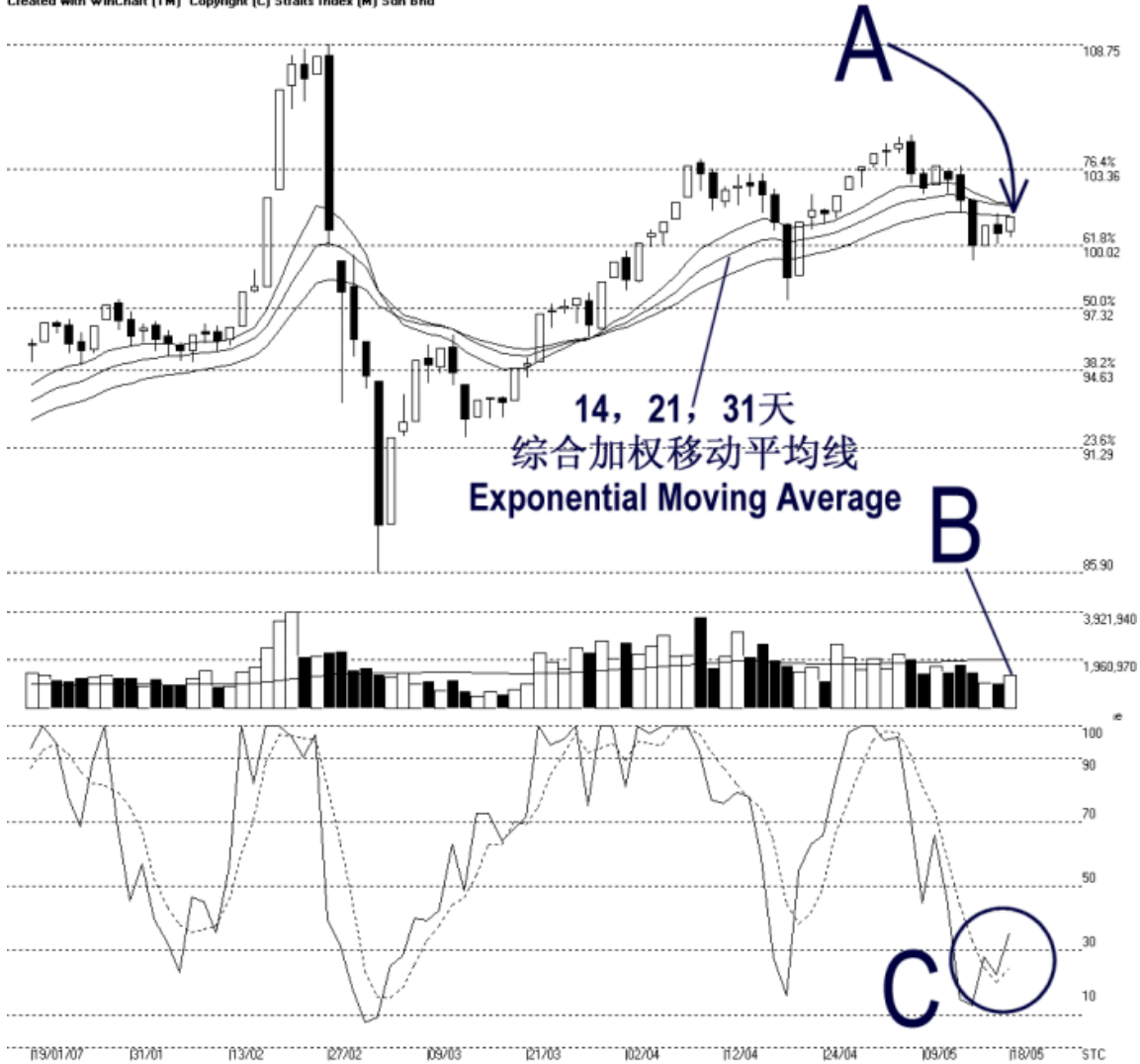




**STRAITS
index**

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Open:100.670 High:101.310 Low:100.370 Close:101.310 +0.720(0.7%) Volume:1,349,637 (+316895,30.7%)
 2ND-BOARD [2ND-BOARD] 19/01/2007 - 18/05/2007 Ticks=80 Moving Averages e(14,21,31) - Volume Daily (Fibo)
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2nd Board Index Daily Technical Analysis 18/05/2007

On Friday, the 2nd board index rebounded 0.72 of a point to 101.31 points. As shown on the chart above, the 2nd board index managed to rebound from the 100.02 Fibonacci Retracement support. However, it was resisted by the 14, 21, 31 EMA. (Study A). Nevertheless, if the 2nd board index should stay above the 100.02 Fibonacci Retracement, the consolidation would likely to continue.

Volume for the 2nd board market increased 30.7% on Friday, but remained below the 40-day VMA level. Therefore, the overall market participation is still relatively low. Nonetheless, if the volume should increase and break above the 40-day VMA level, chances for the 2nd board to regain its strength would be higher. (Study B)

Stochastic %K line rises above the 30% level, leaving the short term bearish region. However, this is an unconfirmed signal for the %D line is still staying below the 30% level. If the %D line should break above the 30% level, it shall confirm the %K line signal, and the market movement for the short term would change to neutral. (Study the C Circle)