



**STRAITS  
index**

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Open:103.620 High:103.620 Low:97.010 Close:98.080 -5.81(-5.6%) Volume:776.171 (+136377.21.3%)  
2ND-BOARD [2ND-BOARD] 27/02/2007 - 16/08/2007 Ticks=120 { Indices } Moving Averages e[14.21.31] - Volume Daily  
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### 2<sup>nd</sup> Board Index Daily Technical Analysis 16/08/2007

On Thursday, the 2<sup>nd</sup> board index fell a total of 5.81 points or 5.6% to close at 98.08 points. As shown on the chart above, the 2<sup>nd</sup> board index seems to find a temporary support at the 98.5 level. If the 2<sup>nd</sup> board index should rebound at this level, it is likely to consolidate at this level.

However, as indicated by A, the 14, 21, 31 EMA remains falling. Therefore, provided that the 2<sup>nd</sup> board index is still staying below the falling dynamic resistance, the outlook shall remain bearish biased.

As circled at B, volume for the 2<sup>nd</sup> board market remains below the 40-day VMA level, despite it increases on Thursday. This suggests that the market sentiment as a whole is still weak, as investors confident is still relatively low.

As circled at C, the Stochastic is now staying below the 10% level, which is the short term over-sold region. Therefore, the 2<sup>nd</sup> board index is likely to have a technical rebound in the near term. However, if the Stochastic should remains below the 30% level after the possible technical rebound, the market movement for the short term shall remains bearish biased. (Study C)