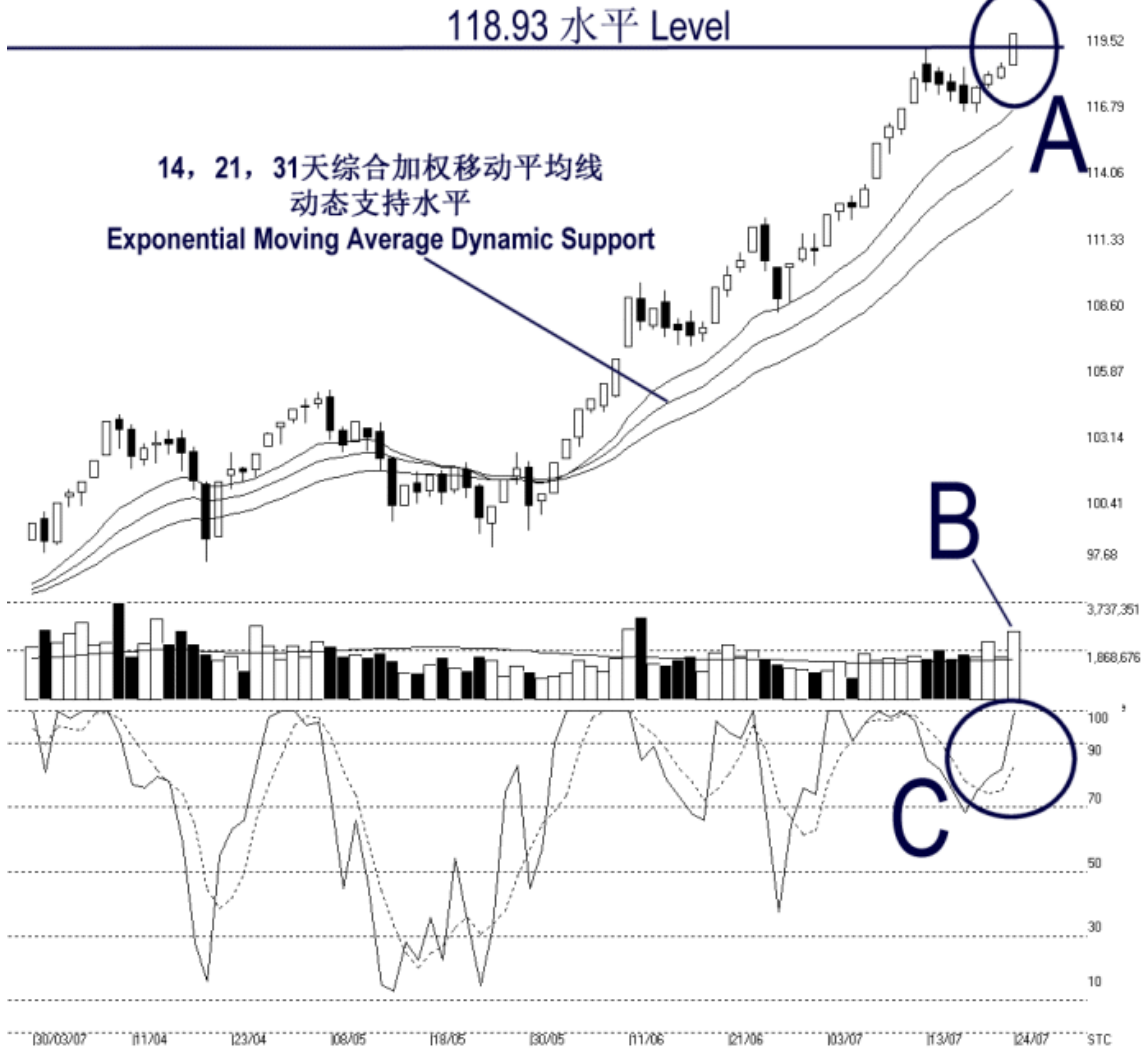




**STRAITS
index**

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Open:118.220 High:119.520 Low:118.220 Close:119.510 +1.380(1.2%) Volume:2,609,042 (+997823.61.9%)
 2ND-BOARD [2ND-BOARD] 30/03/2007 - 24/07/2007 Ticks=80 { Indices } Moving Averages e(14,21,31) - Volume Daily
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2nd Board Index Daily Technical Analysis 24/07/2007

On Tuesday, the 2nd board index ended at its daily high at 119.51. As circled at A, the 2nd board index breaks above the previous resistance at the 118.93 level, and therefore, the 118.93 level shall reverse its role to become the immediate support level. Nevertheless, the 14, 21, 31 EMA is still serving as the dynamic support to the 2nd board index, and provided that the dynamic support is still rising, the outlook for the 2nd board index is likely to be bullish biased. (Study A)

Volume for the 2nd board market increased 61.9% on Tuesday, with the volume staying above the 40-day VMA level. This has confirmed the break out of the 2nd board index,

and provided that the volume remains above the 40-day VMA level, the bullish sentiment is likely to continue. (Study B)

On Tuesday, the Stochastic %K entered the 90% level, which is the short term over-bought region. This suggests that the 2nd board movement for the short term is indeed bullish. However, readers are advised to monitor the %D line. Should the Stochastic %D line breaks above the 90% level, it would be a over-heated signal, suggesting an increase of the risk of a technical correction. (Study C)