

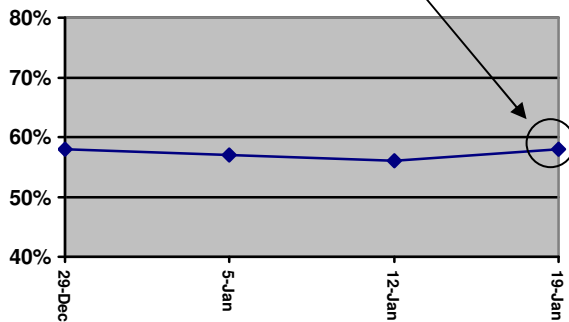
SQ/BULLISH PROBABILITY of
58%
over the next 2 weeks to 4 months

19th January 2007:
NO ACTION

Swing Trading Bulletin

Week 140,
Market Close,
19th Jan. 2007

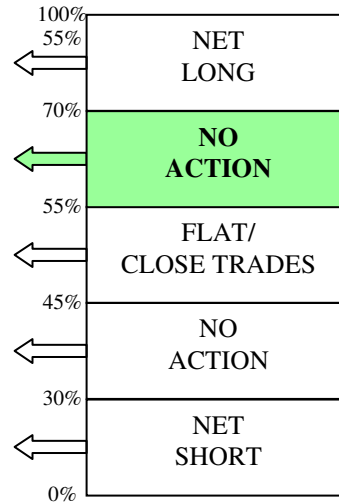
SQ
Bullish Probability



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.

19th Jan. '07:
SQ = 58%

SQ
Bullish Probability



TRADING
MODEL

NASDAQ Composite
CLOSING LEVEL

19th Jan. 2007,
Closing Level:

2451

SQ INPUTS

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

Commentary

There was a fall in the NASDAQ Composite but we don't expect this to signal the end of the rally. There is still firm scepticism including a significant amount of bearish front-month options activity likely to underpin the market. Nevertheless our trailing stop is now at 2400 in case this prognosis proves flawed.

Current Trades and Open Positions

Trades Executed Last Week:
NONE.

Current Open Positions:

\$US 1,240,024 LONG at average level of 2171 (filled on 22nd May at 2176 and 2178, 24th May at 2154 and 6th June at 2164).

Current Pending Orders/New Trades:

Stop Order to Close all positions at 2400.

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).

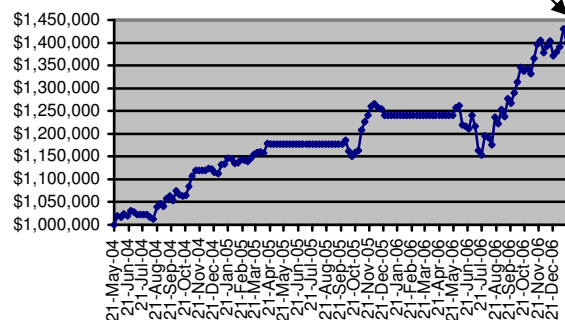
Weekly Performance Track (19th Jan.'07)

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

5 Winning Closed Trades, 0 Losing Closed Trades.

Change in NAV since 1 week ago: -2.1%

Change in NAV since inception: **+40.0%**



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