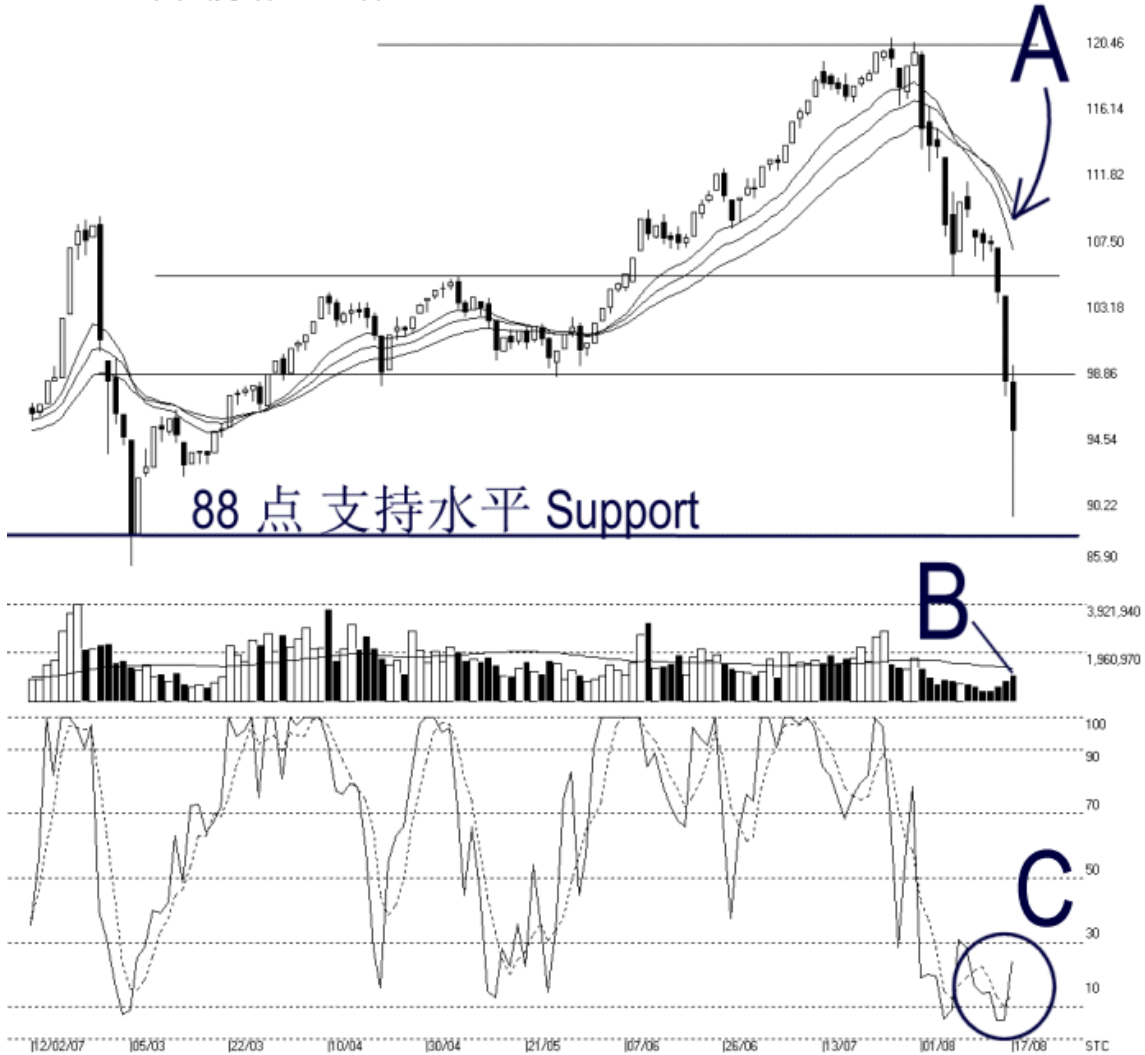




**STRAITS
index**

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Open:98.010 High:99.080 Low:89.120 Close:94.860 -3.220(-3.33%) Volume:1,087,653 (+228883,26.73%)
 2ND-BOARD [2ND-BOARD] 12/02/2007 - 17/08/2007 Ticks=130 (Indices) Moving Averages e[14,21,31] - Volume Daily
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2nd Board Index Daily Technical Analysis 17/08/2007

The 2nd board index had a daily low touching at 89.12 points on Friday, and it rebounded and closed at 94.86 points, down 3.22 points. As indicated by A, the 14, 21, 31 EMA is still falling and continue serving as the dynamic resistance to the 2nd board index. Therefore, the immediate outlook for the 2nd board index is still bearish biased. As shown on the chart above, the next support for the 2nd board index is seen at 88 points.

Volume for the 2nd board market increase again on Friday. However, the increase of volume while the 2nd board index declines sharply would suggests an increase of selling pressure. Unless the 2nd board index could rebound with the volume staying above the 40-day VMA level, the market sentiment shall remains weak.

On Friday, the Stochastic breaks above the 10% level, which is the signal of a short term technical rebound. However, with the Stochastic still staying below the 30% level, the market movement for the short term shall remain bearish biased. (Study C)