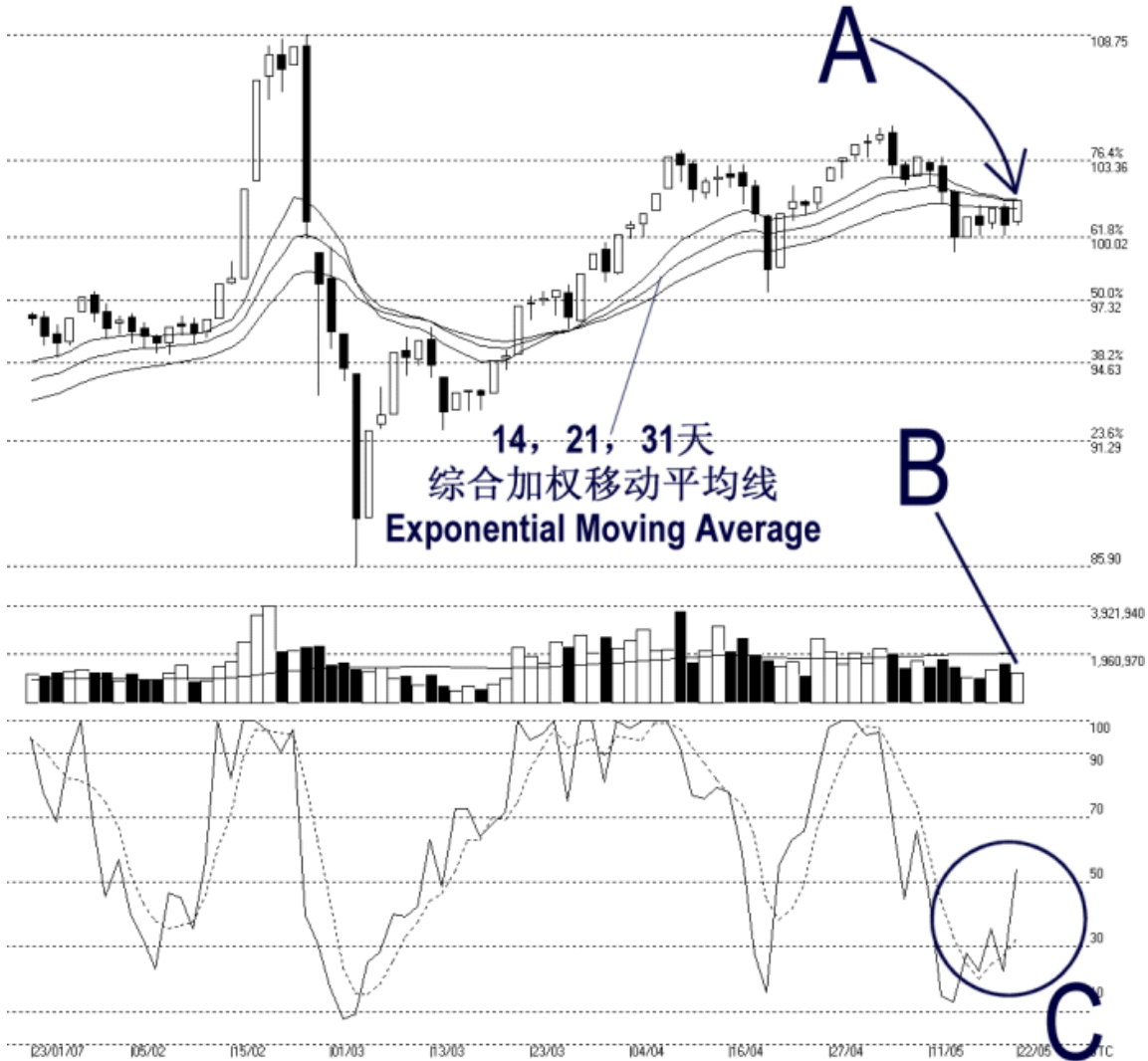




**STRAITS
index**

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Open:100.720 High:101.610 Low:100.510 Close:101.610 +1.020(1.0%) Volume:1,221,156 (-397165,-24.5%)
 2ND-BOARD [2ND-BOARD] 23/01/2007 - 22/05/2007 Ticks=80 Moving Averages e(14,21,31) - Volume Daily (Fibo)
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2nd Board Index Daily Technical Analysis 22/05/2007

The 2nd board index ended higher on Tuesday, closing at 101.61 points, up 1.02 points. As indicated by A, the 2nd board retested the 14, 21, 31 EMA. However, at the moment, it is still being resisted by the 14, 21, 31 EMA. Therefore, the 2nd board index has not break out from its consolidation. (Study A)

Volume for the 2nd board market declined 24.5% on Tuesday while continuously staying below the 40-day VMA level. This suggests that the 2nd board market is still lightly participated. If the 2nd board index should break away from the consolidation to close higher, more volume is needed as the increase of volume also equals to the inflow of fresh capital. (Study B)

As circled at C, the Stochastic %K breaks above the 30% level, ended the short term bearish region. Also, the %D line also breaks above the 30% level marginally, and therefore, the market movement for the short term shall turn from bearish biased to neutral. (Study C).