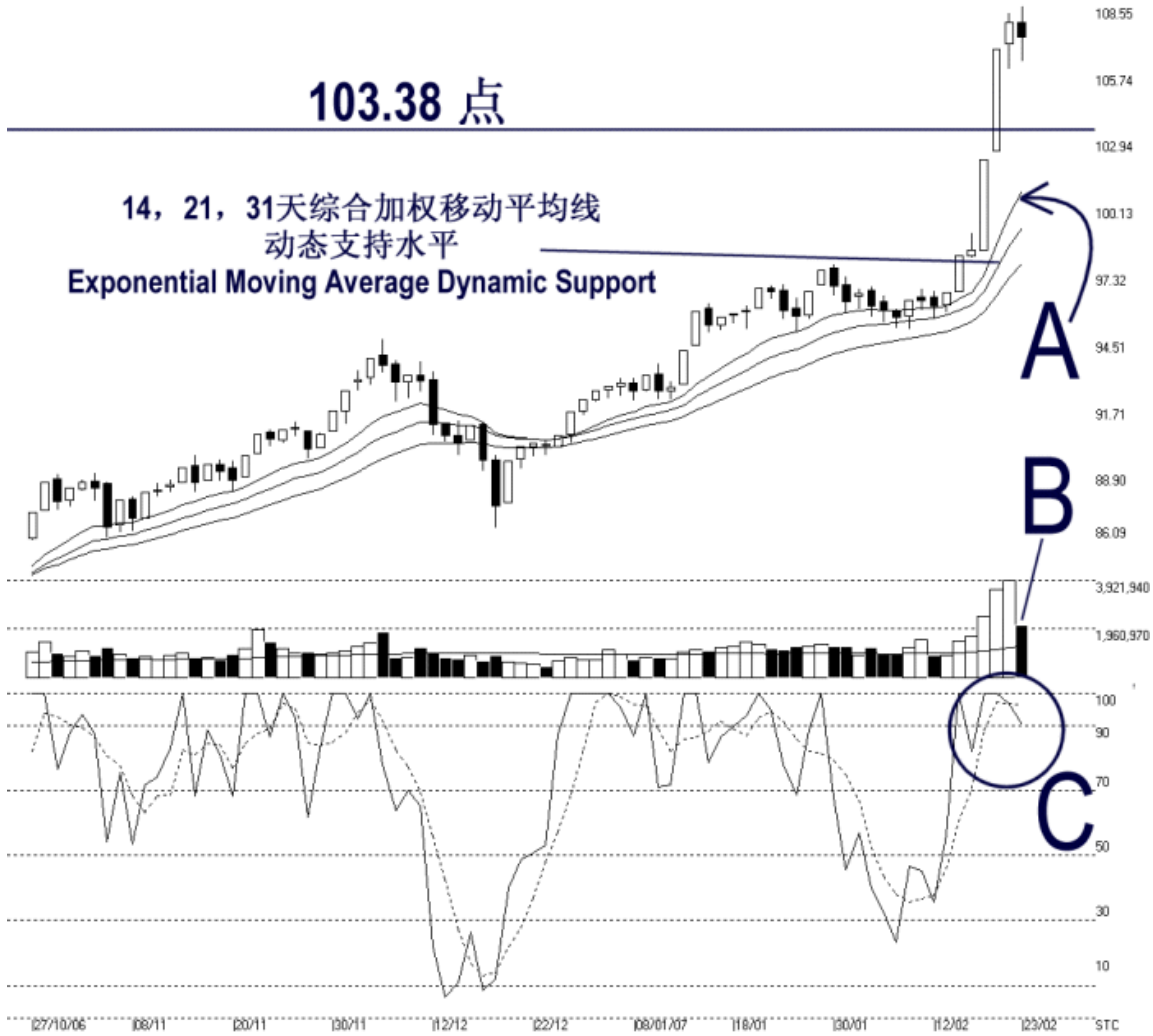




**STRAITS
index**

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Open:107.880 High:108.550 Low:106.250 Close:107.250 -0.620(-0.6%) Volume:2,107,785 (-1814155,-46.3%)
 2ND-BOARD [2ND-BOARD] 27/10/2006 - 23/02/2007 Ticks=80 Moving Averages e(14,21,31) - Volume Daily
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2nd Board Index Daily Technical Analysis 23/02/2007

As mentioned on yesterday's analysis, the 2nd board index had a pull-back effect as a form of technical correction on Friday, closing the day 0.62 of a point lower to 107.25 points. At the moment, the 2nd board index has entered a correction stage with the 14, 21, 31 EMA still serving as the rising dynamic support. (Study A)

Volume for the 2nd board market declined 46.3%. Generally, when volume decline during a correction, it is usually healthy signal. However, readers are to be reminded that since the 2nd board volume has marked an all time new high yesterday, the risk for a correction is still higher. (Study B)

Stochastic %K started falling on Friday, almost touching 90% level. If the Stochastic fell below 90% level, it shall be the signal suggesting a technical correction. If the Stochastic fell below 70% level, it would be the signal suggesting an end to the short-term bullish signal. (Study C)