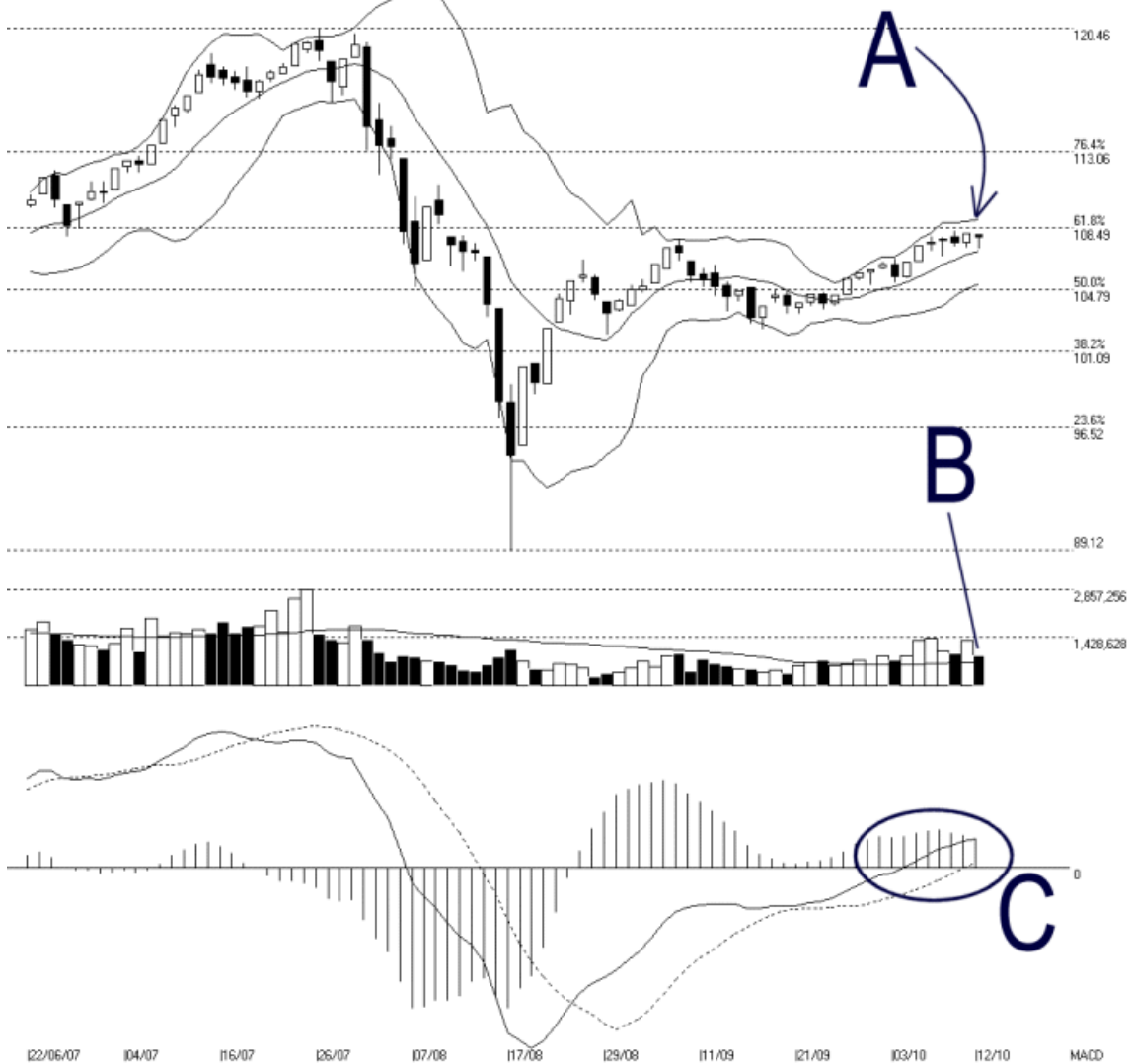




**STRAITS
index**

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Open:108.080 High:108.080 Low:107.220 Close:107.970 -0.160(-0.1%) Volume:884,411 (-472422,-34.8%)
2ND-BOARD [2ND-BOARD] 22/06/2007 - 12/10/2007 Ticks=80 Indices Bollinger Band(10.2) -3% - Volume Daily (Fibo)
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2nd Board Index Daily Technical Analysis 12/10/2007

As indicated by A, the Bollinger Bands Width continue to contract on Friday, and therefore, the 2nd board index consolidation continues, closing 0.16 of a points lower to 107.97 points. The contraction of the Bollinger Bands Width also suggests an unclear market direction as the 2nd board is preparing a new movement. When the Bollinger Bands Width re-open, it shall reveal the new direction, and the direction of the movement shall depend on the price level above or below the Bollinger Middle Band. Nevertheless, the 108.49 Fibonacci Retracement line is still the resistance for the 2nd board index.

Due to the festive holiday, volume for the 2nd board market also declined significantly. However, from a technical point of view, it is considered normal or healthy if the volume should decline during a consolidation or correction stage. If the 2nd board index should return its upward movement, volume must increase and remain above the 40-day VMA level in order to sustain the positive movement. (Study B)

As circled at C, the MACD histogram continue ticking lower, and therefore the rounding top remains in place. The rounding top suggests a weakening of the MACD bullish signal, thus a short term consolidation or correction. The correction is expect to continue until the MACD histogram forms a rounding bottom.