



**STRAITS  
index**

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Open:104.040 High:104.440 Low:103.840 Close:104.430 +0.410(0.4%) Volume:1,277,138 (-223996,-14.9%)  
2ND-BOARD [2ND-BOARD] 08/02/2007 - 06/06/2007 Ticks=80 Bollinger Band(10.2) 24% - Volume Daily  
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### 2<sup>nd</sup> Board Index Daily Technical Analysis 06/06/2007

As shown on the chart above, the Bollinger Bands width expanded 24% on Wednesday and therefore, the Bollinger Bands bullish signal remains intact. However, as indicated by A, the 2<sup>nd</sup> board index is about to test the 104.6 resistance level. Therefore, there may be some profit taking activities at the 104.6 level. Nonetheless, the Bollinger middle band shall continue serving as the dynamic support to the 2<sup>nd</sup> board index.

As indicated by B, volume for the 2<sup>nd</sup> board market decreased 14.9% while remains below the 40-day VMA level. This suggests that the market participation of the 2<sup>nd</sup> board market is still low. Therefore, unless the volume for the 2<sup>nd</sup> board can increase and stay above the 40-day VMA level, the 2<sup>nd</sup> board rally is less likely to sustain.

As circled at C, the Stochastic is still showing a short term bullish signal. Therefore the market movement for the 2<sup>nd</sup> board index is still bullish biased. However, since the %D line has broken above the 90% level, which triggered a short term over-bought signal. Therefore, if the %D line falls below the 90% level, it would be a signal of the beginning of the technical correction. Nevertheless, provided that the Stochastic is still above the 70% level, the short term movement for the 2<sup>nd</sup> board index is still bullish biased. (Study C)