

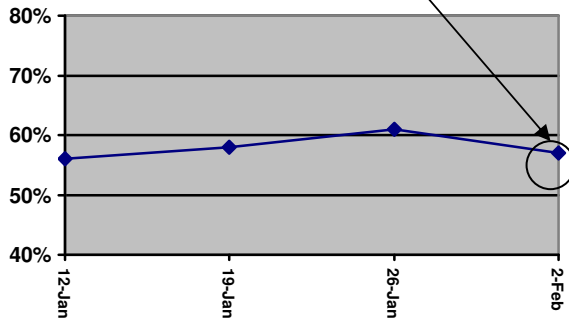
SQ/BULLISH PROBABILITY of
57%
over the next 2 weeks to 4 months

2nd February 2007:
NO ACTION

Swing Trading Bulletin

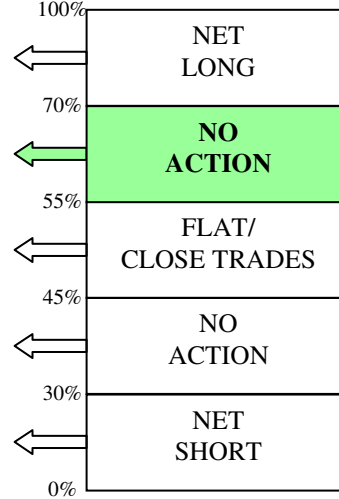
Week 142,
Market Close,
2nd Feb. 2007

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

2nd Feb. 2007,
Closing Level:
2476

SQ INPUTS

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

Commentary

The NASDAQ rose by 1.7% last week and this helped us to cement gains on the open LONG position. Sentiment has not quite reached the trigger 55% level required to close this trade aggressively and we are also protected by the trailing stop. With a good possibility of further short-term gains we'll continue to sit tight.

Trading Model Rules

All trades are against the NASDAQ Composite and executed either:

- (i) Against the coming week's opening level of the Composite index.
- (ii) 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 1,240,024 LONG at average level of 2171 (filled on 22nd May at 2176 and 2178, 24th May at 2154 and 6th June at 2164).

Current Pending Orders/New Trades:
Stop Order to Close all positions at 2400.

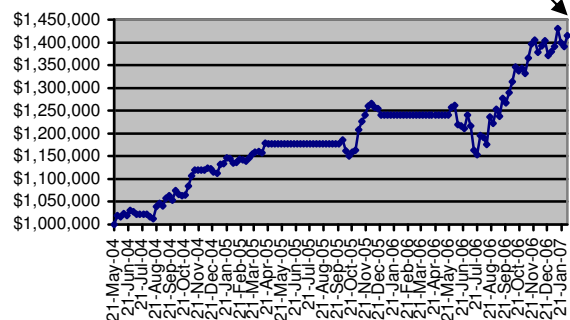
Weekly Performance Track (2nd Feb. '07)

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

5 Winning Closed Trades, 0 Losing Closed Trades.

Change in NAV since 1 week ago: + 1.7%

Change in NAV since inception: **+41.4%**



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