



**STRAITS  
index**

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Open:116.650 High:117.930 Low:116.650 Close:117.670 +1.260(1.1%) Volume:1,662,875 (+129363.8.4%)  
 2ND-BOARD [2ND-BOARD] 20/03/2007 - 12/07/2007 Ticks=80 Moving Averages e(14,21,31) - Volume Daily  
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## 2<sup>nd</sup> Board Index Daily Technical Analysis 12/07/2007

As indicated by A, the 2<sup>nd</sup> board index opened gap up, formed another continuation gap. This suggests that the rally is speeding up, and therefore, investors should learn to apply the trailing stop method to reduce the trading risk should the gap be filled up later.

Nevertheless, as indicated by B, the 14, 21, 31 EMA is still serving as the dynamic support to the 2<sup>nd</sup> board index, and therefore, as long as the 2<sup>nd</sup> board index is being supported by the rising dynamic support, the outlook shall remains bullish biased.

As indicated by B, the volume for the 2<sup>nd</sup> board market increased 8.4%, while maintaining above the 40-day VMA level. This is of course the basic requirement for any rally. If the 2<sup>nd</sup> board index is to continue its uptrend, more volume is needed. (Study B)

As circled at C, the over-bought signal of the Stochastic remains intact, and therefore, there is still a risk of a technical correction. However, if the Stochastic should remain above the 70% after the correction, the market movement for the short term is still bullish biased. (Study C)