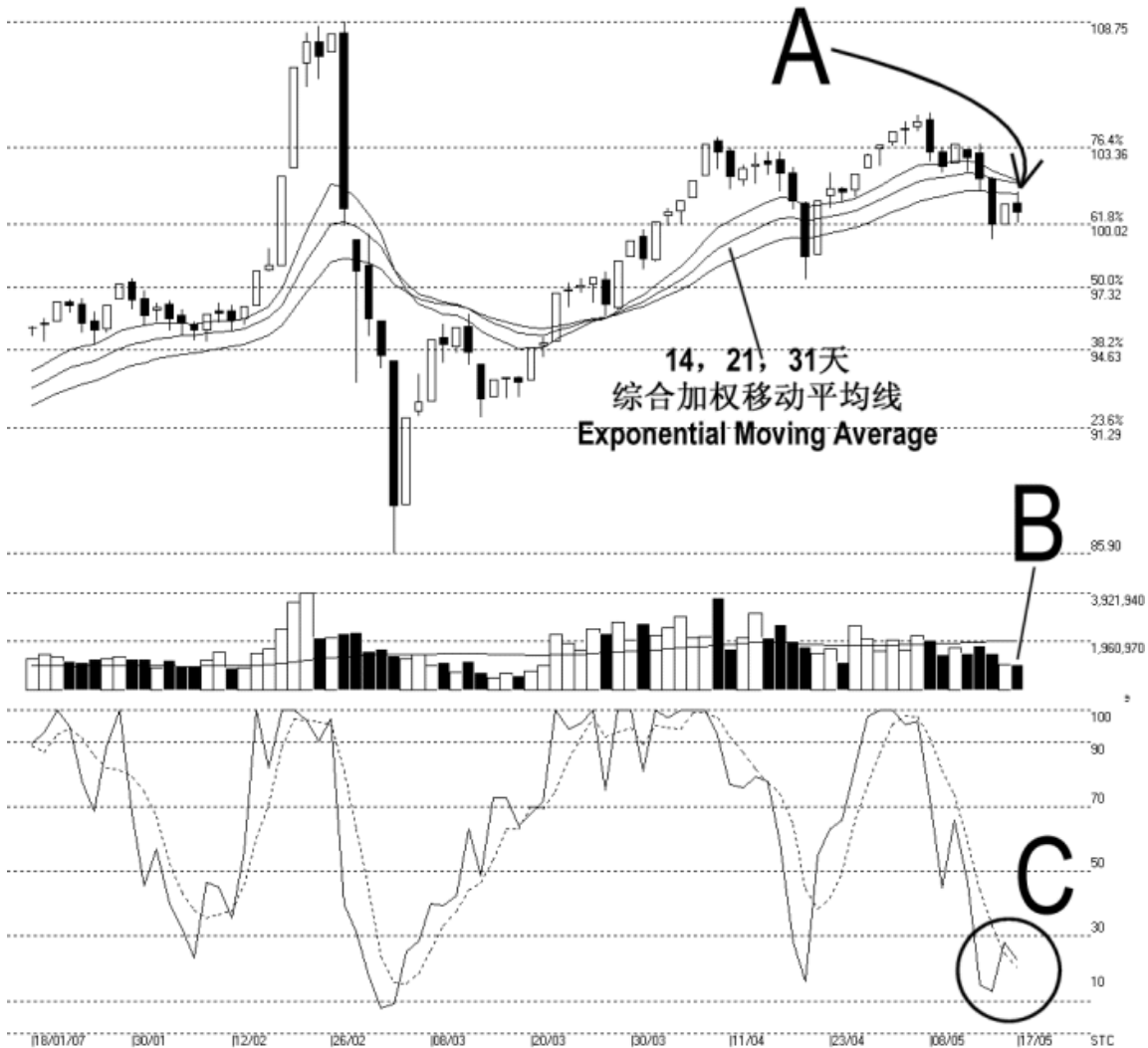




**STRAITS
index**

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Open:100.960 High:101.430 Low:100.100 Close:100.590 -0.300(-0.3%) Volume:1,032,742 (+13779.14%)
2ND-BOARD [2ND-BOARD] 18/01/2007 - 17/05/2007 Ticks=80 Moving Averages e(14,21,31) - Volume Daily (Fibo)
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2nd Board Index Daily Technical Analysis 17/05/2007

On Thursday, the 2nd board index opened higher at 100.96 points, however, as indicated by A, it was still resisted by the 14, 21, 31 EMA, and therefore, the EMA is now serving as the dynamic resistance to the 2nd board index. If the 2nd board index continues to stay below the dynamic resistance, the risk of the 2nd board index forming a down trend would be higher. However, the 2nd board index is temporary supported by the 100.02 Fibonacci Retracement, and therefore, it has not formed a downtrend just yet.

Volume for the 2nd board market was almost unchanged, and remained further below the 40-day VMA level. This again suggests that the participation of the 2nd board

market is relatively low, thus the 2nd board index is likely to stay weak without sufficient inflow of fresh capital. (Study B)

As circled at C, the Stochastic is still situated below the 30% level, which is the short term bearish region. Therefore, the market movement for the short term is likely to be bearish biased. (Study C)