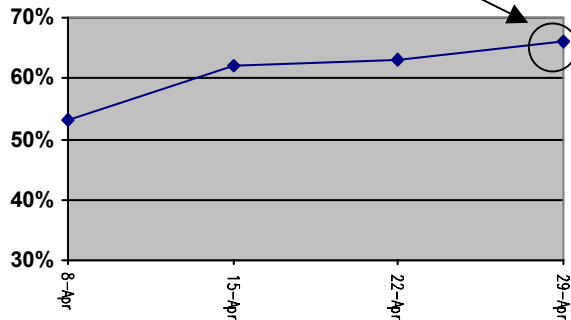


# Swing Trading Bulletin

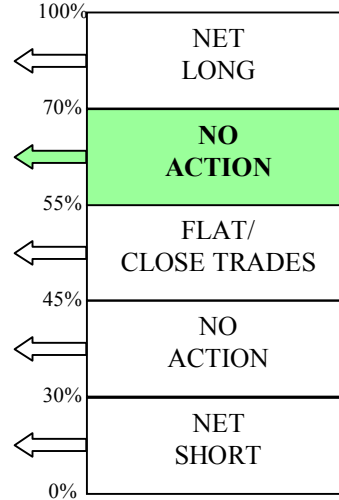
Week 50,  
Market Close,  
29th Apr. 2005

SQ  
Bullish Probability



29th April '05:  
SQ = 66%

SQ  
Bullish Probability



TRADING  
MODEL

NASDAQ Composite  
CLOSING LEVEL

29th Apr. 2005,  
Closing Level:  
**1922**

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

The NASDAQ Composite only lost 10 points on the week but we did see an increase in pessimistic sentiment to push SQ up to 66%. This is still not sufficient to trigger a LONG trade nevertheless the consensus view for the rest of the year is definitely becoming more bearish. If market participants get spooked by a further move down in the NASDAQ Composite below 1900 then the probabilities may once again favour positioning ourselves LONG. It is still possible, however, that the markets continue to tread water at these levels hence we will wait patiently for our opportunity.

## 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 in cash.

**Current Pending Orders/New Trades:**

NONE.

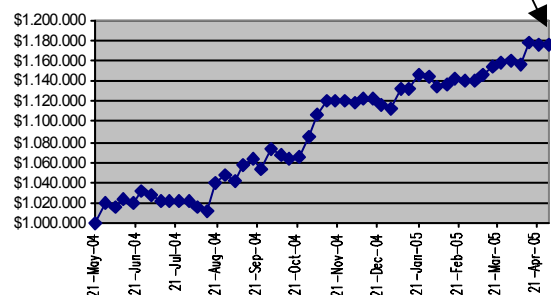
## Weekly Performance Track (29th Apr. '05)

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

4 Winning Closed Trades, 0 Losing Closed Trades.

Change in NAV since 1 week ago: + 0.0%

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.