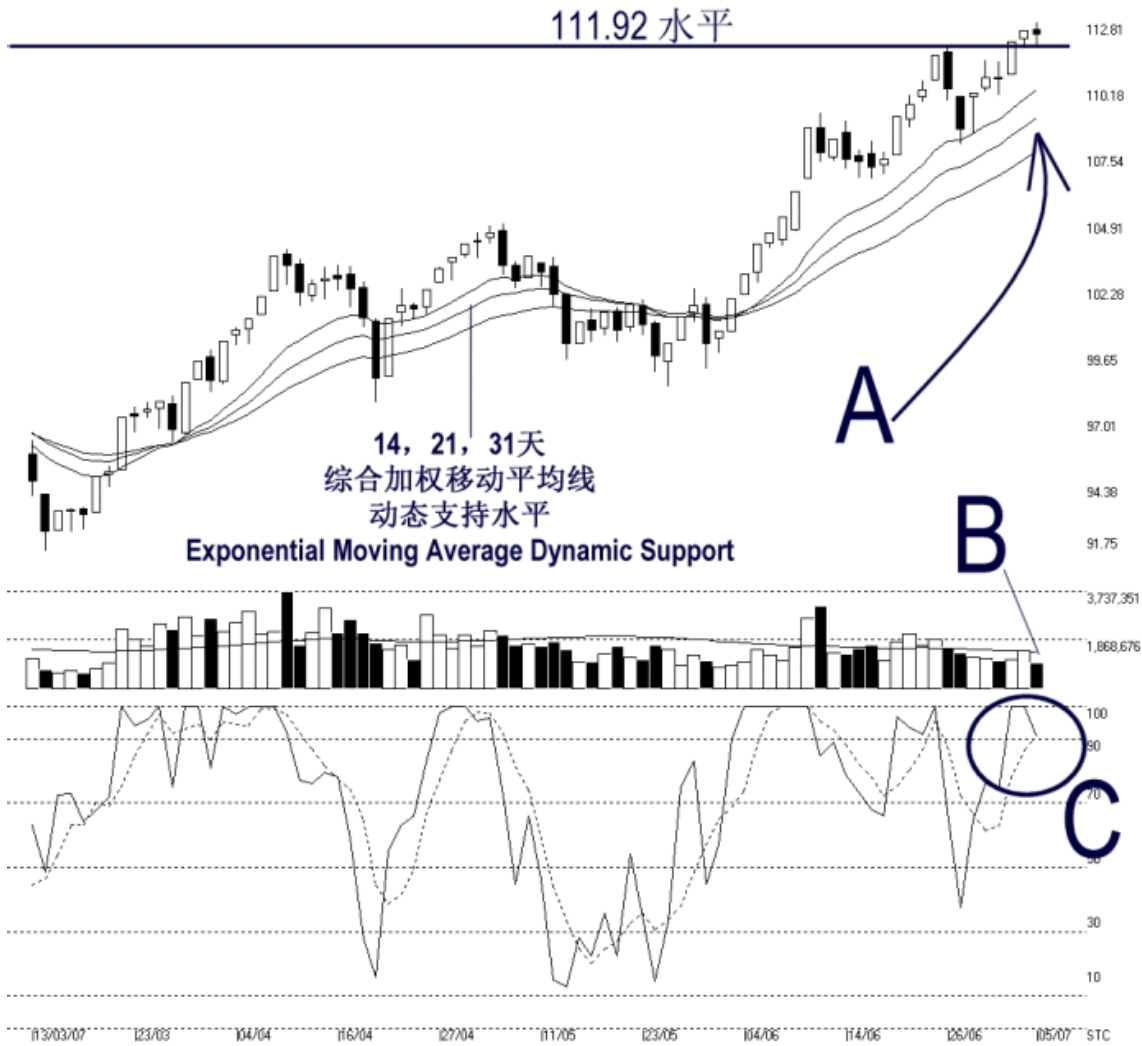




STRAITS index

Straits Index (M) Sdn Bhd
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Open:112.540 High:112.810 Low:111.810 Close:112.350 -0.170(-0.2%) Volume:1,005,437 (-439270,-30.4%)
2ND-BOARD [2ND-BOARD] 13/03/2007 - 05/07/2007 Ticks=80 Moving Averages e(14,21,31) - Volume Daily
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2nd Board Index Daily Technical Analysis 05/07/2007

On Thursday, the 2nd board index retreated 0.17 of a point to close at 112.35 points. As shown on the chart above, the 2nd board index was precisely supported by the 111.92 level. Meanwhile, as indicated by A, the 14, 21, 31 EMA remains rising, and continue serving as the dynamic support to the 2nd board index. Provided that the 2nd board index is still being supported by the rising dynamic support, the outlook shall remain bullish biased. (Study A)

As indicated by B, volume for the 2nd board market declined 30.4% on Thursday. Generally, it is considered normal to have a lower volume during a consolidation.

However, if the 2nd board index should resume its uptrend, volume must increase and stay above the 40-day 40-day VMA level. (Study B)

As circled at C, the Stochastic %D line is now touching the 90% level. If the Stochastic %D line breaks above the 90% level, it is a short term over-bought signal, suggesting that the 2nd board index has gone over-heated. Therefore, there is a risk of a technical correction. However, if the Stochastic should remain above the 70% level after the possible correction, the market movement for the short term shall remain bullish biased. (Study C)