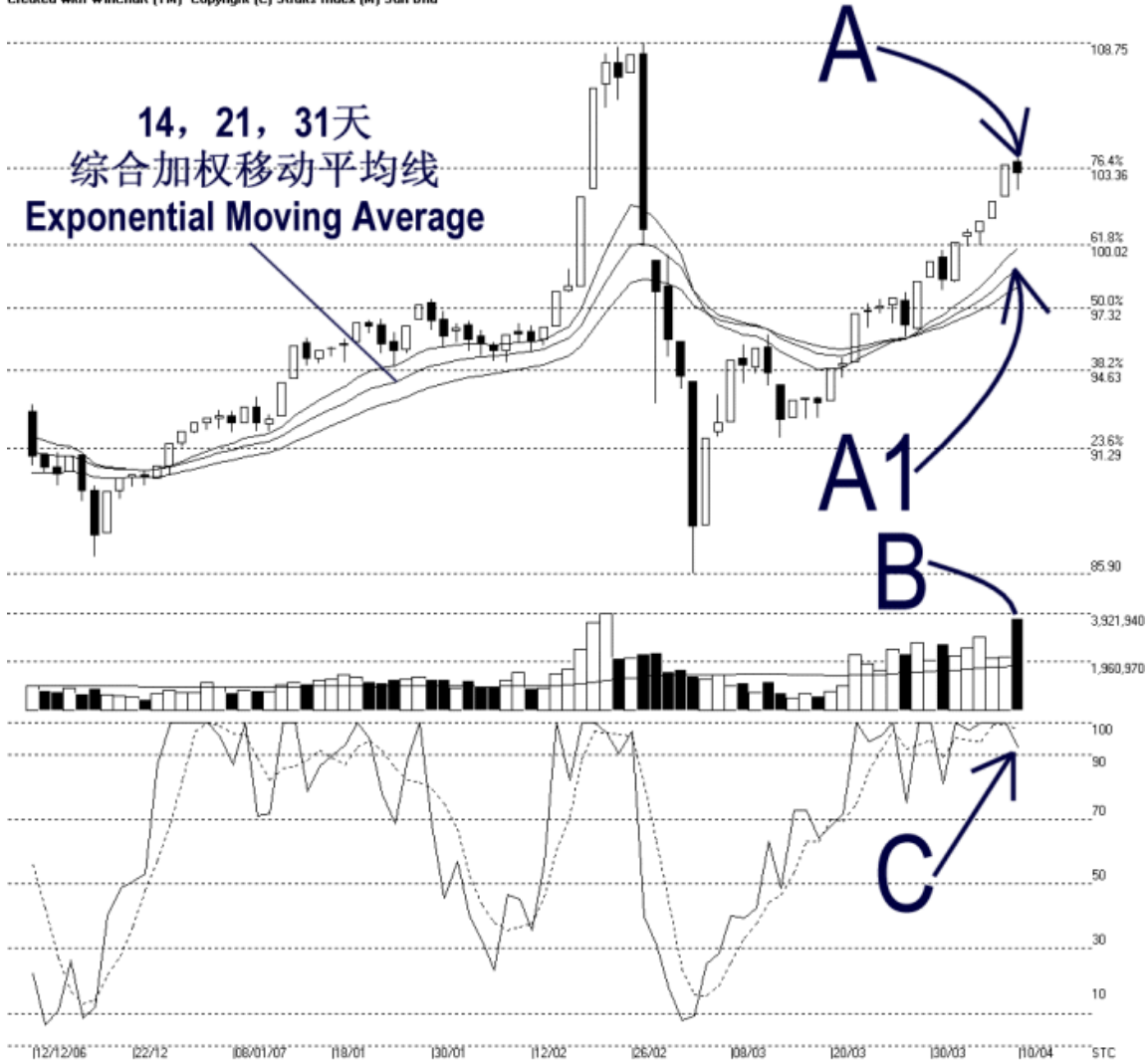




**STRAITS
index**

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Open:103.620 High:103.790 Low:102.380 Close:103.170 -0.330(-0.3%) Volume:3,737,351 (+1563642,71.9%)
 2ND-BOARD [2ND-BOARD] 12/12/2006 - 10/04/2007 Ticks=80 Moving Averages e(14,21,31) - Volume Daily (Fibo)
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2nd Board Index Daily Technical Analysis 10/04/2007

The 2nd board index retreated 0.33 of a point on Tuesday, after being resisted by 103.36 Fibonacci Retracement. Therefore, the 103.36 Fibonacci Retracement is still the immediate resistance to the 2nd board index. (Study A). Mean while, the rising 14, 21, 31 EMA shall continue serving as the dynamic support to the 2nd board index. If the 2nd board could rebound from the dynamic support, the uptrend shall resume. (Study A1)

Volume for the 2nd board market on Tuesday increased 71.9%. Though generally when volume is above the 40 days VMA, the bullish sentiment is likely to sustain. However, if the volume increased too extreme when the 2nd board index corrected, it

could be a signal of some selling pressure. Unless volume of the following trading days are higher, the 103.36 would remain as the resistance to the 2nd board index. (Study B)

As pointed by C, both %K and %D line of the Stochastic are situated above 90% level, which is the short-term over-bought region. This suggested that the 2nd board has gone over-heated, and a technical correction signal is likely to take place. Nevertheless, provided that the Stochastic could stay above 70% level after the possible correction, the market movement for the short-term is still bullish bias. (Study C)