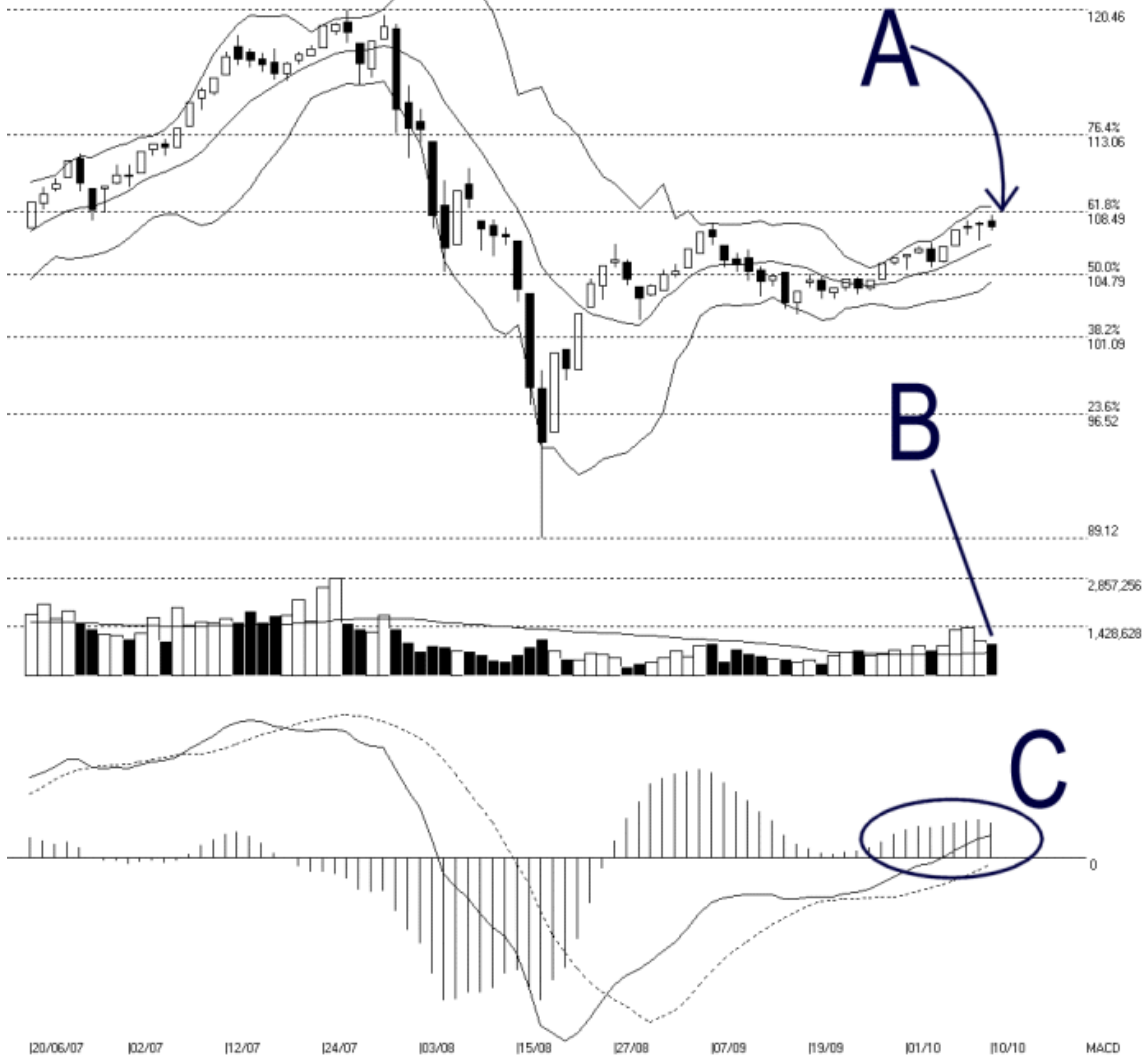




**STRAITS
index**

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Open:107.930 High:108.270 Low:107.330 Close:107.640 -0.180(-0.2%) Volume:952,119 (-67548,-6.6%)
2ND-BOARD [2ND-BOARD] 20/06/2007 - 10/10/2007 Ticks=80 (Indices) Bollinger Band(10,2) -11% - Volume Daily (Fibo)
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2nd Board Index Daily Technical Analysis 10/10/2007

As indicated by A, the 2nd board index started to retreat after resisted by the 108.49 Fibonacci Retracement line on Wednesday. Meanwhile, the Bollinger Bands width also begins to contract, suggesting that the 2nd board index is likely to consolidate. Also, the contraction of the Bollinger Bands Width implies that the market direction is unclear, and it is gearing up for a new movement.

If the Bollinger Bands Width should re-expand after this consolidation, with the 2nd board index situated above the Bollinger Middle Band, it would be a bullish signal, and the uptrend shall resume. However, if the Bollinger Bands Width should re-expand with the 2nd board index staying below the Bollinger Middle Band, it would be a downside signal.

As indicated by B, volume for the 2nd board market on Wednesday continue to decline. However, volume remains above the 40-day VMA level. It is considered healthy or normal to see a decline in volume when the 2nd board index is consolidating. But if the 2nd board should attempt to resume its uptrend, volume must increase and stay above the 40-day VMA level.

As circled at C, the MACD histogram started to fall on Wednesday, and therefore, the histogram might form a rounding top. If the MACD histogram should form a rounding top, it would be a short term consolidation signal for the 2nd board index.