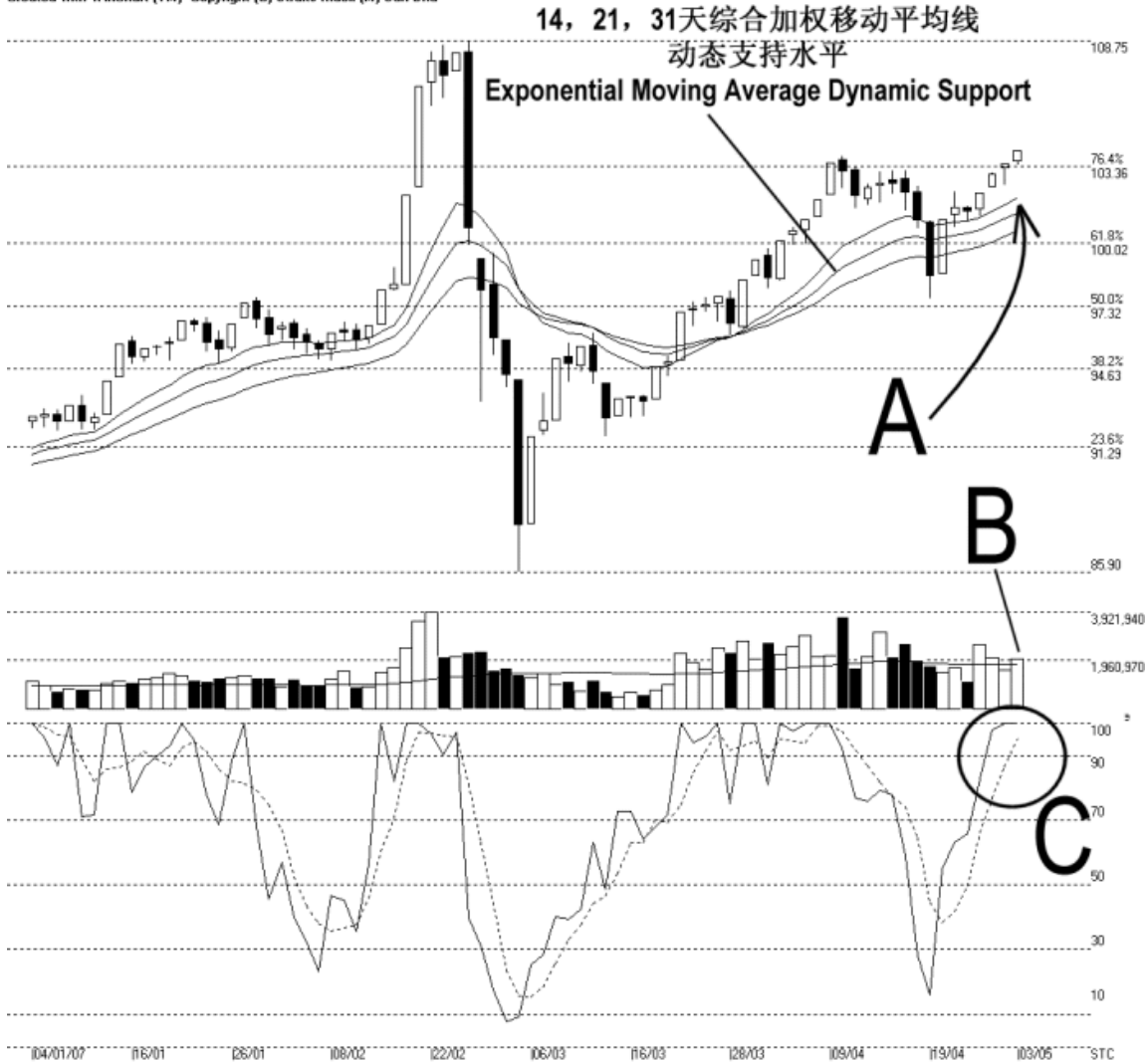




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index**

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Open:103.600 High:104.000 Low:103.410 Close:104.000 +0.550(0.5%) Volume:2,045,062 (+483186,30.9%)  
 2ND-BOARD [2ND-BOARD] 04/01/2007 - 03/05/2007 Ticks=80 Moving Averages e(14,21,31) - Volume Daily (Fibo)  
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### 2<sup>nd</sup> Board Index Daily Technical Analysis 03/05/2007

The 2<sup>nd</sup> board index ended higher on Thursday, while successfully staying above the 103.36 Fibonacci Retracement level. Despite a minor retreat, the 2<sup>nd</sup> board managed to rebound from 103.36 level, closing the 0.55 of a point higher to 104 points. Meanwhile, as indicated by A, the 14, 21, 31 EMA is still serving as the dynamic support and therefore provided that the 2<sup>nd</sup> board can remain above the dynamic support, the uptrend is likely to continue.

As indicated by B, volume for the 2<sup>nd</sup> board market also increased and returned to above the 40-day VMA level. This suggests that the 2<sup>nd</sup> board market was actively

participated, and if the volume should remain above the 40-day VMA level, the uptrend for the 2<sup>nd</sup> board would likely to stay intact. (Study B)

As circled at C, %D of the Stochastic has gone above 90% level, and entered the short term over-bought region. This suggests that the short term movement for the 2<sup>nd</sup> board index has gone over-heated and there is a risk of a technical correction. If the Stochastic should fall below 90% level, it would be the technical correction signal. However, if the Stochastic should maintain above the 70% level after the possible correction, the market movement for the short term is still bullish biased. (Study C)