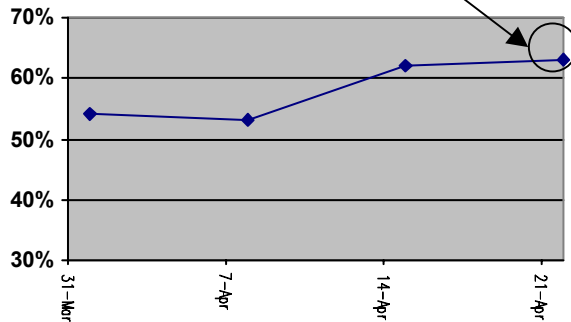


Swing Trading Bulletin

Week 49,
Market Close,
22nd Apr. 2005

SQ
Bullish Probability

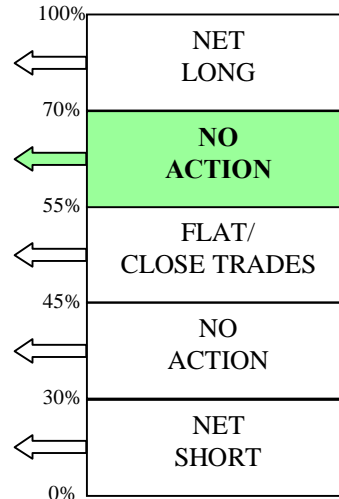


22nd April '05:
SQ = 63%

SQ
Bullish Probability

TRADING
MODEL

NASDAQ Composite
CLOSING LEVEL



22nd Apr. 2005,
Closing Level:

1932

SQ INPUTS

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

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

We were finally stopped out of our open SHORT trade at a level of 1918, to close our fourth of four successful trades since our SQ model was launched on 21st May 2004. This trade had been opened in early/mid February 2005 at an average level of 2090 and was closed last Monday at a level of 1918: a useful 8.2% move captured with a \$US 500,000 stake of our trading capital. This brings our performance after 11 months to +17.7% and we are now 100% in cash. Although the NASDAQ Composite recovered slightly last week, our sentiment readings suggest that is too early to flip positions and go LONG. Thus we will wait, watch and see before setting up our next trade.

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:

\$US 500,000 SHORT position closed at level of 1918 (Stop activated) on Monday 18th April.

Current Open Positions:

\$US 1,176,547 in cash.

Current Pending Orders/New Trades:

NONE.

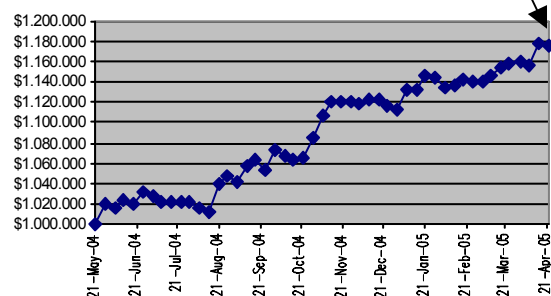
Weekly Performance Track (22nd Apr. '05)

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

4 Winning Closed Trades, 0 Losing Closed Trades.

Change in NAV since 1 week ago: - 0.2%

Change in NAV since inception: **+17.7%**



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.