



STRAITS index

Straits Index (M) Sdn Bhd
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Open:113.810 High:114.550 Low:112.610 Close:112.980 -0.470(-0.4%) Volume:708.324 (-278605,-28.2%)
2ND-BOARD [2ND-BOARD] 11/04/2007 - 03/08/2007 Ticks=80 (Indices) Moving Averages e[14,21,31] - Volume Daily
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120 点阻力水平 Resistance



2nd Board Index Daily Technical Analysis 03/08/2007

As shown on the chart above, the volatility of the 2nd board index reduced on Friday. Still, the 2nd board index ended 0.47 of a point lower to close at 112.98 points. As indicated by A, the 2nd board index remains resisted by the 14, 21, 31 EMA which is still serving as the dynamic resistance to the 2nd board index. If the 2nd board index should remain below the falling dynamic resistance, the outlook for the 2nd board index is likely to be bearish biased. Nevertheless, the 112 level is the current support level for the 2nd board index while the next support level is seen at the 108 level.

Volume for the 2nd board market on Friday declined another 28.2%, while remained below the 40-day VMA level. This suggests that the 2nd board market was lightly

participated, thus implying that many investors are still staying at the sidelines as the 2nd board index continues its correction. Provided that the volume is still below the 40-day VMA level, the 2nd board index is less likely to regain its strength. (Study B)

As circled at C, the Stochastic %D line falls below the 30% level, confirming the Stochastic %K signal. Therefore, the Stochastic is now suggesting a short term bearish signal, and provided that the Stochastic is staying below the 30% level, the market movement for the short term would be bearish biased. (Study C)