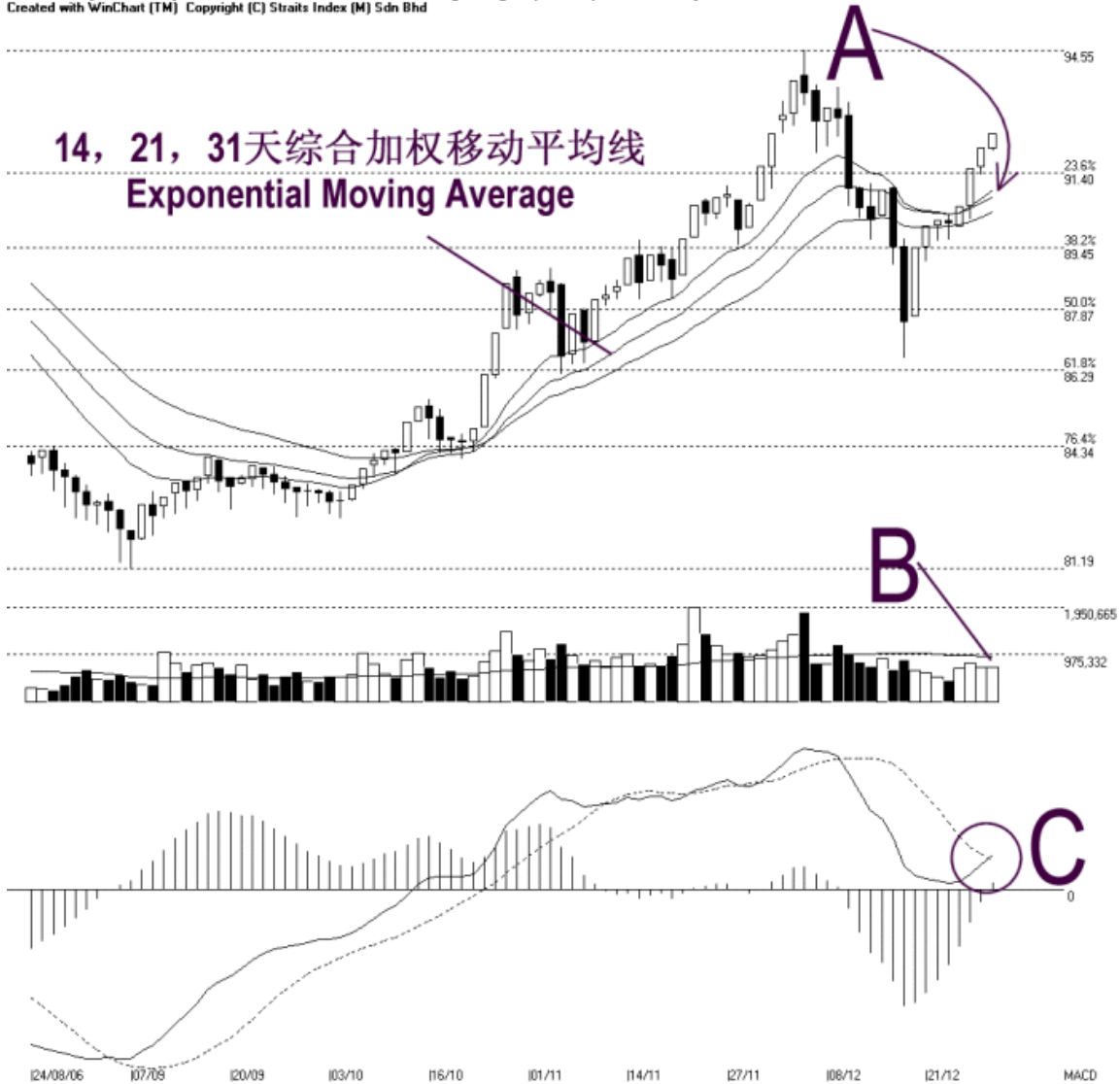




**STRAITS
index**

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Open:92.030 High:92.400 Low:91.940 Close:92.400 +0.370(0.4%) Volume:728,241 (+15668.22%)
 2ND-BOARD [2ND-BOARD] 24/08/2006 - 03/01/2007 Ticks=88 Moving Averages e(14,21,31) - Volume Daily
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2nd Board Index Daily Technical Analysis 03/01/2007

2nd board index ended higher on Wednesday, closing 0.37 of a point higher to 92.40 points. As shown by A, the 2nd board index remained supported by the 14, 21, 31 EMA, which is still serving as the dynamic support to the 2nd board index. Nevertheless, the next resistance for the 2nd board index is still seen at 94.55 Fibonacci Retracement.

Volume for the 2nd board market on Wednesday was 2.2% higher, however, it remained below the 40 days VMA level. This suggested that the market participation for the 2nd board remained insufficient thus the sustainability of the bullishness is questionable. (Study B)

As circled by A, MACD line crossed above the trigger line on Wednesday and issued a bullish signal. At the same time, the MACD histogram also ticked higher suggested a beginning of the bullish signal. Provided that the histogram could continue rising, the bullish signal shall continue. However, due to the lack of volume, significance of all signals from the secondary indicators are reduced, and therefore, it is advisable to focus more on the primary indicators such as Bollinger Bands or the Moving Average. (Study C)