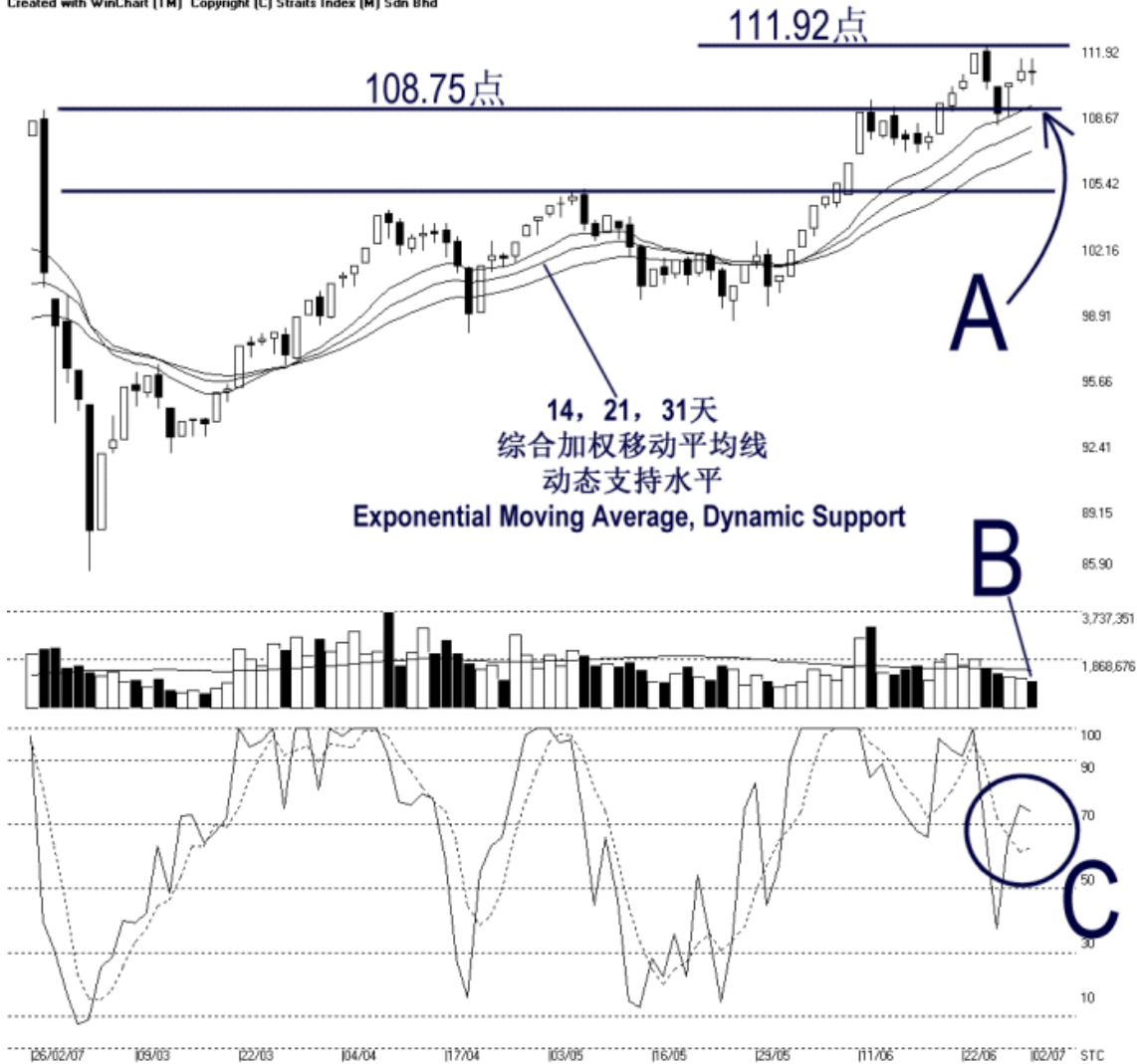




**STRAITS
index**

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Open:110.650 High:111.270 Low:109.930 Close:110.580 -0.070(-0.1%) Volume:1,079,126 (-102015,-8.6%)
2ND-BOARD [2ND-BOARD] 26/02/2007 - 02/07/2007 Ticks=88 Moving Averages e(14,21,31) - Volume Daily
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2nd Board Index Daily Technical Analysis 02/07/2007

As shown on the chart above, the 2nd board index ended mixed on Monday, closing 0.07 of a point lower to 110.58 points. As indicated by A, the 2nd board index remains supported by the 108.75 level as well as the 14, 21, 31 EMA dynamic support. Provided that the 2nd board index could remain above the rising dynamic support, the outlook is bullish biased. Nevertheless, the next resistance level for the 2nd board index is at 111.92 points.

Despite the 2nd board index is still supported by the rising dynamic support, volume for the 2nd board market failed to support the 2nd board index. As indicated by B, volume for the 2nd board market is still below the 40-day VMA level, which suggests that the current

market participation is relatively insufficient. Unless the volume could increase and stay above the 40-day VMA level, the bullish sentiment for the 2nd board index is less likely to sustain. (Study B)

As circled at C, the Stochastic %K line remains above the 70% level, however, the %D line is still below the 70% level. If the %D line should break above the 70% level, it would confirm the %K line bullish signal, and the market movement for the short term would turn to bullish biased. (Study C)