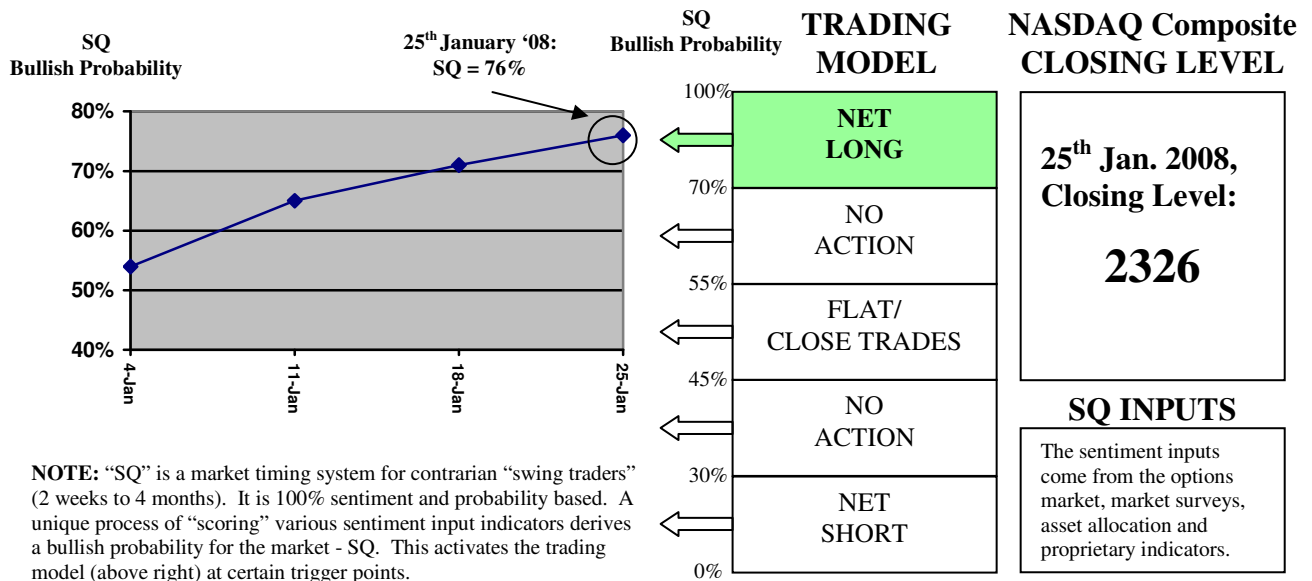


# Swing Trading Bulletin

Week 193,  
Market Close,  
25<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

The NASDAQ was closed for a holiday on Monday which meant last week's LONG trades were filled instead on Tuesday. The market opened "gap down" well below our 2 limit orders, therefore all 3 opening trades flagged last weekend were triggered at last Tuesday's opening level of 2221. Since the market later rose substantially we are left with decent gains on the week. As the model now shows an even stronger signal of 76% bullish probability, we commit the remaining \$US 239,912 of capital with a further Limit Order to be set at 2282.

## 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 1,400,000 LONG at NASDAQ opening level of 2221 on Tuesday 22<sup>nd</sup> January (market was closed for a holiday on Monday 21<sup>st</sup> January). Limit Orders had been set at higher levels but filled at 2221 due to the lower gap open.

### Current Open Positions:

\$US 1,400,000 LONG and \$US 239,912 in cash.

### Current Pending Orders/New Trades:

Limit Order to Open \$US 239,912 LONG at 2282.  
Stop Order to Close LONGs at 1870.

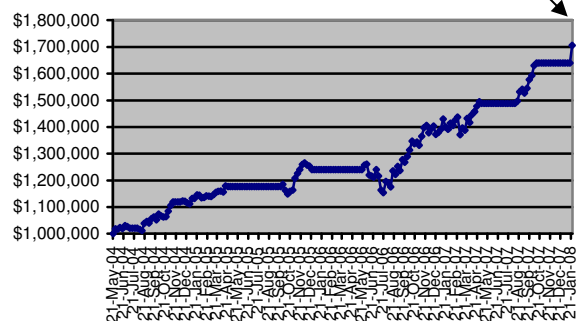
## Weekly Performance Track (25<sup>th</sup> Jan. '08)

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: + 4.0%

Change in NAV since inception: **+70.6%**



**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.