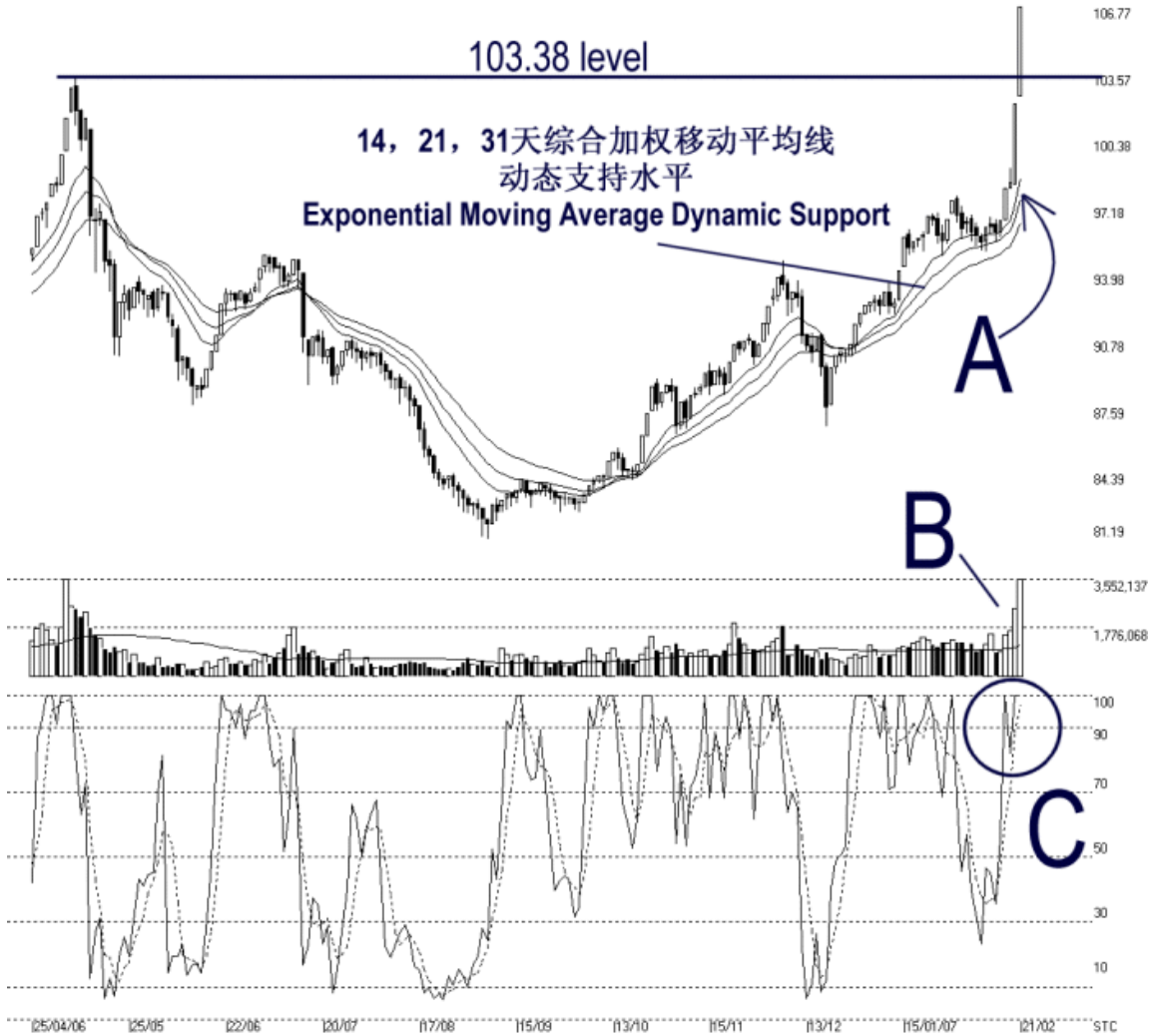




**STRAITS  
index**

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Open:102.460 High:106.770 Low:102.460 Close:106.770 +4.650(4.6%) Volume:3,546,442 (+1068409.43.1%)  
2ND-BOARD [2ND-BOARD] 25/04/2006 - 21/02/2007 Ticks=205 Moving Averages e(14,21,31) - Volume Daily  
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### 2<sup>nd</sup> Board Index Daily Technical Analysis 21/02/2007

2<sup>nd</sup> board index opened higher with a Continuation Gap on Wednesday, after the Chinese New Year Holiday; and ended higher at 106.77 point, up 4.65 points or 4.6%. As shown on the chart above, the 2<sup>nd</sup> board index broke above the 103.38 points, which was the highest of the year 2006. Therefore, 103.38 is not the immediate support for the 2<sup>nd</sup> board index. Nevertheless, as pointed by A, with the 2<sup>nd</sup> board index still staying above the rising 14, 21, 31 EMA dynamic support, the uptrend for the 2<sup>nd</sup> board remained intact.

In line with the 2<sup>nd</sup> board index bullish trading, volume for the 2<sup>nd</sup> board market was also higher. This suggested that the market participation for the 2<sup>nd</sup> board was indeed

good, and the increased of the volume is likely also sustain the bullish sentiment. (Study B)

As circled by C, Stochastic %D line broke above 90% level, entering the short-term over-bought region. This suggested that the market movement for the short-term was indeed bullish, but however, has gone slightly over-heated. Nevertheless, with Stochastic staying above 70% level, the market movement for the short-term is expected to be bullish. (Study C)