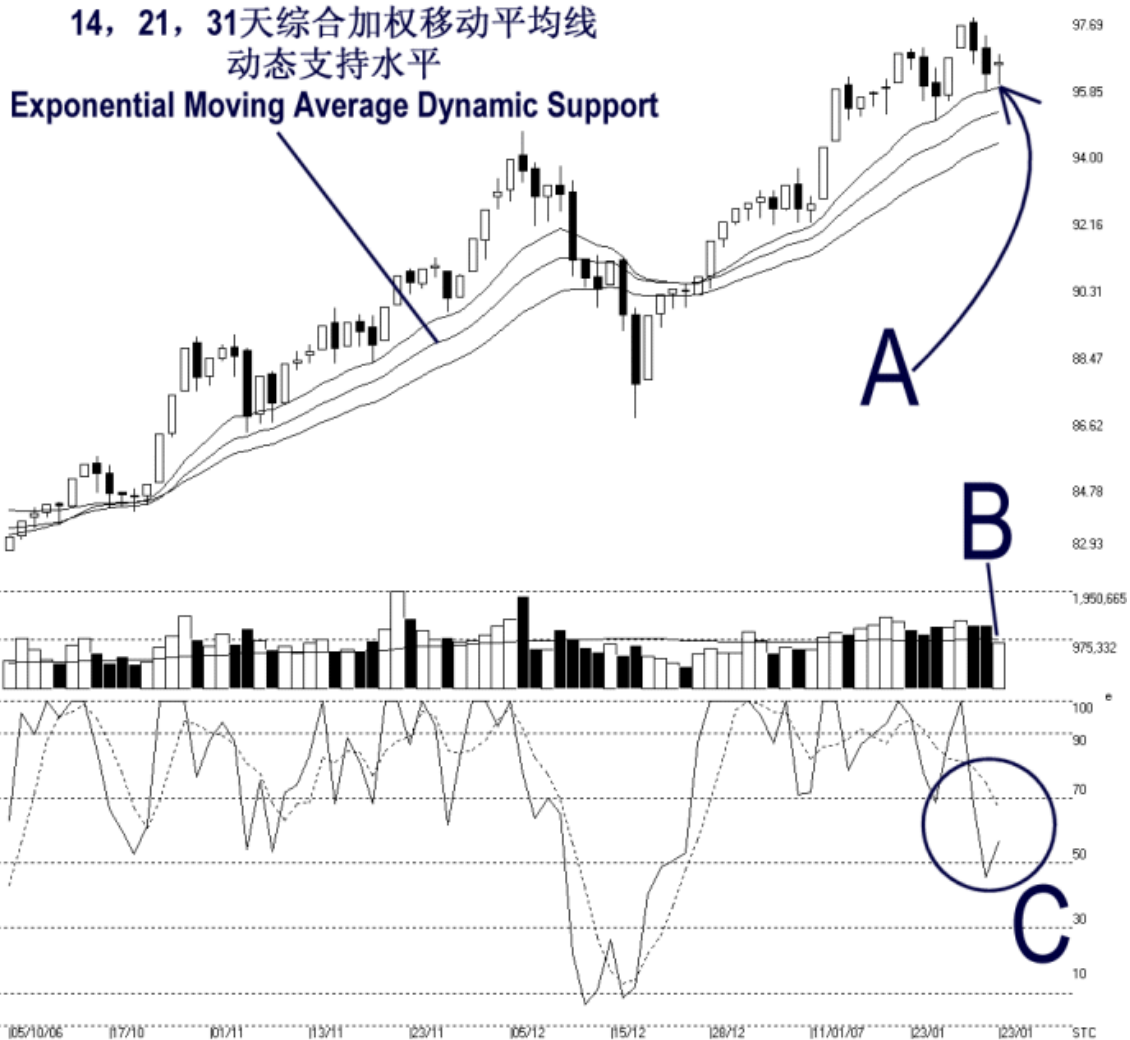




# STRAITS index

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Open:96.390 High:96.670 Low:95.830 Close:96.460 +0.320(0.3%) Volume:920,703 (-361954,-28.2%)  
2ND-BBOARD [2ND-BBOARD] 05/10/2006 - 02/02/2007 Ticks=80 Moving Averages e(14,21,31) - Volume Daily  
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## 2<sup>nd</sup> Board Index Daily Technical Analysis 02/02/2007

Although the KLCI made another multi-year new high, the 2<sup>nd</sup> board index ended mixed. As shown by the arrow A, the 2<sup>nd</sup> board index retested the 14 days EMA dynamic support on Friday, ended 0.32 of a point to 96.46 points.

At the moment, the 14, 21, 31 EMA is still serving as the dynamic support to the 2<sup>nd</sup> board index, and provided that the 2<sup>nd</sup> board index could maintain above the rising dynamic support, the uptrend is still intact. However, in order to sustain the uptrend, the 2<sup>nd</sup> board must first break above the 97.69 resistance and this should come with an increase of volume above the 40 days VMA level.

Volume for the 2<sup>nd</sup> board market on Friday was lower, this is usually seen as a normal sign for the 2<sup>nd</sup> board was still consolidating. However, if the 2<sup>nd</sup> board index was

to rebound and resume its uptrend, we must have the volume standing above the 40 days VMA level. (Study B)

As shown by the C circle, Stochastic %D fell below the 70% level on Friday, confirming the %K signal. Therefore, based on the Stochastic reading, the short-term market movement for the 2<sup>nd</sup> board index is currently at neutral. (Study C)