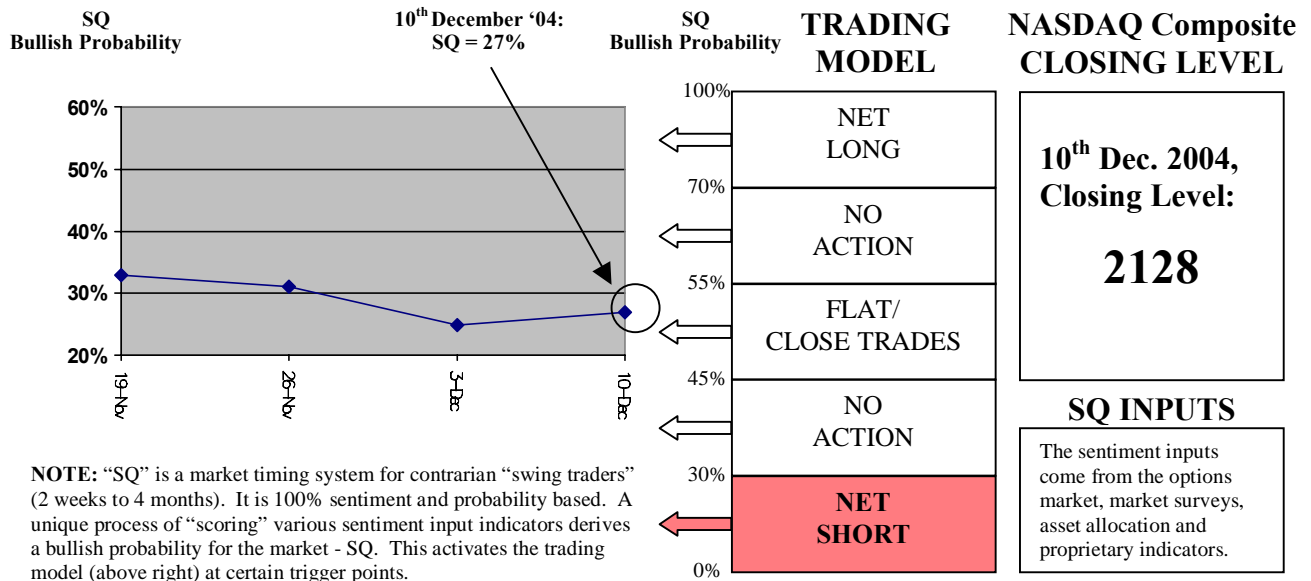


Swing Trading Bulletin

Issue 30,
Market Close,
10th Dec. 2004



NOTE: "SQ" is a market timing system for contrarian "swing traders" (2 weeks to 4 months). It is 100% sentiment and probability based. A unique process of "scoring" various sentiment input indicators derives a bullish probability for the market - SQ. This activates the trading model (above right) at certain trigger points.

Commentary

There was a modest pullback in the NASDAQ Composite of 0.9% on the week to settle at 2128. This is now a little below the 2144 level at which our open SHORT position averages out. Nonetheless there was a slight reduction in the level of bullish complacency as SQ increased to 27%, therefore we will not be adding to the position at these levels. Our SHORT Limit Orders do remain in place however if the market spurts higher, as is possible over the low-volume Christmas period. It is expected that a new bearish trend will assert itself only after the festive period.

Trading Model Rules

All trades are against the NASDAQ Composite and executed either:

- Against the coming week's opening level of the Composite index.
- Via limit/stop orders at a specified level as described in the prior week's report.

Zero transaction/trading costs assumed and no spread. No interest on cash balances. All stop and limit orders entered at the next market open on a "good until cancelled" basis; specified order levels correspond to the NASDAQ Composite. Cancellation can take place only within a report such as this. All trades executed at closest exact level (no fractions).

Current Trades and Open Positions

Trades Executed Last Week:

NONE.

Current Open Positions:

\$US500,000 SHORT at average level of 2144

(opened on 1st, 2nd and 3rd December 2004)

\$US619,963 in cash

Stop to Close all SHORT positions at 2480

Current Pending Orders:

Limit Orders as follows:

Open SHORT \$US100k @ 2195

Open SHORT \$US100k @ 2210

Open SHORT \$US100k @ 2225

New Trades:

NONE.

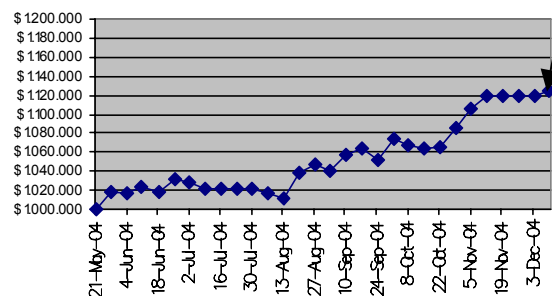
Weekly Performance Track (10th Dec. '04)

Starting Capital: US\$1,000,000 (21st May 2004).

2 Winning Closed Trades, 0 Losing Closed Trades.

Change in NAV since 1 week: +0.4%

Change in NAV since inception: +12.4%



Disclaimer: The timing signals and comments provided by ContraQuant Limited are for research and information purposes only, and should not be considered as investment advice. Descriptions of trading posture and trades simulate our own investment activity, and do not in any way infer that such actions are likely to be profitable. Reliance upon information provided by ContraQuant Limited is at your own risk, and we shall not be held liable for any loss due to posted timing signals and comments. Further, ContraQuant Limited is not registered with any association in any capacity to give investment advice. This document may not be reproduced nor copies circulated without prior authority.