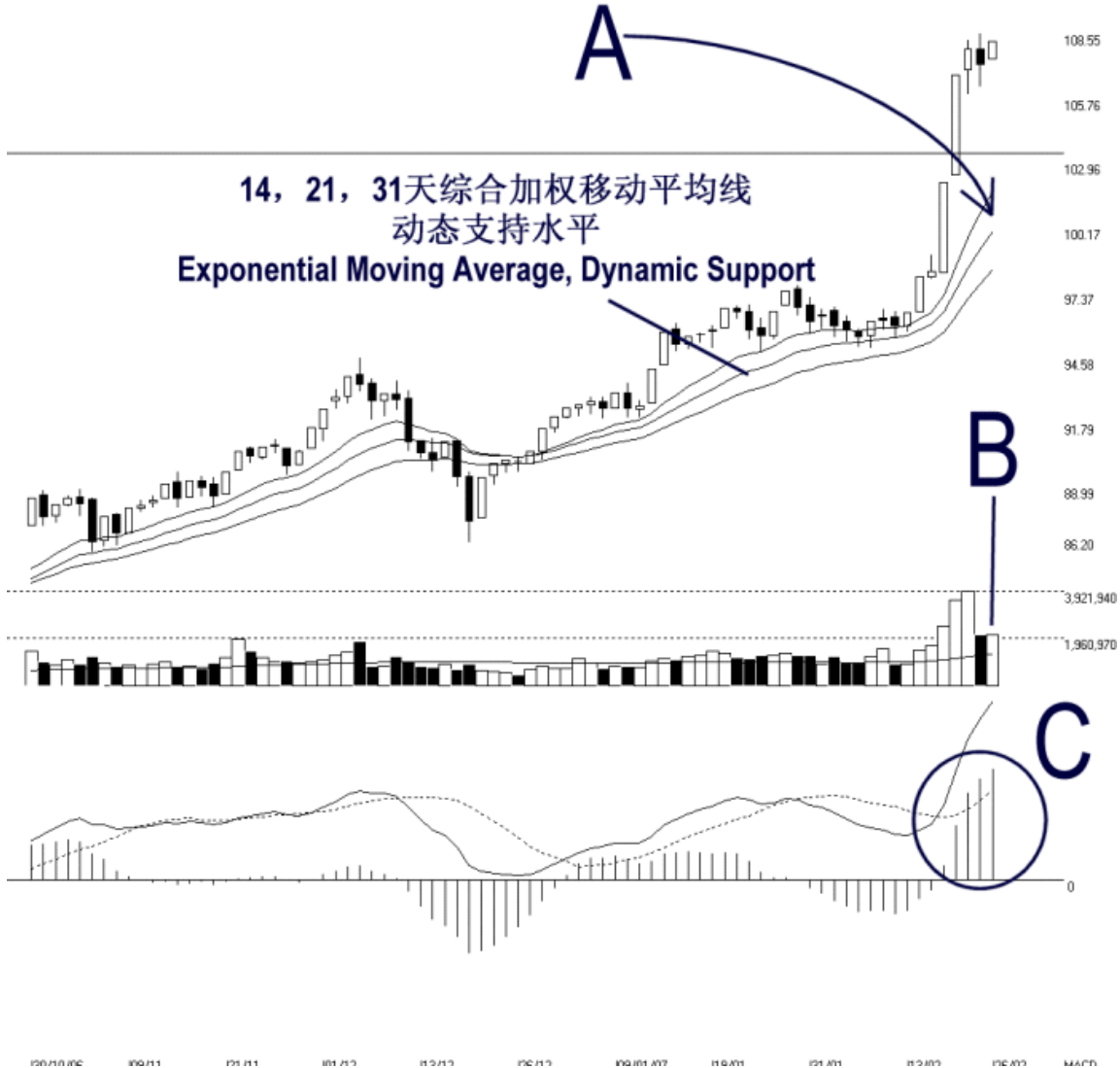




STRAITS index

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Open:107.470 High:108.210 Low:107.440 Close:108.210 +0.960(0.9%) Volume:2,115,455 (+7670.04%)
2ND-BOARD [2ND-BOARD] 30/10/2006 - 26/02/2007 Ticks-80 Moving Averages e(14,21,31) - Volume Daily
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2nd Board Index Daily Technical Analysis 26/02/2007

On Monday, the 2nd board index continued its pull-back correction after hitting above the 20 days Bollinger Upper Band, closing 0.96 of a point higher to 108.21 points. Mean while, as pointed by A, the 14, 21, 31 EMA is still serving as the rising dynamic support to the 2nd board index. (Study A)

Volume for the 2nd board market remained relatively lower on Monday as the 2nd board continued its correction. Generally, from the technical analysis point of view, a lower volume during a correction usually suggest a healthy correction. However, users are to be reminded that whenever volume hit new high, it signals an over-heated market, and therefore the risk of a correction is also higher. (Study B)

As shown by the C circle, MACD histogram continue rising. If the MACD histogram started falling and formed a rounding-top signal, it shall be a signal of a short-term technical correction. (Study C)