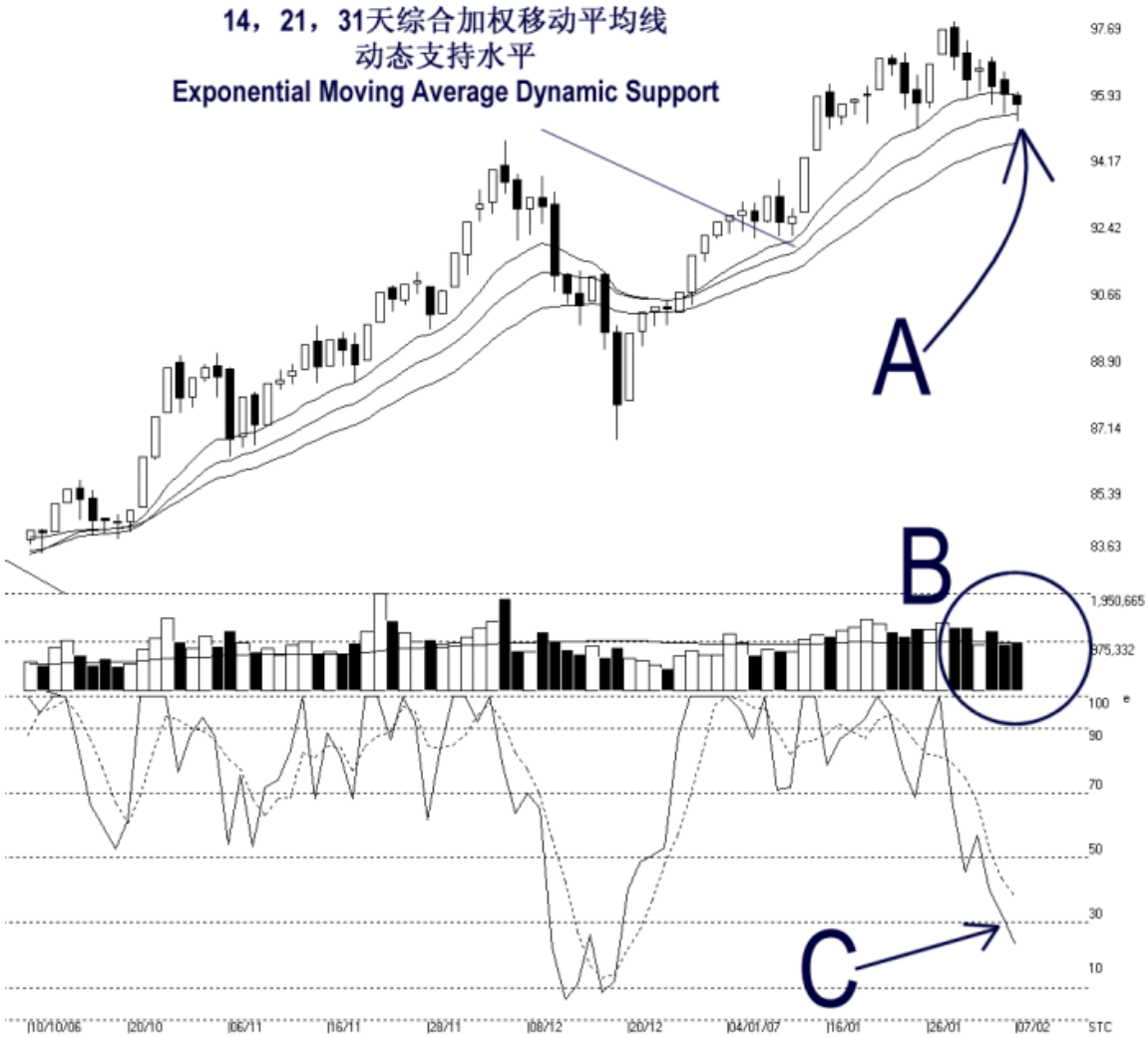




**STRAITS
index**

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Open: 95.750 High: 95.830 Low: 95.030 Close: 95.500 -0.270(-0.3%) Volume: 986,861 (+50510.54%)
2ND BOARD [2ND-BOARD] 10/10/2006 - 07/02/2007 Ticks=80 Moving Averages e(14,21,31) - Volume Daily
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2nd Board Index Daily Technical Analysis 07/02/2007

2nd board index ended lower again on Wednesday, losing 0.27 of a point to 95.50 points. As shown on the chart above, the 2nd board index remained in a congestion zone of the 14, 21, 31 EMA. Therefore, the immediate market trend is unclear. Nevertheless, the 14, 21, 31 EMA is still the support to the KLCI.

Volume for the 2nd board market remained low on Wednesday, suggested a declined of market participation. Therefore, with the volume staying low, chances for the 2nd board index to regain its strength is low. However, generally, when the market is at a correction or consolidation, a decline in volume is usually normal. (Study B)

Stochastic %K fell below 30% level, giving a first short-term bearish signal. If the %D line fell below 30% level, it shall confirm the %K signal and the market movement for the short-term would be bearish bias. (Study C)