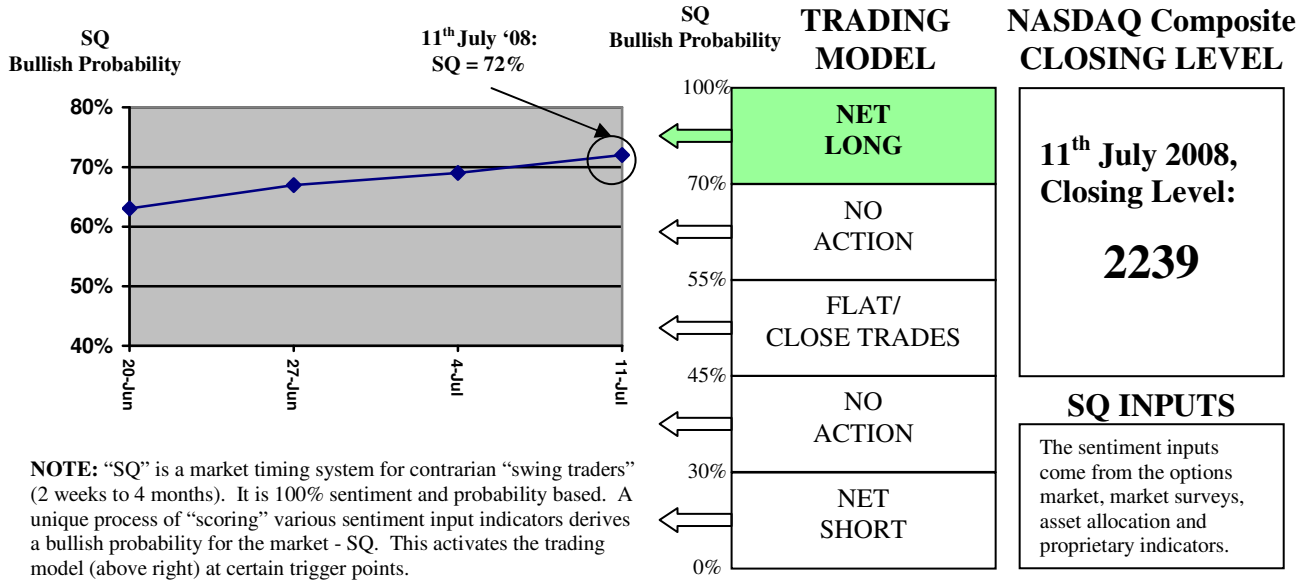


SQ/BULLISH PROBABILITY of  
**72%**  
over the next 2 weeks to 4 months

11<sup>th</sup> July 2008:  
**NET LONG**

# Swing Trading Bulletin

Week 217,  
Market Close,  
11<sup>th</sup> July 2008



**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

The model has now crossed our LONG trigger level as pessimism continues to build. We therefore begin to scale into a fresh LONG trade with around half our capital at Monday's market open, reinforced additionally by a couple of Limit Orders at 2206 and 2182 to further build the position on any dips. The sentiment expressed in investor surveys and media coverage is particularly bearish. This gives us great confidence for the new trade, although it may take a while to play out.

## Current Trades and Open Positions

**Trades Executed Last Week:**  
NONE.

**Current Open Positions:**  
\$US 1,839,937 in cash.

**Current Pending Orders/New Trades:**  
Market Order to Open US\$900,000 LONG at NASDAQ opening level on Monday 14<sup>th</sup> July.  
Limit Order to Open US\$300,000 LONG at 2206.  
Limit Order to Open US\$200,000 LONG at 2182.

## Trading Model Rules

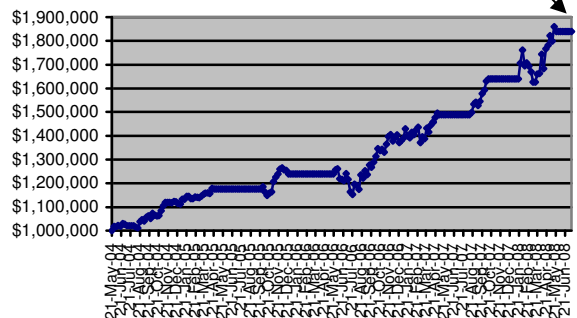
All trades are against the NASDAQ Composite and executed either:

- (i) Against the coming week's opening level of the Composite index.
- (ii) 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).

## Weekly Performance Track (11<sup>th</sup> July '08)

Starting Capital: US\$1,000,000 (21<sup>st</sup> May 2004).  
9 Winning Closed Trades, 0 Losing Closed Trades.  
Change in NAV since 1 week ago: + 0.0%  
Change in NAV since inception: **+84.0%**



**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.