

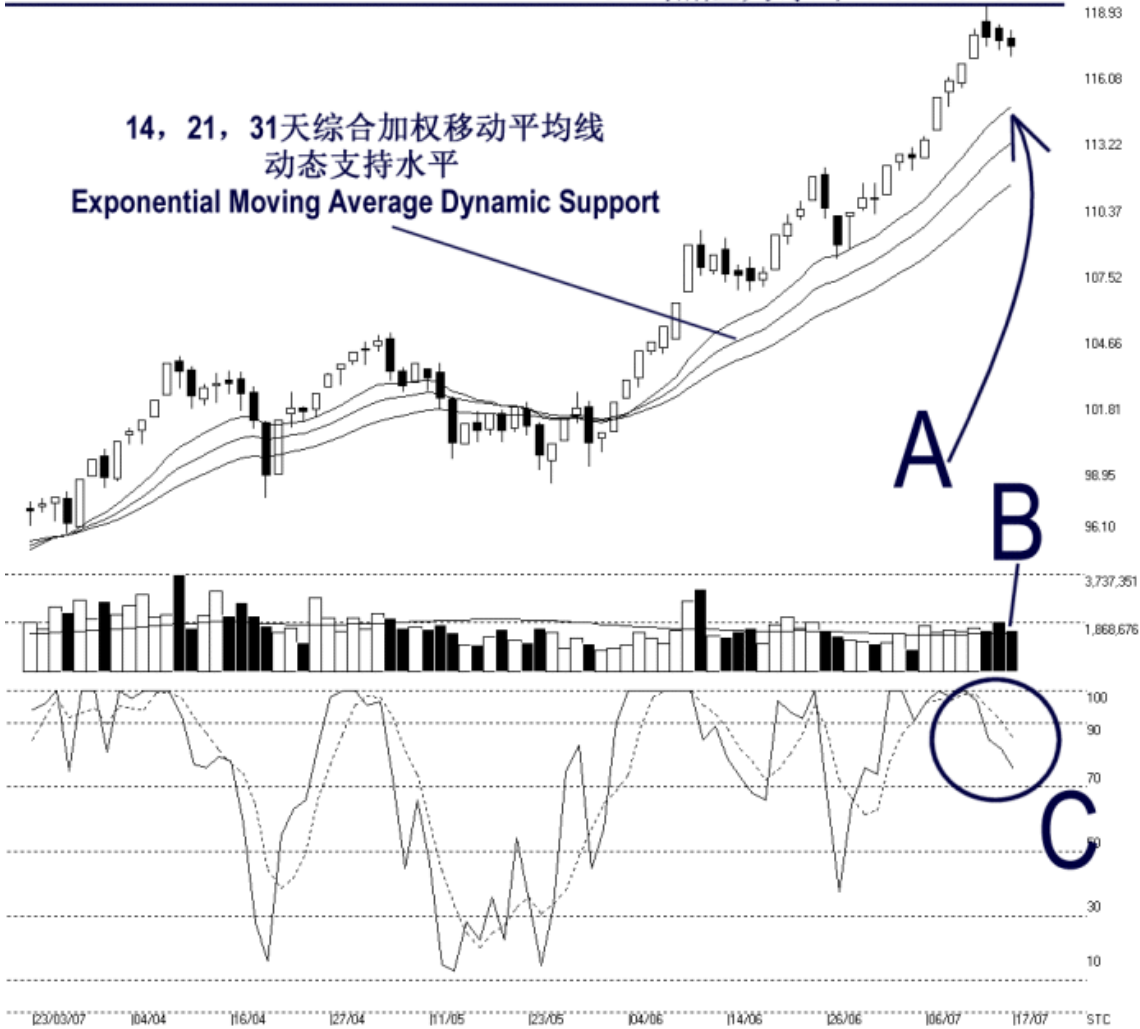


**STRAITS
index**

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Open:117.530 High:117.860 Low:116.730 Close:117.190 -0.270(-0.2%) Volume:1,583,939 (-328486,-17.2%)
 2ND-BOARD [2ND-BOARD] 23/03/2007 - 17/07/2007 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 17/07/2007

On Tuesday, the 2nd board index continued its technical correction with a narrow daily range, closing 0.27 of a point lower to 117.19 points. As shown on the chart above, the 118.93 points remains the immediate resistance to the 2nd board index and as indicated by A, the 14, 21, 31 EMA is still the dynamic support to the 2nd board index. If the 2nd board index should rebound from the rising dynamic support, the outlook for the 2nd board index is expected to be bullish biased. (Study A)

Volume for the 2nd board market was 17.2% lower on Tuesday, but it was still above the 40-day VMA level. This suggests that the participation of the 2nd board market was still relatively active. From the technical analysis stand point, it is considered normal to have

a lower volume during a correction or a consolidation. However, if the 2nd board index should resume its uptrend and test the 118.93 resistance, volume must increase significantly to confirm such rally. (Study B)

As circled at C, the Stochastic continue moving lower in lines with the 2nd board index correction. At the moment, the Stochastic is still situated in the short term bullish region. Therefore, if the 2nd board index should rebound with the Stochastic staying in the short term bullish region, the market movement for the short term would be bullish biased. (Study C)