

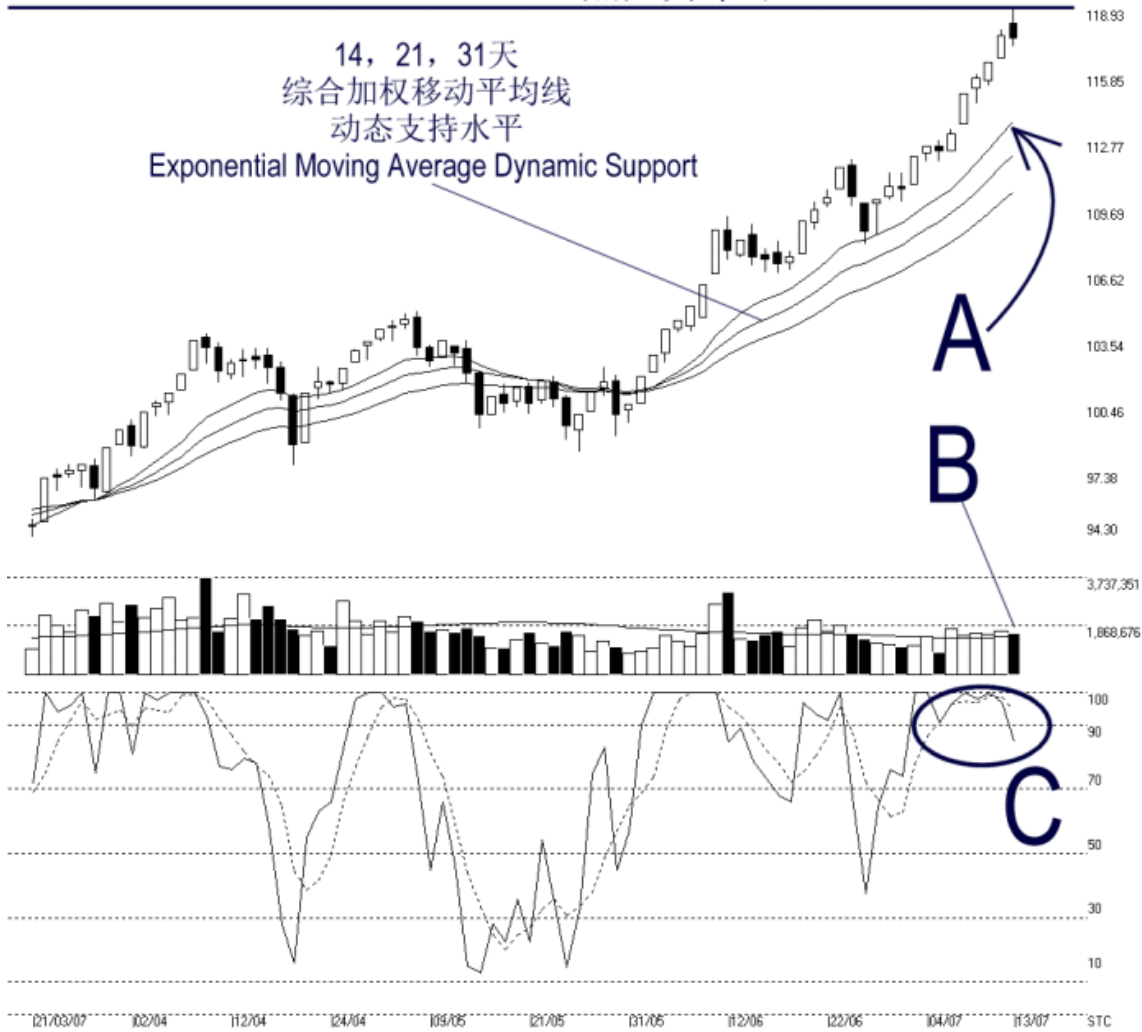


STRAITS index

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Open:118.260 High:118.930 Low:117.140 Close:117.560 -0.110(-0.1%) Volume:1,592,328 (-70547,-4.2%)
2ND-BOARD [2ND-BOARD] 21/03/2007 - 13/07/2007 Ticks=80 Moving Averages e(14,21,31) - Volume Daily
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118.93点阻力水平 Resistance



2nd Board Index Daily Technical Analysis 13/07/2007

The 2nd board index opened higher on Friday, touching an intra-day high at 118.93 points before retreating to close at 117.56 points, downed 0.11 points. Therefore, the immediate resistance for the 2nd board index is at 118.93 points.

However, as indicated by A, the 14, 21, 31 EMA is still serving as the dynamic support to the 2nd board index. If the 2nd board should rebound from the rising dynamic support after this technical correction, the outlook for the 2nd board index shall remain bullish biased. (Study A)

As indicated by B, volume for the 2nd board market declined 4.2%, while remains above the 40-day VMA level. Although the volume decline a little bit, it is considered normal during a technical correction of an index or an individual stock. However, if the 2nd board index should resume its uptrend, volume must increase and remain above the 40-day VMA level. (Study B)

As circled at C, the Stochastic %K falls below the 90% level, suggesting a beginning of a technical correction. However, if the Stochastic should remain above the 70% level after the technical correction, the market movement for the short term is likely to be bullish biased. (Study C)