



**STRAITS
index**

Straits Index (M) Sdn Bhd
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Open:101.610 High:101.860 Low:99.000 Close:100.060 -1.50(-1.5%) Volume:1,071,080 (-203676,-16.0%)
2ND-BOARD [2ND-BOARD] 31/01/2007 - 30/05/2007 Ticks=80 Moving Averages e(14,21,31) - Volume Daily
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2nd Board Index Daily Technical Analysis 30/05/2007

The 2nd board index retreated 1.5 points on Wednesday with a daily low touching 99 points. As indicated by A, the 2nd board index was supported by the 98.5 support level, and therefore, it is still consolidating between the trading range of the 98.5 support and the 104.6 resistance.

As indicated by B, volume for the 2nd board market remains below the 40-day VMA level, suggesting that the market activity is still low as it seems like most investors are still staying in the sideline as the market direction is still unclear. Therefore, without sufficient market participation, the 2nd board index is likely to stay weak in the trading range.

As circled at C, the Stochastic %K falls below the 70% level after giving an unconfirmed signal yesterday. At the moment, Stochastic is still suggesting a short term neutral signal, and therefore, the market movement for the short term is still at neutral. Nevertheless, this shows the weakness in all secondary indicators, and therefore, trends and chart pattern is still the priority in Technical Analysis.