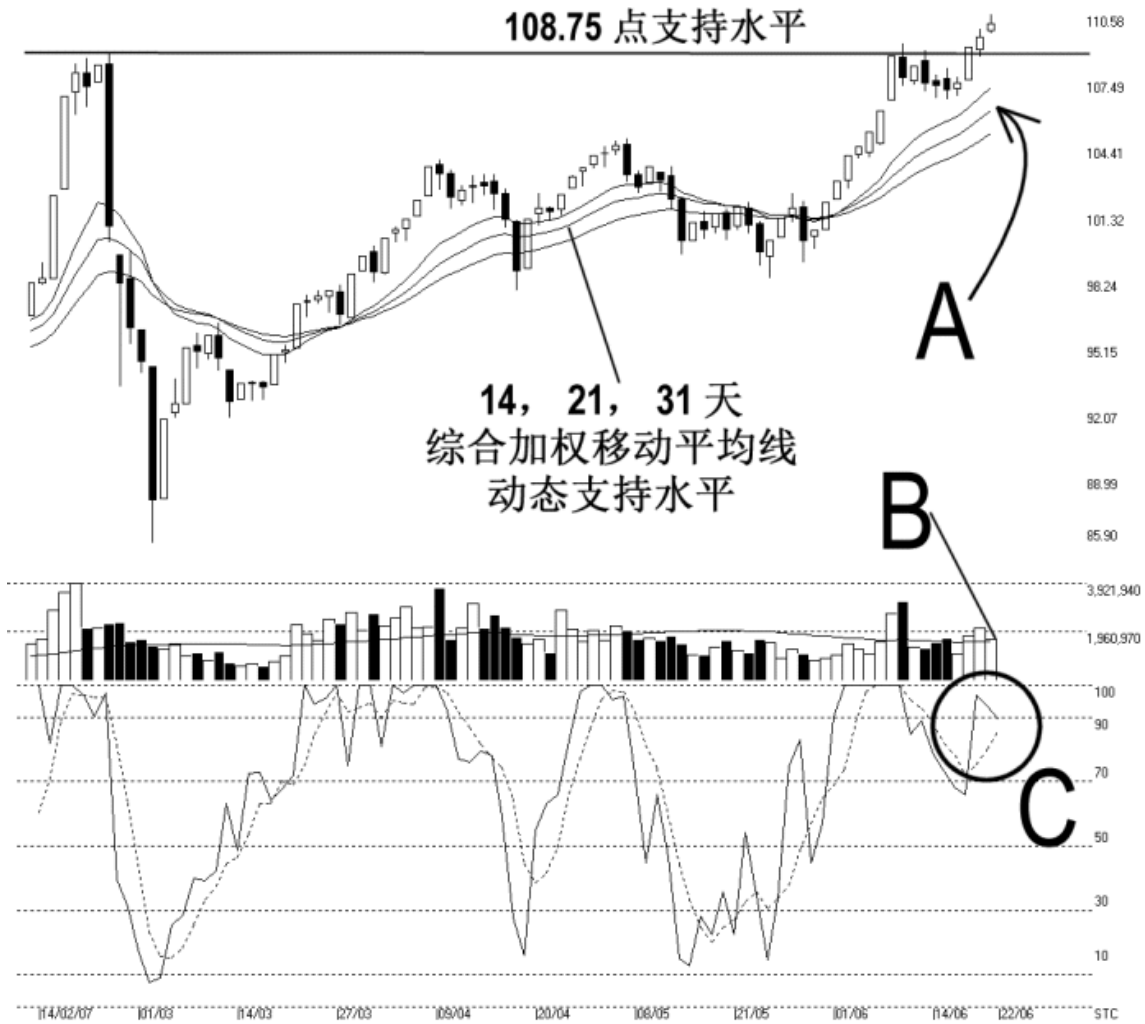




**STRAITS
index**

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Open:109.860 High:110.580 Low:109.670 Close:110.150 +0.600(0.5%) Volume:1,673,448 (-430415,-20.5%)
 2ND-BOARD [2ND-BOARD] 14/02/2007 - 22/06/2007 Ticks=88 Moving Averages e(14,21,31) - Volume Daily
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2nd Board Index Daily Technical Analysis 22/06/2007

As shown on the chart above, the 2nd board index remains supported by the 108.75 level, and therefore, the 2nd board bullish sentiment remains intact. Meanwhile, as indicated by A, the 14, 21, 31 EMA remains rising while continue serving as the dynamic support to the 2nd board index. Therefore, as long as the 2nd board index should stay above the rising dynamic support, the outlook for the 2nd board index is still bullish biased. (Study A)

Volume for the 2nd board market declined while barely staying above the 40-day VMA level. As mentioned repeatedly in our previous analysis, the volume must stay above the 40-day VMA level to sustain the bullish sentiment, or the uptrend would seem rather weak without sufficient inflow of fresh capital or market participation. (Study B)

As circled at C, the short term bullish signal of the Stochastic remains intact. Therefore, the market movement for the short term is still bullish biased, until the Stochastic falls below the 70% level. However, the Stochastic %D line is getting closer to the 90% level. If the %D line should break above the 90% level, it would be a short term over-bought signal, suggesting a risk for a short term technical correction. (Study C)