



**STRAITS  
index**

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Open:104.170 High:105.090 Low:103.900 Close:105.090 +0.660(0.6%) Volume:1.062.092 (-215046.-16.8%)  
 2ND-BOARD [2ND-BOARD] 09/02/2007 - 07/06/2007 Ticks=80 Bollinger Band(10.2) 19% - Volume Daily  
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### 2<sup>nd</sup> Board Index Daily Technical Analysis 07/06/2007

As indicated by A, the 2<sup>nd</sup> board index breaks above the 104.6 resistance, closing the day at 105.09 points, up 0.66 of a point. Meanwhile, the Bollinger Band Width continue to expand 19%, therefore, the Bollinger Bands bullish signal shall remain, until the Bollinger Band Width starts to contract.

The next major resistance for the 2<sup>nd</sup> board shall be at 108.75 points while the Bollinger Middle Band shall continue serving as the dynamic support to the 2<sup>nd</sup> board index.

Although the 2<sup>nd</sup> board index ended higher, volume for the 2<sup>nd</sup> board market continue declining. As indicated by B, volume for the 2<sup>nd</sup> board index remains below the 40-day

VMA level, suggesting that the market participation of the 2<sup>nd</sup> board is still insufficient, and therefore failed to confirm the rally. Unless volume could pick up and stay above the 40-day VMA level, the sustainability of the currently is still questionable.

As circled at C, both the %K and %D line of the Stochastic are touching the 100% level suggesting that the 2<sup>nd</sup> board has gone over-heated. Therefore, there is a risk for a technical correction in the near future. Nonetheless, provided that the Stochastic is still above the 70% level, the short term market movement for the 2<sup>nd</sup> board index is still bullish biased. (Study C)