



**STRAITS
index**

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Open:99.320 High:100.030 Low:98.290 Close:100.030 +0.480(0.5%) Volume:1,514,270 (-144704,-8.7%)
2ND-BOARD [2ND-BOARD] 26/01/2007 - 25/05/2007 Ticks=80 Moving Averages e(14,21,31) - Volume Daily (Fibo)
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2nd Board Index Daily Technical Analysis 25/05/2007

On Friday, the 2nd board index had a daily low touching 98.29 points. However, it managed to rebound in the afternoon session, ended the day 0.48 of a point higher to 100.03 points.

Nevertheless, as indicated by A, the 2nd board remains resisted by the falling 14, 21, 31 EMA which is still serving as the dynamic resistance. Therefore, provided that the 2nd board index is still staying below the dynamic resistance, the outlook for the 2nd board index is still bearish biased.

Volume for the 2nd board market was 8.7% lower on Friday while continue staying below the 40-day VMA level. This suggests that the 2nd board market participation is still low, and therefore, the 2nd board index is likely to stay weak.

As the 2nd board index rebounds, the Stochastic %K breaks above the 30% level marginally, and therefore, leaving the short term bearish region once again. At the moment, the Stochastic is showing a neutral signal, and therefore, the short term movement for the 2nd board index is at neutral. (Study C).