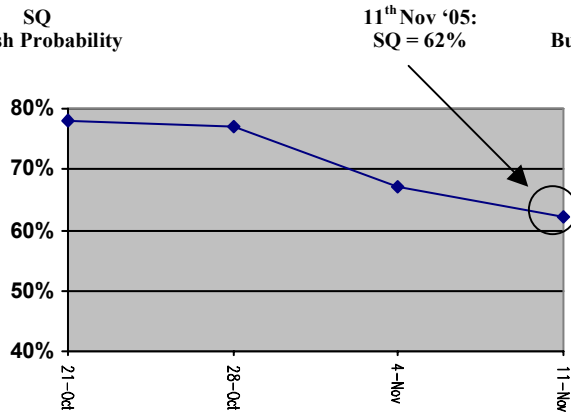


# Swing Trading Bulletin

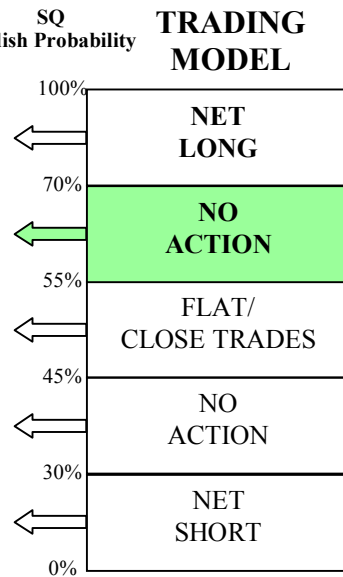
Week 78,  
Market Close,  
11th Nov. 2005

SQ  
Bullish Probability



**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.

SQ  
Bullish Probability



NASDAQ Composite  
CLOSING LEVEL

11th Nov. 2005,  
Closing Level:  
**2202**

SQ INPUTS

The sentiment inputs come from the options market, market surveys, asset allocation and proprietary indicators.

## Commentary

There was a further 1.5% increase in the NASDAQ Composite last week as our NAV increased in value for the 4th consecutive week. We have now reached the 18-month point of the SQ model and performance is currently on track for around +15% per annum despite our habitual under-deployment of capital - the current open trade is the first time we are 100% invested. There have been no losing trades so far. With the latest model sentiment reading at 62% there is no change to posture and we will continue to ride the trend in our favour.

## 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:**

\$US 1,176,547 LONG on Nasdaq Composite at average level of 2113 (entered September 26<sup>th</sup>, October 5<sup>th</sup>, October 6<sup>th</sup>, October 10<sup>th</sup>, October 12<sup>th</sup>)

**Current Pending Orders/New Trades:**

Stop Order to Close all LONG positions at 1780.

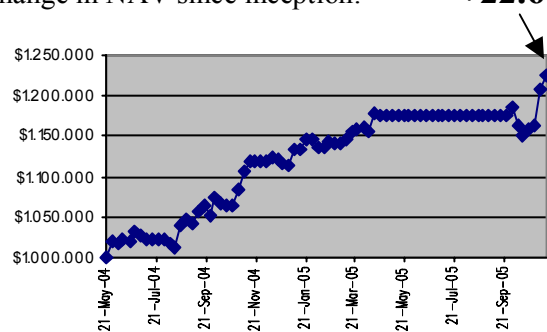
## Weekly Performance Track (11th Nov. '05)

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

4 Winning Closed Trades, 0 Losing Closed Trades.

Change in NAV since 1 week ago: +1.5%

Change in NAV since inception: **+22.6%**



**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.