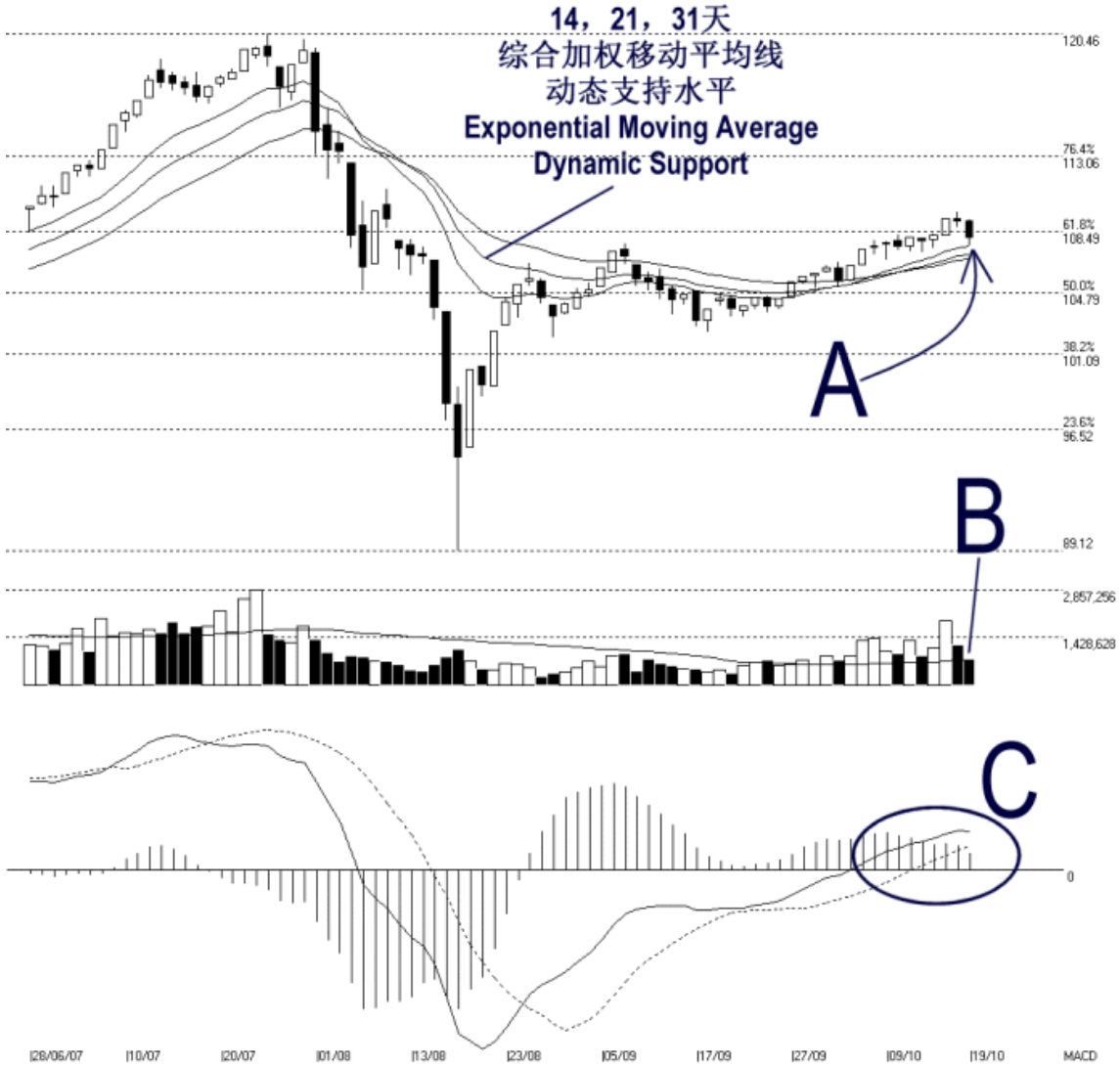




**STRAITS
index**

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Open:109.120 High:109.220 Low:107.610 Close:108.180 -0.940(-0.9%) Volume:771,889 (-456249,-37.1%)
2ND-BOARD [2ND-BOARD] 28/06/2007 - 19/10/2007 Ticks=80 { Indices } Moving Averages e[14,21,31] - Volume Daily (Fibo)
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2nd Board Index Daily Technical Analysis 19/10/2007

The 2nd board index retreated a total of 0.94 of a point on Friday, closing at 108.18 points. As indicated by a, the 2nd board index had a daily low touching at 107.61 points, and it was precisely supported by the 14, 21, 31 EMA before rebounded and close at 108.18 points. Therefore, the 14, 21, 31 EMA is still serving as the dynamic support for the 2nd board index. Meanwhile, since the 2nd board index failed to sustain above the 108.49 Fibonacci Retracement line, the 108.49 level shall remain as the immediate resistance for the 2nd board index.

As indicated by B, volume for the 2nd board market declined another 37.1% on Friday. From the technical analysis stand point, it is considered healthy to have a lower volume during a correction or a consolidation as it suggests a mild selling pressure. Nevertheless, if the 2nd board index should resume its uptrend, volume must increase significantly and remain above the 40-day VMA level.

As circled at C, the MACD histogram continues ticking lower and therefore the rounding top signal remains intact. Since the MACD histogram is still falling, it failed to confirm the MACD bullish signal. Until the MACD histogram ticks up and forms a rounding bottom, the consolidation for the 2nd board index shall continue.