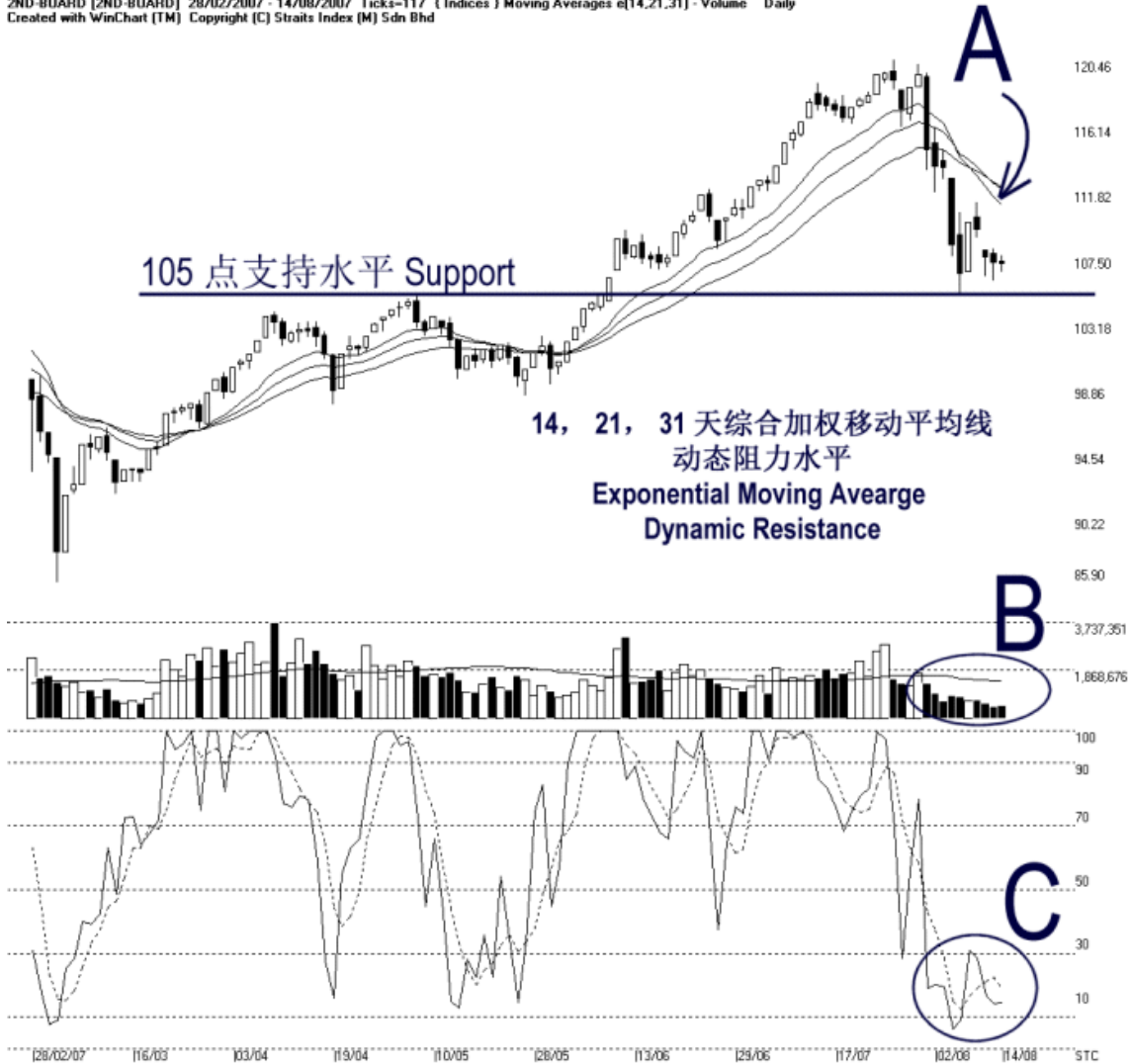




**STRAITS
index**

Straits Index (M) Sdn Bhd
WinChart Technical Analysis Provider
 Tel : (03) 8941 6828 Fax : (03) 8941 9828
 Email: info@straitsindex.com

Open:107.160 High:107.560 Low:106.480 Close:107.050 -0.040(0.0%) Volume:500,575 (+36089.78%)
 2ND-BOARD [2ND-BOARD] 28/02/2007 - 14/08/2007 Ticks=117 (Indices) Moving Averages e(14,21,31) - Volume Daily
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2nd Board Index Daily Technical Analysis 14/08/2007

On Tuesday, the 2nd board index continued its sideways consolidation, ended the day 0.04 of a point lower to 107.05 points. Therefore, this suggests that the 105 point is still the support level to the 2nd board index. However, as indicated by A, the 14, 21, 31 EMA is still falling while serving as the dynamic resistance. If the 2nd board index should remain below the falling dynamic resistance, the outlook for the 2nd board index would still be bearish biased. (Study A)

As the 2nd board index continues its consolidation, the volume for the 2nd board market also declines. As circled at B, the volume for the 2nd board market remains below the 40-day VMA level, suggesting that the market participation is indeed low. Therefore,

without sufficient inflow of fresh capital, the 2nd market sentiment is expected to be weak. (Study B)

As circled at C, the Stochastic is still staying below the 30% level, which is the short term bearish region. Therefore, the market movement for the short term is still bearish biased, until the Stochastic can break above the 30% level successfully. (Study C)