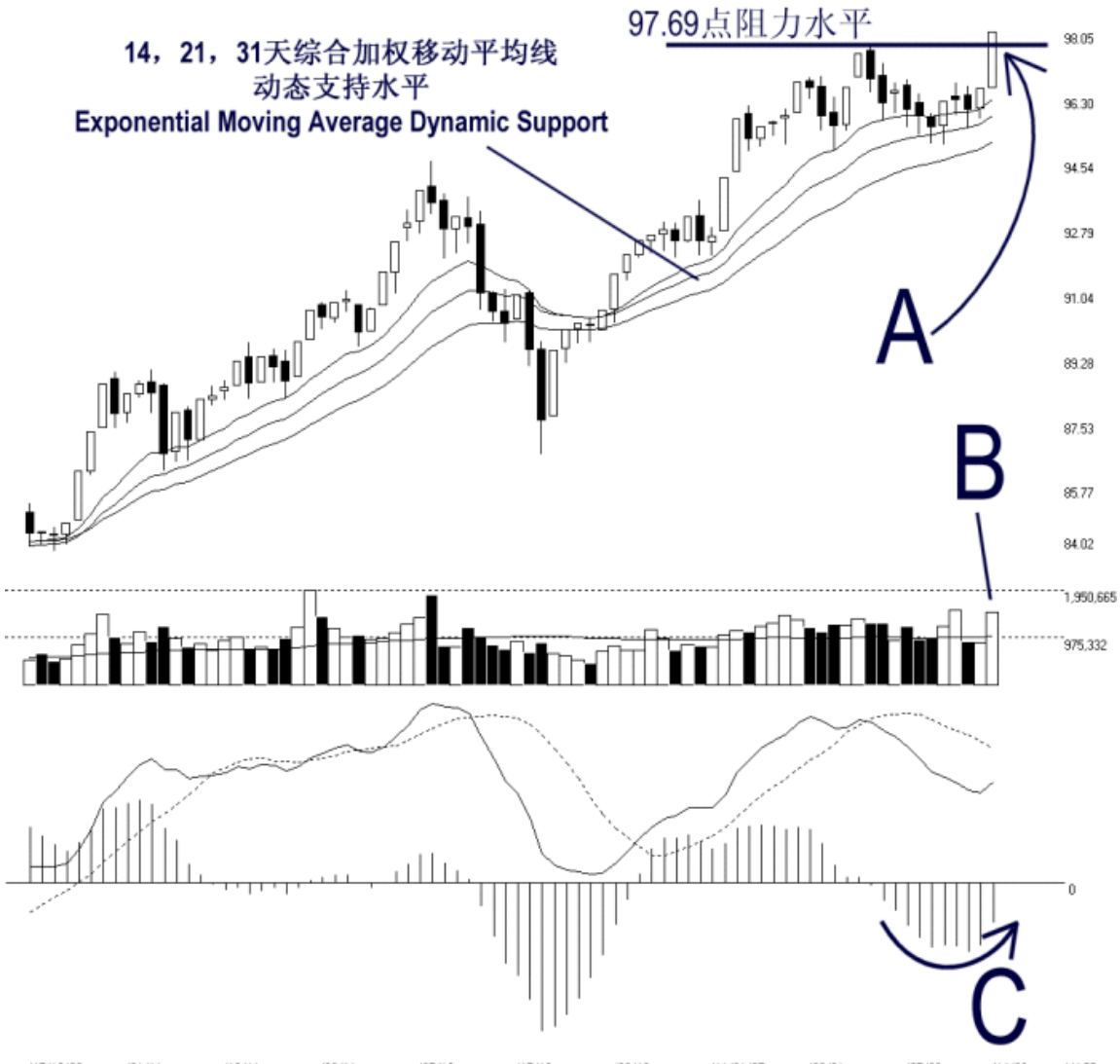




# STRAITS index

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Open:96.560 High:98.050 Low:96.560 Close:98.050 +1.540(1.6%) Volume:1,504,993 (+621387,70.3%)  
2ND-BOARD [2ND-BOARD] 17/10/2006 - 14/02/2007 Ticks=80 Moving Averages e(14,21,31) - Volume Daily  
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## 2<sup>nd</sup> Board Index Daily Technical Analysis 14/02/2007

As indicated by A, the 2<sup>nd</sup> board index broke above the previous resistance of 97.69 points, ended the day at 98.05 points, up 1.54 points of 1.6%. After consolidating for about a week, the 2<sup>nd</sup> board index resumed its uptrend on Wednesday. Based on the Bollinger Bands signal, the Bollinger Band width expanded 23% with the 2<sup>nd</sup> board index situated above the Bollinger middle band. Therefore, this suggested a bullish signal, and provided that the 2<sup>nd</sup> board index could remain above the Bollinger middle band with the band width continue expanding, the bullish signal is expected to continue. Nevertheless, the 14, 21, 31 EMA shall remain as the rising dynamic support to the 2<sup>nd</sup> board index.

Wednesday's break out of the resistance was also supported by the increase of volume. Volume for the 2<sup>nd</sup> board market increased and returned to above 40 days VMA level. If the volume could maintain above the 40 days VMA level, the bullish sentiment for the 2<sup>nd</sup> board index like likely to sustain. (Study B)

As mentioned on yesterday's analysis, the MACD histogram continued rising, and formed a rounding bottom signal. This suggested an end to the technical correction, and as long as the histogram is rising, the short-term movement for the 2<sup>nd</sup> board is likely to be bullish bias. (Study C)