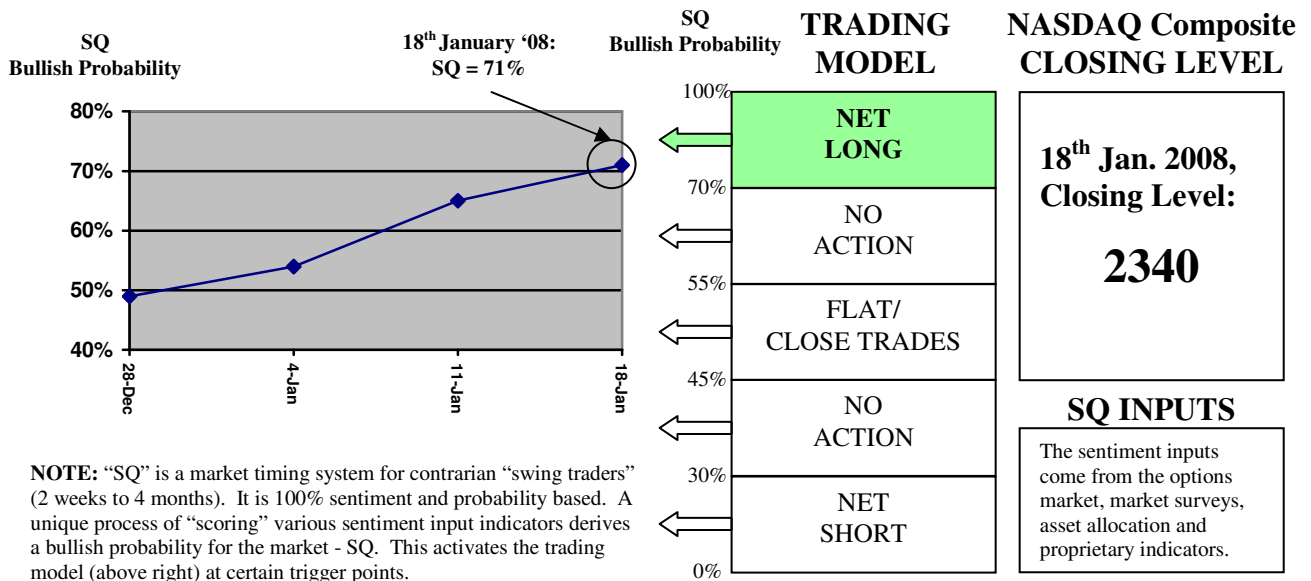


# Swing Trading Bulletin

Week 192,  
Market Close,  
18<sup>th</sup> Jan. 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

In keeping with the recent trend the NASDAQ fell 100 points last week. Our patience is now rewarded as the model indicates a clear LONG opportunity with 71% probability. We will therefore scale in \$1,000,000 of our capital at Monday's open with plenty of confidence. Additional LONG limit orders are set up at 2310 and 2280 in case the market keeps falling to create further bearish sentiment.

## 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).

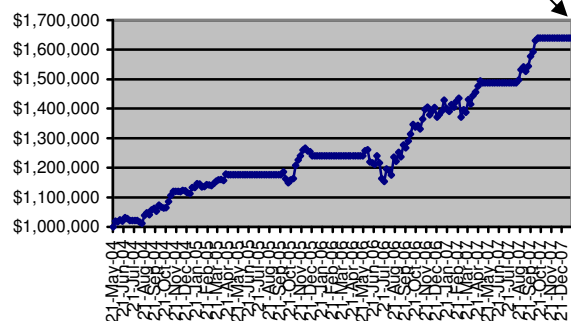
## Current Trades and Open Positions

**Trades Executed Last Week:**  
NONE.

**Current Open Positions:**  
\$US 1,639,912 in cash.

**Current Pending Orders/New Trades:**  
Market Order to Open US\$1,000,000 LONG at NASDAQ opening level on Monday 21<sup>st</sup> January.  
Limit Order to Open US\$200,000 LONG at 2310.  
Limit Order to Open US\$200,000 LONG at 2280.

**Weekly Performance Track** (18<sup>th</sup> Jan. '08)  
Starting Capital: US\$1,000,000 (21<sup>st</sup> May 2004).  
8 Winning Closed Trades, 0 Losing Closed Trades.  
Change in NAV since 1 week ago: + 0.0%  
Change in NAV since inception: **+64.0%**



**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.