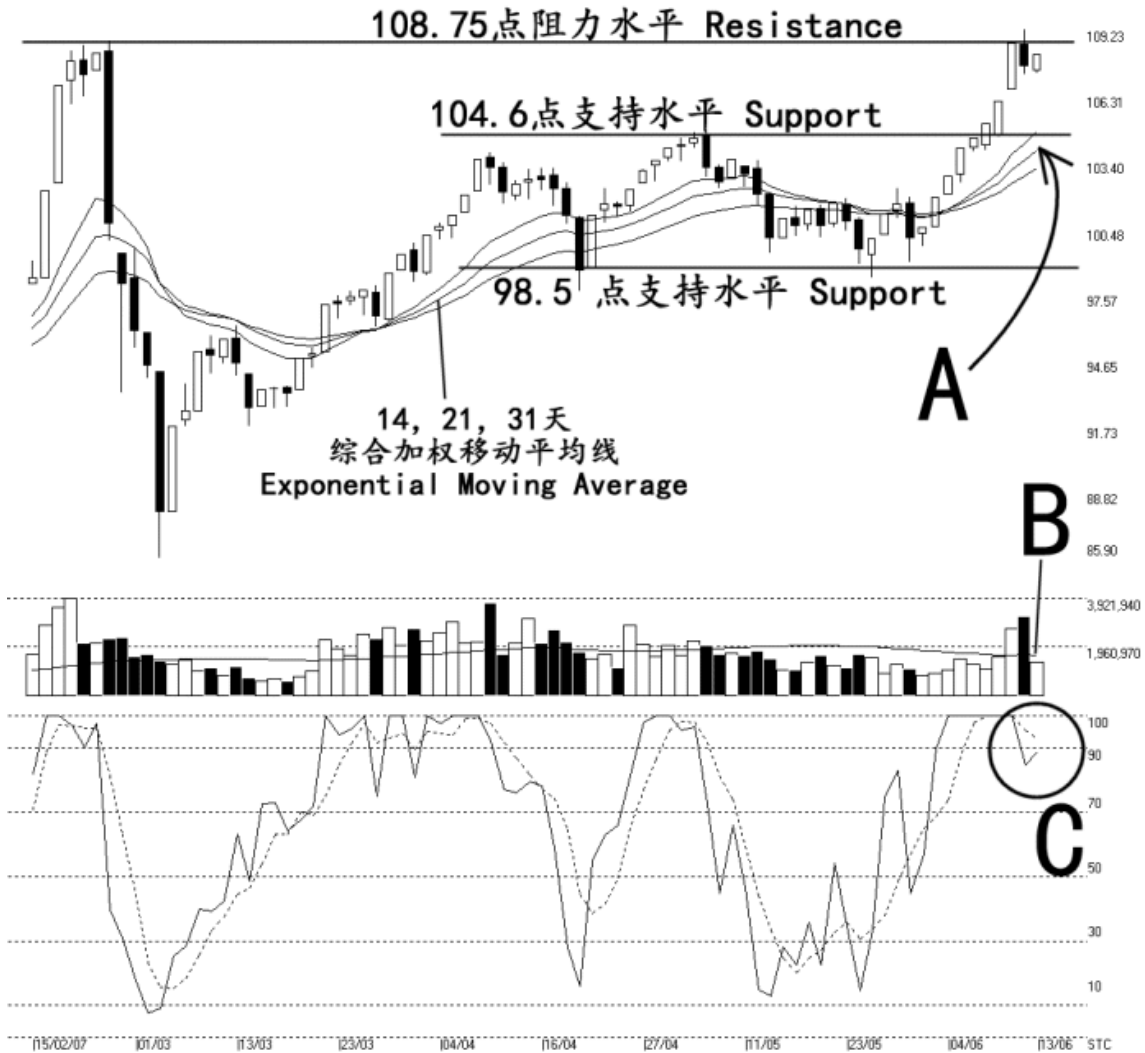




**STRAITS  
index**

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Open:107.480 High:108.170 Low:107.310 Close:108.170 +0.500(0.5%) Volume:1,354,632 (-1837654,-57.6%)  
2ND-BOARD [2ND-BOARD] 15/02/2007 - 13/06/2007 Ticks=80 Moving Averages e(14,21,31) - Volume Daily  
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### 2<sup>nd</sup> Board Index Daily Technical Analysis 13/06/2007

After hitting a resistance at the 108.75 level, the 2<sup>nd</sup> board index opened lower at 107.48 on Wednesday, and ended the day slightly higher to 108.17 points. As shown on the chart above, the 2<sup>nd</sup> board index remains below the 108.75 resistance level, therefore, it is still in its consolidation. Meanwhile, as indicated by A, the 14, 21, 31 EMA is still serving as the dynamic support to the 2<sup>nd</sup> board index. Nevertheless, other support levels are found at 104.6 points followed by the 98.5 points.

In respond to the technical correction, market volume for the 2<sup>nd</sup> board reduced more than 50% on Wednesday, and stays below the 40-day VMA level. This suggests that investors choose to stay in the sideline while the 2<sup>nd</sup> board index is still testing the 108.75

resistance, which is still considered as a healthy consolidation. Nevertheless, if the 2<sup>nd</sup> board index should break above the 108.75 resistance level, volume must break above the 40-day VMA level to confirm the break out.

As indicated by C, the Stochastic is still showing a short term bullish signal. However, since the %D line is still above the 90% level, suggesting that the 2<sup>nd</sup> board index is still at an over-bought region. Therefore, there is still a risk for a technical correction. (Study C)