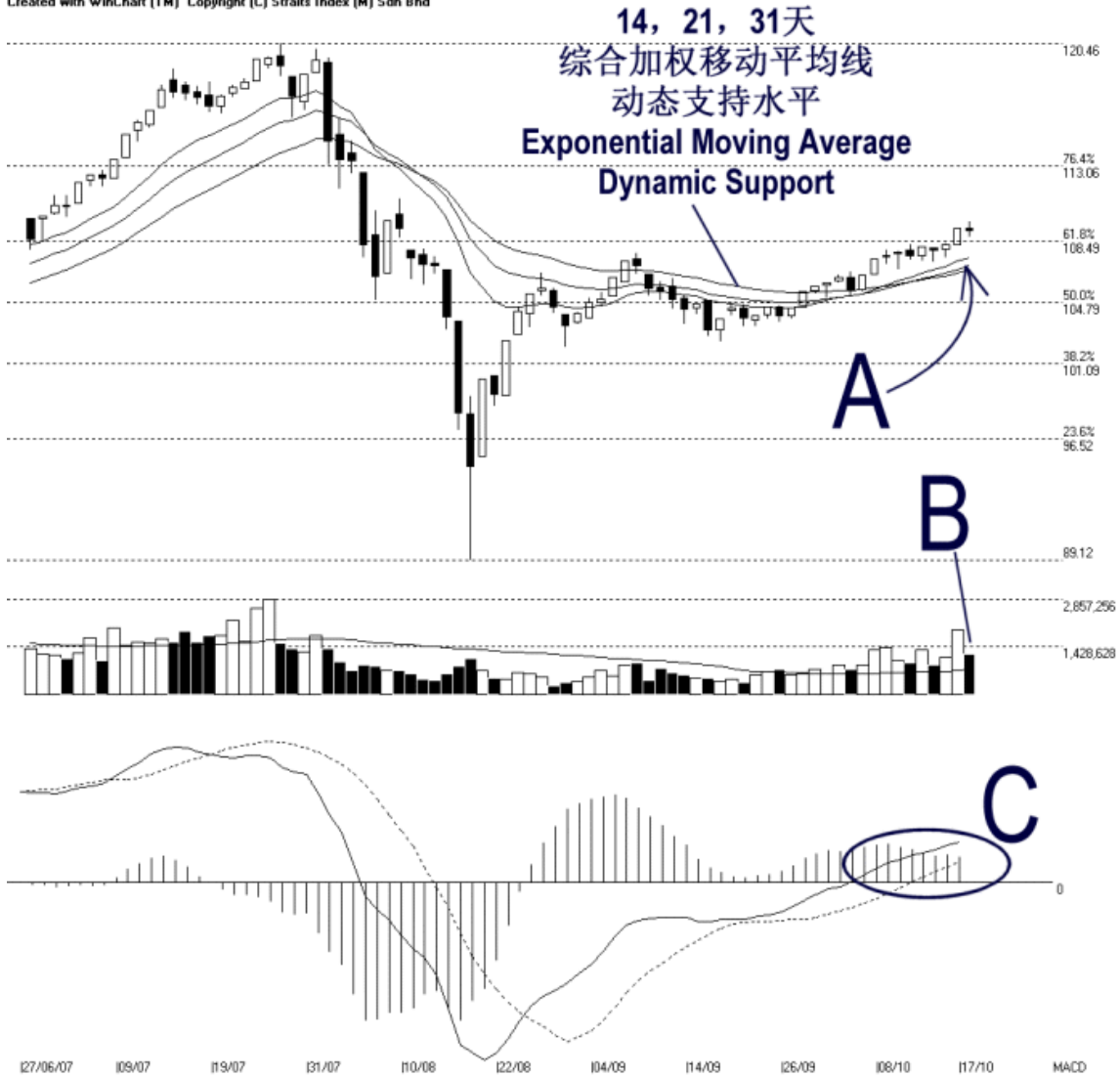




**STRAITS
index**

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Open:109.270 High:109.650 Low:108.730 Close:109.120 -0.150(-0.1%) Volume:1,228,138 (-711642,-36.7%)
2ND-BOARD [2ND-BOARD] 27/06/2007 - 17/10/2007 Ticks=80 { Indices } Moving Averages e[14,21,31] - Volume Daily (Fibo)
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2nd Board Index Daily Technical Analysis 18/10/2007

The 2nd board index ended almost unchanged on Thursday, closing marginally 0.15 of a point lower to 109.12 points. However, as indicated by A, the 14, 21, 31 EMA remains rising while still serving as the dynamic support for the 2nd board index. If the 2nd board index should continue be supported by the rising dynamic support, the outlook shall remains positive.

As indicated by B, volume for the 2nd board index decreased 36.7%, but still staying above the 40-day VMA level. From a technical analysis stand point, it is considered normal to have a lower volume during a correction or a consolidation. However, if the 2nd board index should resume its uptrend, volume must increase significantly and remains above the 40-day VMA level to sustain the positive market sentiment.

As circled at C, the MACD line remains rising suggesting that the 2nd board index is still trend up. However, the MACD histogram failed to tick up and found a rounding bottom. Therefore, the MACD histogram failed to confirm the MACD bullish signal. If the MACD histogram should continue ticking lower, it would be a short term consolidation signal.