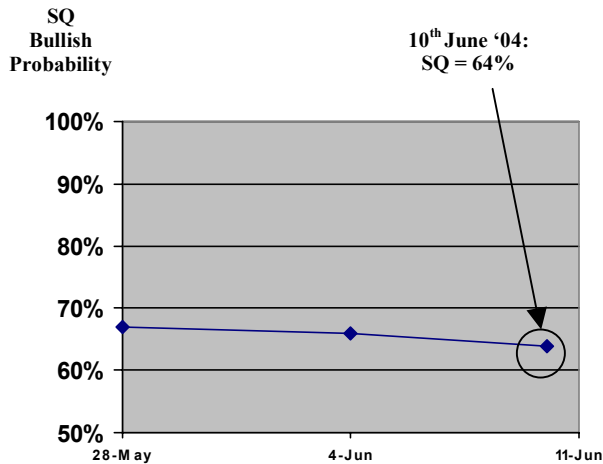
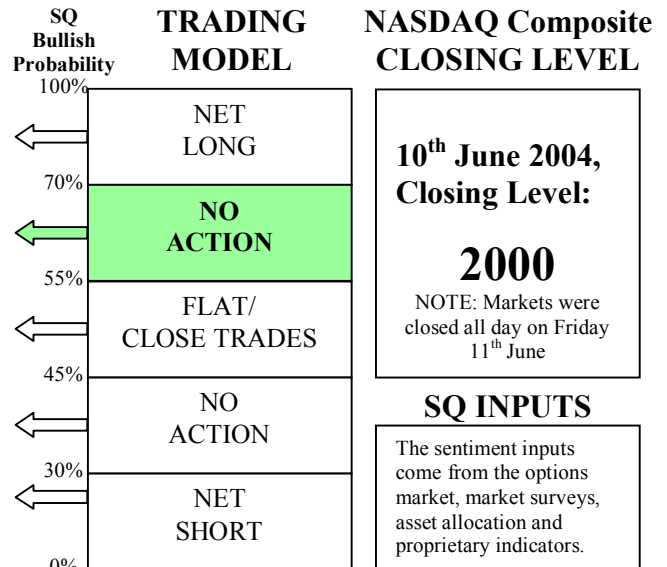


# Swing Trading Bulletin

Issue 4,  
Market Close,  
10th June 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

During a truncated week that ended on Thursday, the NASDAQ Composite continued to edge up as it has since we entered our LONG position in late May. Both the move up in the market and the decline in our bullish probability SQ have been gradual and measured. This lets us continue to hold our LONG position and the only change we make for the coming week is to move up our safety stop orders slightly. With continued low volumes expected through the summer we will await an opportunity to close our LONGS at some point during the coming weeks.

## 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.

Note: Zero transaction/trading costs assumed.

## Current Trades and Open Positions

Current Open Positions:  
 US\$600,000 LONG on NASDAQ Comp. @ 1925 (entered 24<sup>th</sup> May 2004)  
 Stop Order at 1760  
 US\$400,000 in cash  
 New Trades:  
 Cancel Stops at 1760  
 Open Stop Order to Close LONGS at 1780

Note: All stop and limit orders are entered at the next market open on a "good until cancelled" basis. Cancellation can take place only within a report such as this one. All trades are executed at the closest exact level (no fractions) and without spread.

## Performance to Date (without leverage)

Starting Capital: US\$1,000,000 (21<sup>st</sup> May 2004).  
 Performance is measured at points when we are 100% in cash.

## Feedback

Please contact [info@contraquant.com](mailto:info@contraquant.com)

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