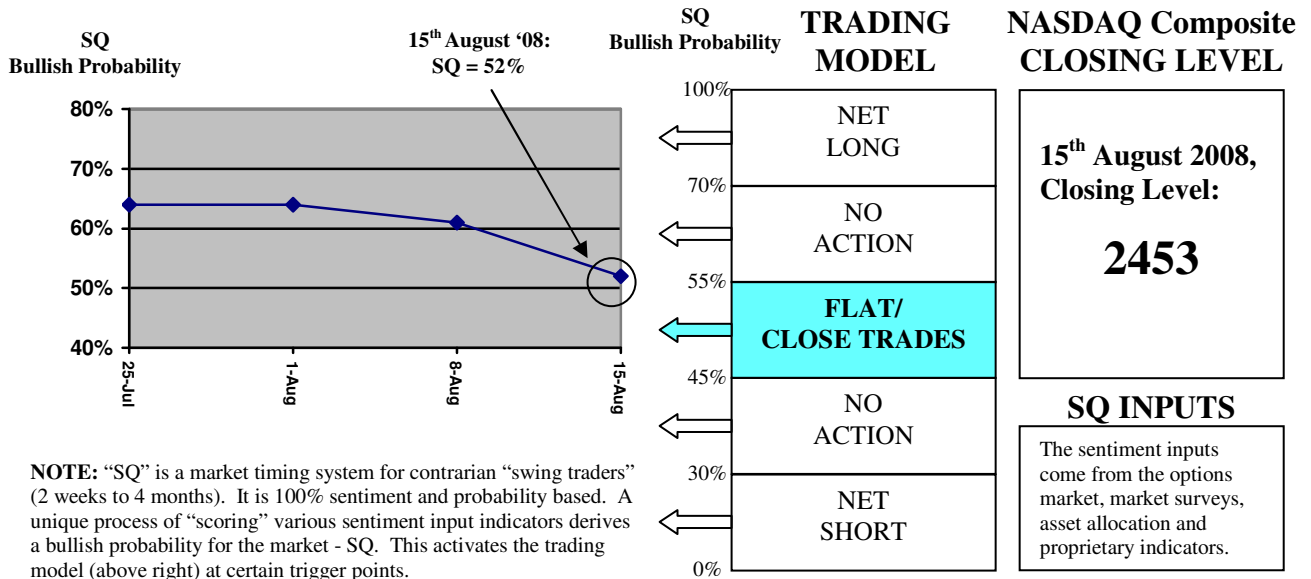


# Swing Trading Bulletin

Week 222,  
Market Close,  
15<sup>th</sup> August 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

Although there were gains for the NASDAQ last week and further profits for our open LONG, the model moved into neutral territory at 52%. This suggests that we position ourselves to close the current trade, while still trying to benefit from further momentum. We therefore move our trailing Stop up to 2417 to lock in profits should the market fall, while also opening a Limit Order at 2493 to take advantage of any further short-term gains. Whichever order is hit first will close the entire trade and cancel the other order.

## 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 1,400,000 LONG at average level of 2237 (filled on 14<sup>th</sup> July at 2263 and 15<sup>th</sup> July at 2197 and 2182). \$US 439,937 in cash.

### Current Pending Orders/New Trades:

Move Stop Order to Close all LONGS from 2240 to 2417. Open Limit Order to Close all LONGS at 2493. Whichever of Limit or Stop is hit first closes the entire position and cancels the other order.

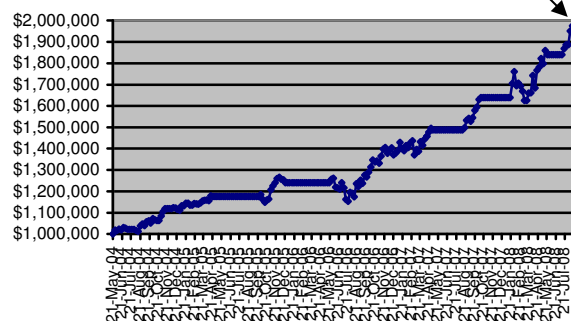
## Weekly Performance Track (15<sup>th</sup> Aug. '08)

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: +1.3%

Change in NAV since inception: **+97.5%**



**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.