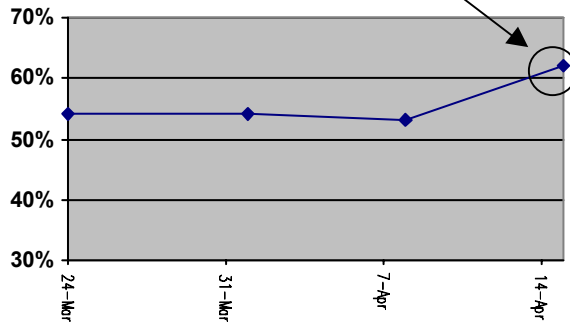


Swing Trading Bulletin

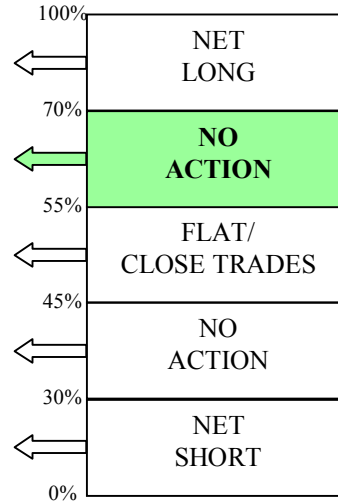
Week 48,
Market Close,
15th Apr. 2005

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

15th Apr. 2005,
Closing Level:
1908

SQ INPUTS

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

Commentary

As commented last week, the market was due further falls because of various short-term sentiment inputs showing an amazing and unwarranted degree of complacency. Our open SHORT position therefore moved further into profit as the NASDAQ Composite fell a steep 4.6%. Our strategy of applying trailing stops (rather than just being flat) when the model is neutral has now been further vindicated. We will now look to close the position utilising both a tight trailing stop order and a limit order – whichever is filled first will automatically cancel the other. There needs to be further evidence shown of punctured complacency before it is advisable for anyone to consider being long in this market.

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 500,000 SHORT at average level of 2090 (opened on 7th, 14th and 15th February).
\$US 635,355 in cash.

Current Pending Orders/New Trades:

Move Stop Order to Close all SHORT positions down from 2030 to 1918. Open Limit Order to Close all SHORT positions at 1897. Whichever is activated first immediately cancels the other order.

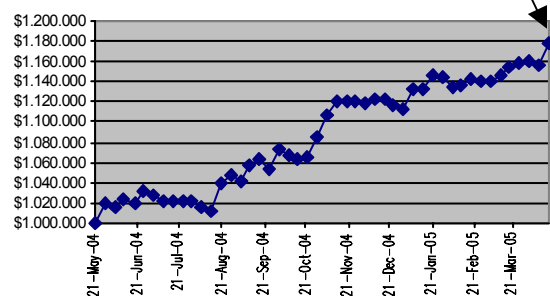
Weekly Performance Track (15th Apr. '05)

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

3 Winning Closed Trades, 0 Losing Closed Trades.

Change in NAV since 1 week ago: + 1.9%

Change in NAV since inception: **+17.9%**



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.