



**STRAITS
index**

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Open:92.580 High:92.910 Low:92.130 Close:92.700 +0.130(0.1%) Volume:967,044 (-179273.-15.6%)
 2ND-BOARD [2ND-BOARD] 02/05/2006 - 05/01/2007 Ticks=171 Moving Averages e(14,21,31) - Volume Daily
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2nd Board Index Daily Technical Analysis 05/01/2007

2nd board index ended mixed on Friday, closing marginally higher to 92/.70 points. As pointed by A, the 2nd board index is now temporary resisted by the T1 descending resistance, while T2 is the uptrend dynamic support. Therefore, it has formed a long-term Symmetrical Triangle suggested a long-term consolidation; and market direction shall be clearer after a valid break out of this triangle.

Mean while, the 14, 21, 31 EMA remained as the dynamic support to the 2nd board index and the next resistance is still seen at 94.90 Fibonacci Retracement.

Volume for the 2nd board market on Friday was 15.6% lower, while barely touching the 40 days VMA level. If the 2nd board index were to maintain its bullishness,

we need to have a consistence of volume inflow above the 40 days VMA level. Or else, the sustainability of the bullishness is questionable. (Study B)

MACD histogram ticking higher on Friday, suggested the continuation of the bullish signal. However, readers are advised to pay attention to the histogram. If the histogram formed a rounding top, it shall be the short-term weakening signal or a correction signal. (Study C)