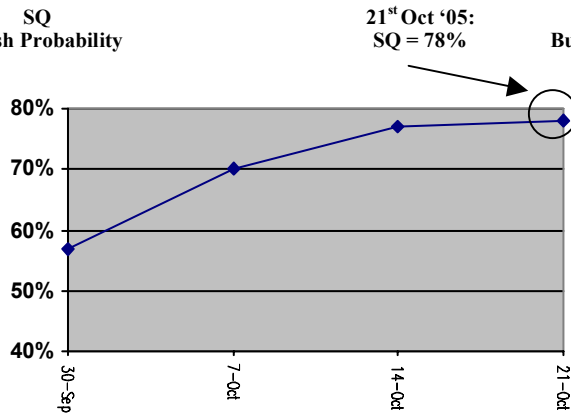


Swing Trading Bulletin

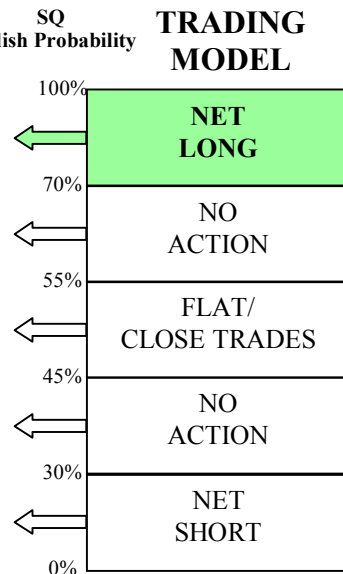
Week 75,
Market Close,
21st Oct. 2005

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

21st Oct. 2005,
Closing Level:

2082

SQ INPUTS

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

Commentary

Despite a 0.8% recovery in the market last week SQ still edged up to 78% which only strengthened our confidence in being fully invested LONG. To the surprise of many investors now positioned more bearishly, there is very likely to be a sharp rally over the coming weeks or months. We expect the same investors who have recently been cutting their exposure to scramble back in and reinvest at significantly higher prices: our sentiment model indicates that now is clearly a time to be buying the dip. We look forward to watching events unfold for the current trade scaled in between levels of 2052 and 2128.

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 1,176,547 LONG on Nasdaq Composite at average level of 2113 (entered September 26th, October 5th, October 6th, October 10th, October 12th)

Current Pending Orders/New Trades:

Stop Order to Close all LONG positions at 1780.

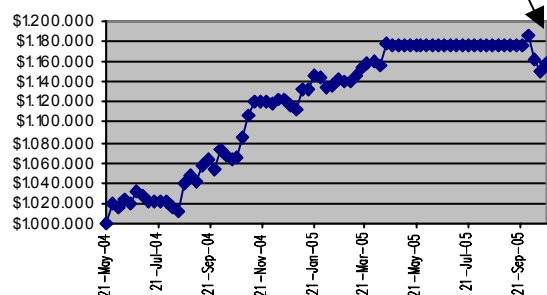
Weekly Performance Track (21st Oct. '05)

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

4 Winning Closed Trades, 0 Losing Closed Trades.

Change in NAV since 1 week ago: +0.8%

Change in NAV since inception: **+15.9%**



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.