

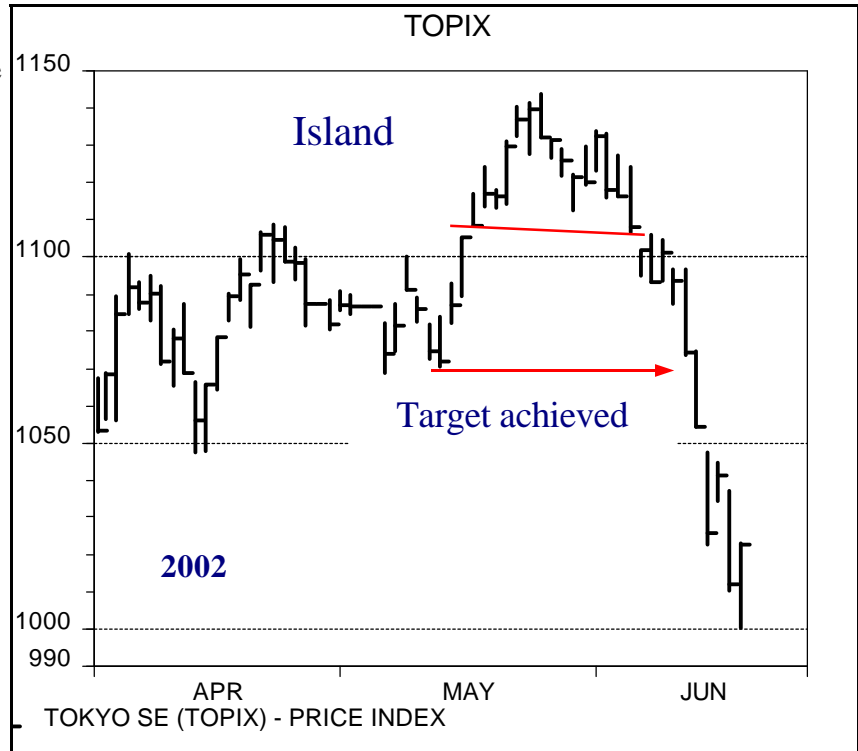
**The Island Reversal in Topix targets 921**

An Island Reversal consists of an area of trading separated from the prior and subsequent trends by two gaps, which are at fairly similar levels.

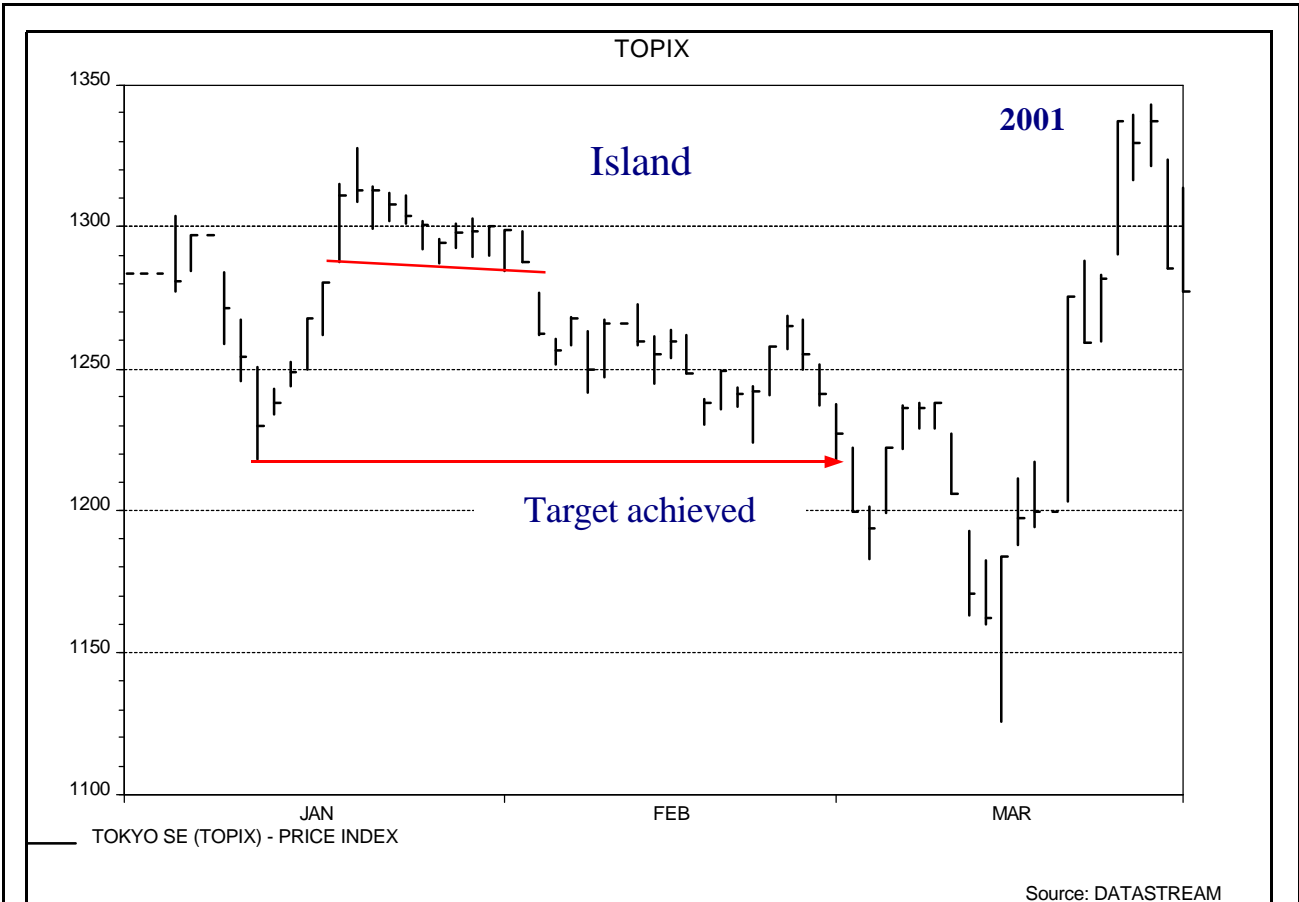
The significance of an Island is that, once complete, it usually results in a *full retracement of the move which preceded it*.

You can see in these examples that they can be anything from two weeks to several months, but the result is always the same.

The implication now is for a re-test of the February low.



Source: DATASTREAM





Copyright 2002 MTS Research Ltd.

Graphs courtesy of Thompson Financial Datastream

This document is provided for information purposes only, and has been prepared using chart or technical analysis. We believe that technical analysis should only be used as an adjunct to fundamental research and quantitative techniques in the investment decision-making process. It has been prepared solely for the information of customers of MTS Research Ltd. ("MTS") who are expected to make their own investment decisions without reliance on this report. This document is therefore not intended to be investment advice, a recommendation of any trading strategy, or a solicitation to buy or sell any security or other investment, and it must not be relied on as such. Neither MTS nor its officers accept any liability whatsoever for any direct and consequential loss arising from use of this report or its contents. Whilst the information in this document has been obtained from sources we believe to be reliable, we do not guarantee its correctness nor do we make any representations or give any warranties as to the reliability, accuracy or completeness of any information contained herein nor do we accept any responsibility arising in any way (including negligence) for errors in or omissions from the information. All opinions expressed herein are subject to change without notice. This publication is intended only for the addressee of the e-mail to which it is attached, and its contents may not be reproduced, distributed or published by any recipient for any purpose or in any other form without the prior express consent of MTS. MTS services are only available to other FSA regulated firms and overseas financial services institutions as defined by the FSA.

MTS Research Limited,  
 1 Camelot Court,  
 Alverton Street,  
 Penzance,  
 Cornwall TR18 2QN

Tel: 44 (0) 1736 365115  
 Fax: 44 (0) 1736 365108  
 E-mail: peter@mtsresearch.com

Regulated by The FSA