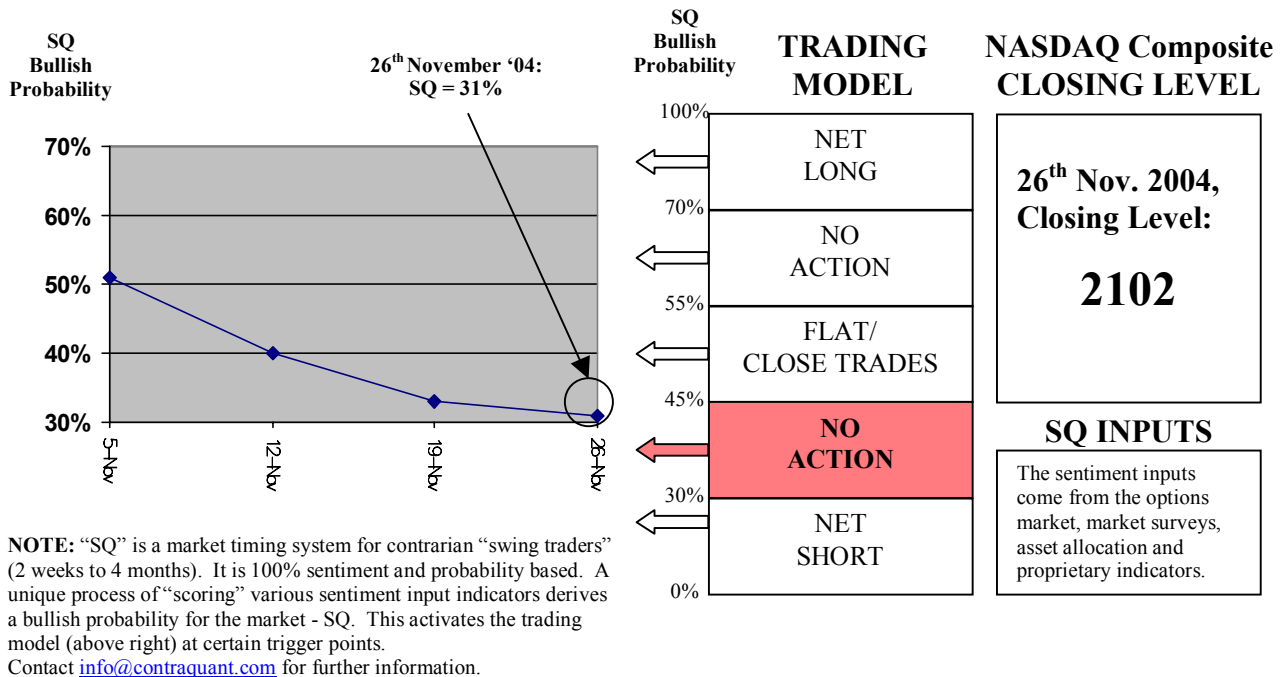


Swing Trading Bulletin

Issue 28,
Market Close,
26th Nov. 2004



Commentary

This was a holiday-shortened week which saw limited movement on low volume. Not surprisingly, our SQ measure was impacted only slightly and edged down further to 31% as the NASDAQ Composite rose a modest 1.5%. SQ now stands tantalisingly just above the 30% trigger point at which we can start building a SHORT position therefore we will now enter some Limit Sell Orders in case the market spurts up further next week. Complacency is rife but we are in no rush to build our position, especially since the current optimistic backdrop may likely take some time to reverse and unwind.

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.

Current Trades and Open Positions

Trades Executed Last Week:

NONE.

Current Open Positions:

US\$1,119,963 in cash.

Current Pending Orders:

NONE.

New Trades:

Open the following Limit Orders:

Open SHORT \$US100k @ 2128

Open SHORT \$US100k @ 2132

Open SHORT \$US200k @ 2150

Open SHORT \$US100k @ 2160

Open the following Stop Orders:

Close all SHORT positions @ 2480

Note: 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).

Performance to Date

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

Current Capital: US\$1,119,963.

Returns to date of +12.0%.

2 Winning Closed Trades, 0 Losing Closed Trades.

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