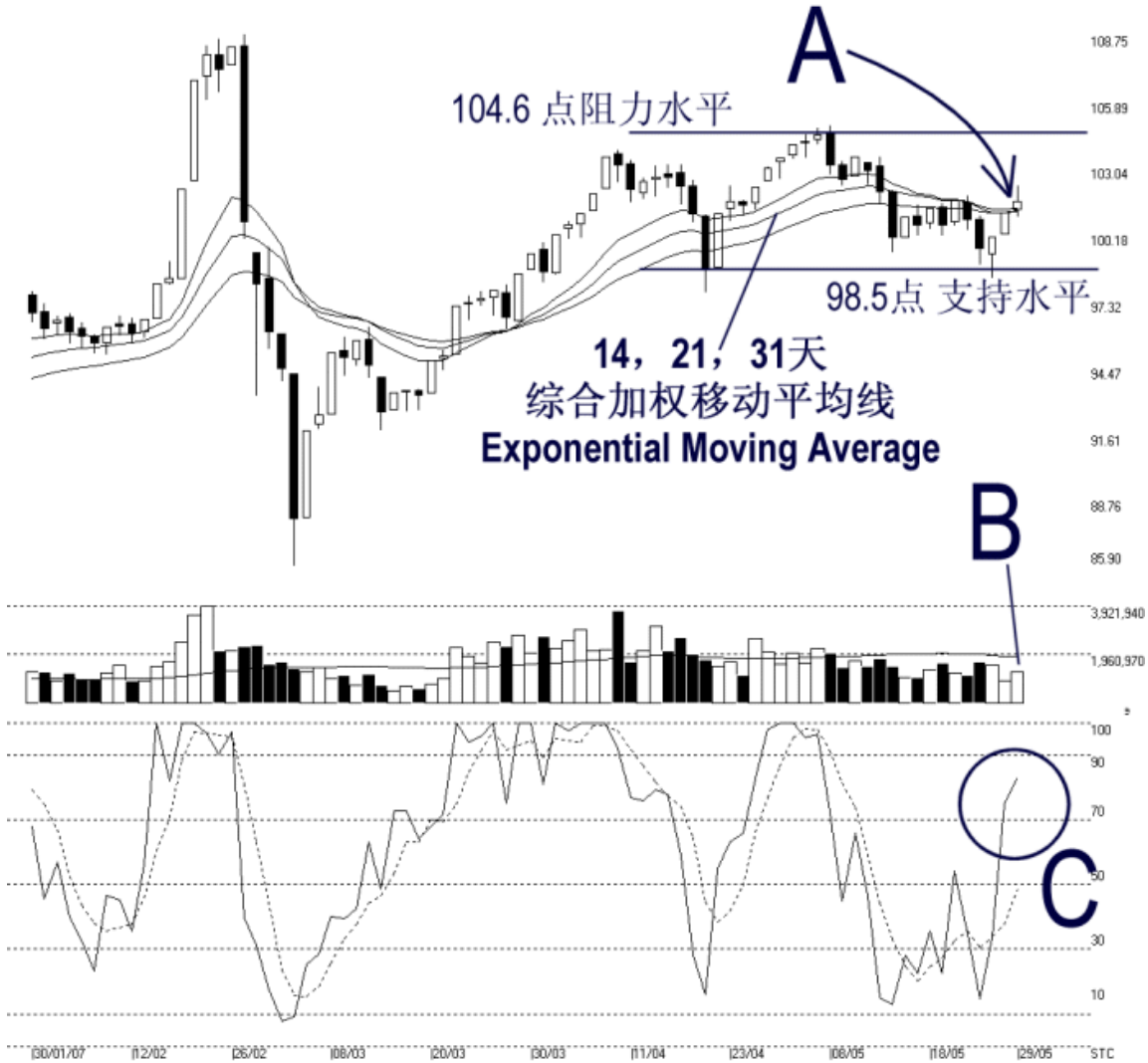




**STRAITS
index**

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Open:101.240 High:102.230 Low:100.890 Close:101.560 +0.450(0.4%) Volume:1,274,756 (+385356.43.3%)
 2ND-BOARD [2ND-BOARD] 30/01/2007 - 29/05/2007 Ticks=80 Moving Averages e(14,21,31) - Volume Daily
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2nd Board Index Daily Technical Analysis 29/05/2007

The 2nd board index ended higher on Tuesday, gaining 0.45 of a point to 101.56 points. As indicated by A, the 2nd board index breaks above the 14, 21, 31 EMA dynamic resistance marginally, and therefore it is likely to consolidate further while temporary staying away from the down trend.

In addition, as shown on the chart above, the 2nd board index forming a trading range with the 98.5 points as the support and the 104.6 points as the resistance.

Volume for the 2nd board increased 43.3% on Tuesday. However, as indicated by B, it is still below the 40-day VMA level. Therefore, this suggests that the market participation of the 2nd board is still insufficient, and the 2nd board is less likely to gain its strength with insufficient volume.

As circled at C, the Stochastic %K line remains above the 70% bullish region. However, the %K signal is yet to be confirm by the %D line. If the %D should break above the 70% level, it shall confirm the %K signal, and the market movement for the short term would be bullish biased. (Study C)