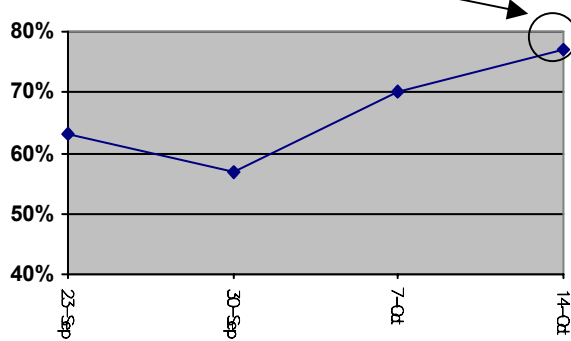


Swing Trading Bulletin

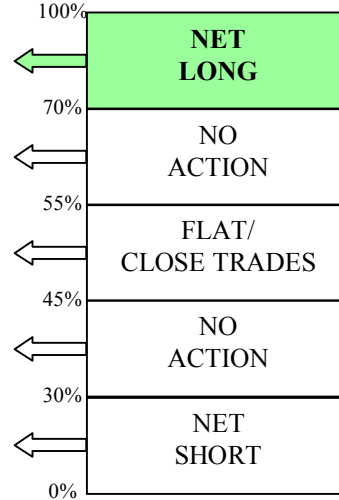
Week 74,
Market Close,
14th Oct. 2005

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



TRADING
MODEL

NASDAQ Composite
CLOSING LEVEL

14th Oct. 2005,
Closing Level:

2065

SQ INPUTS

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

Commentary

We managed to add to our LONG position last week filling orders at 2092 and 2052 as the probability of our current trade increased to 77% from 70%. This helped to reduce our average entry level to 2113 and commits all of our capital to the trade. We entered this position a little early as mentioned in the report at the time. Although this leaves us slightly underwater at the moment, we are confident that this is now a high probability trade and we are happy to be 100% committed LONG.

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:

\$US 100,000 LONG Market Order filled at 2092 on 10th October. Further \$US 76,547 LONG Limit Order filled at 2052 on 12th October.

Current Open Positions:

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

Current Pending Orders/New Trades:

Stop Order to Close all LONG positions at 1780.

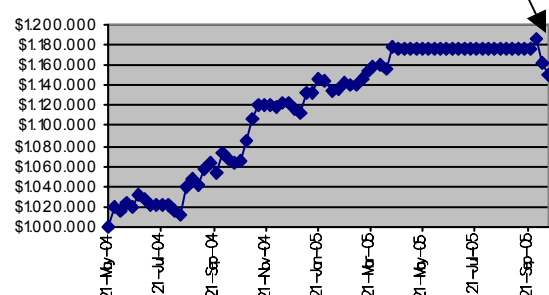
Weekly Performance Track (14th Oct. '05)

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

4 Winning Closed Trades, 0 Losing Closed Trades.

Change in NAV since 1 week ago: - 1.1%

Change in NAV since inception: **+15.0%**



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.