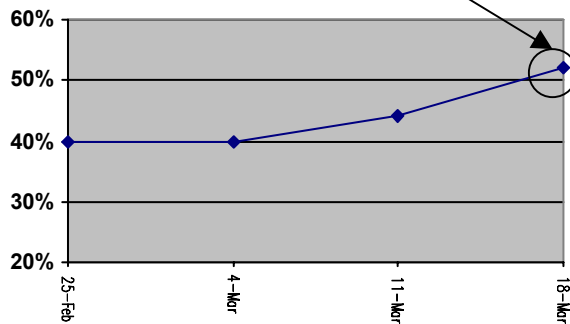


Swing Trading Bulletin

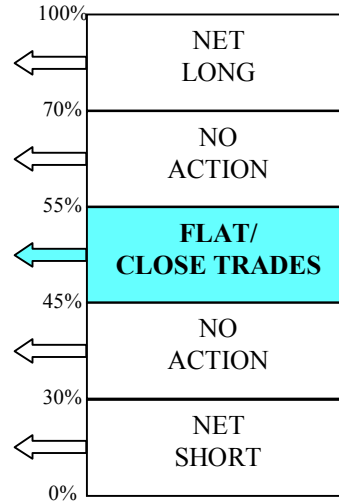
Week 44,
Market Close,
18th Mar. 2005

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

18th Mar. 2005,
Closing Level:
2008

SQ INPUTS

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

Commentary

The NASDAQ Composite fell a further 1.7% on the week to continue the recent bearish trend. As commented last week we felt that almost any catalyst would be interpreted negatively and this was indeed made true by record oil prices. Our NAV performance is now at an all-time high as our open SHORT trade moves further into profit. Since the model is now neutral we will look to close the current trade with a trailing buy stop at 2030. With volatility still so low we expect a continued market fall as the most likely scenario and the trailing stop allows us to maximise profits if this is indeed the case. At the same time the stop will protect us in case we are wrong and the market snaps back upwards.

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:

Cancel all Limit Orders.

Move Stop Order to Close all SHORT positions from 2450 to 2030.

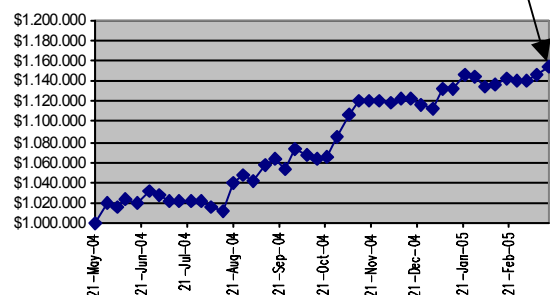
Weekly Performance Track (18th Mar. '05)

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

3 Winning Closed Trades, 0 Losing Closed Trades.

Change in NAV since 1 week: + 0.7%

Change in NAV since inception: +15.5%



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.