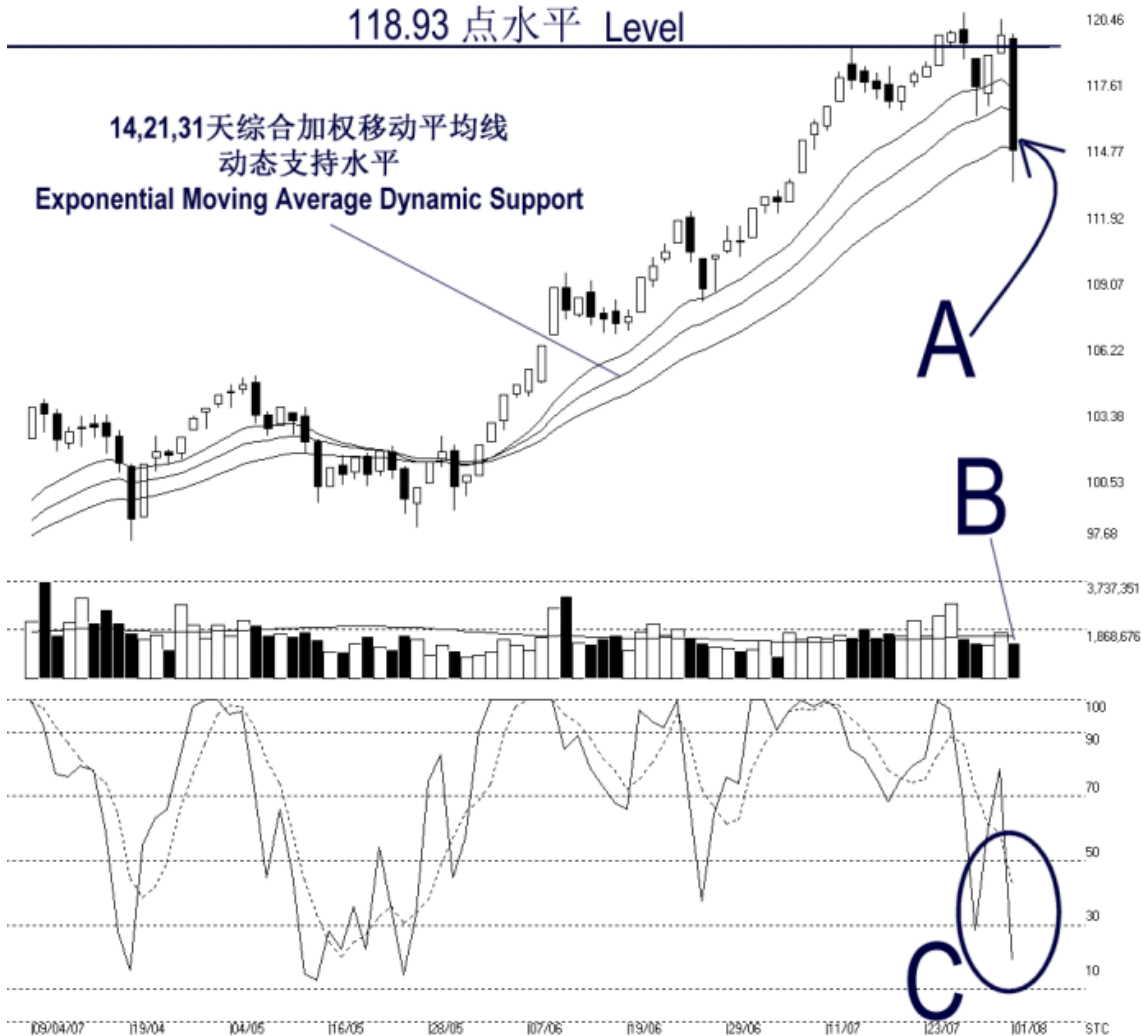




STRAITS index

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Open:119.360 High:119.570 Low:113.140 Close:114.540 -4.96[-4.2%] Volume:1,366,548 [-390719,-22.2%]
2ND-BOARD [2ND-BOARD] 09/04/2007 - 01/08/2007 Ticks=80 { Indices } Moving Averages e[14,21,31] - Volume Daily
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2nd Board Index Daily Technical Analysis 01/08/2007

On Wednesday, the 2nd board index had a sharp fall, closing 4.96 points or 4.2% lower to 114.54 points with a daily low touching at 113.14 points. As shown on the chart above, the 2nd board index remains resisted by the 118.93 to 120 level. As indicated by A, the 2nd board index managed to close at the 31-day EMA. If the 2nd board index should be supported by the EMA, the 2nd board index would consolidate further. However, if the 2nd board index should fall below the 14, 21, 31 EMA, the EMA would serve as the dynamic resistance, and the outlook for the 2nd board index would turn bearish biased. (Study A)

Volume for the 2nd board market declined 22.2% on Wednesday, and stayed below the 40-day VMA level. Generally, if the volume declines during a consolidation or correction

it is considered normal. However, if the volume continues staying below the 40-day VMA level, chances for the 2nd board index to regain its strength would be weak. (Study B)

As circled at C, the Stochastic %K falls below the 30% level, giving an unconfirmed Short term bearish signal. If the Stochastic %D line should fall below the 30% level, it would confirm the %K line signal, and the market movement for the short term would be bearish biased. (Study C)