



**STRAITS
index**

Straits Index (M) Sdn Bhd
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Open: 6821.500 High: 6919.090 Low: 6819.880 Close: 6919.090 +99.210(1.5%) Volume:
FBM2BRD (FBM2BRD) 12/09/2007 - 08/01/2008 Ticks=80 (Indices) Bollinger Band(20,2) 22% - STC(9,3) %K=100.0, %D=97.56 (2.44) Daily
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FBM 2nd Board Index Daily Technical Analysis 08/01/2008

On Tuesday, the Bollinger Bands Width for the FBM2nd Board Index expanded another 38%, with the FBM2nd Board Index remains above the Bollinger Middle Band. Therefore, the Bollinger Bands is still suggesting a bullish signal for the FBM2nd Board Index. However, as indicated by A, the FBM2nd Board Index is now partially above 20-day Bollinger Upper Band, which indicates that the FBM2nd Board Index is now slightly over-heated. Therefore, there is a risk of a technical correction in the near future. Nevertheless, as long as the FBM2nd Board Index is still supported by the Bollinger Middle Band, the immediate outlook shall remains bullish biased.

As circled at B, the Stochastic is still situated above the 90% level, which is the short term over-bought region. This shows that the FBM2nd Board Index movement is indeed bullish, but has gone over-heated. Therefore, if the Stochastic should fall below the 90% level, it would be a signal suggesting a beginning of the short term technical correction.

As circled at C, the MACD histogram remains rising on Tuesday and therefore, it has not formed a rounding top. Reader are advised to monitor the MACD histogram to reduce the trading risk.