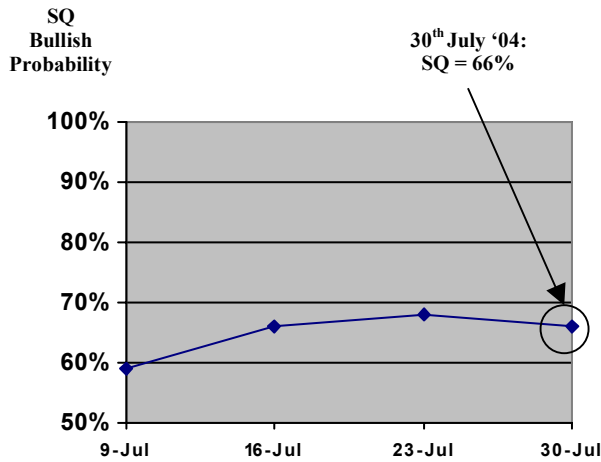
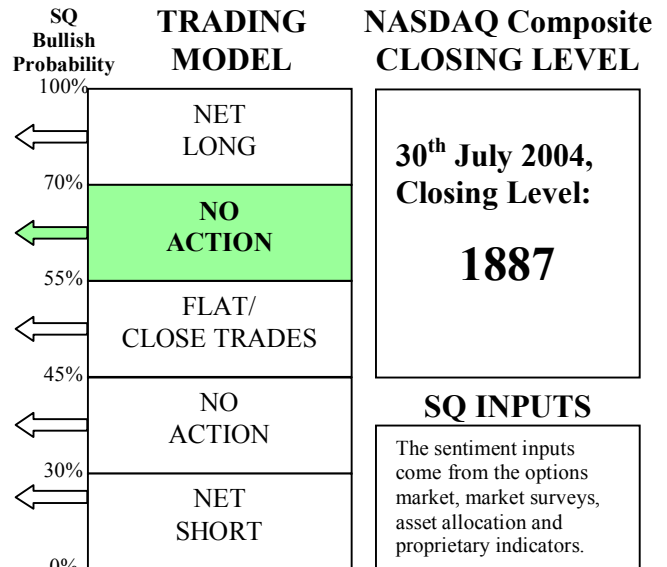


# Swing Trading Bulletin

Issue 11,  
Market Close,  
30th July 2004



**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

This last week saw a recovery in the NASDAQ Composite after a shaky start. Whilst the market initially fell back to just above our highest Limit Order this was not enough to provide a fill. Subsequently there was a significant move higher in the latter half of the week. This left us flat and 100% in cash since none of our LONG orders were activated. Whilst there is a danger that we will now miss the trade altogether an SQ of below 70% does not provide for a sufficiently high probability trade therefore we are content to remain on the sidelines. All LONG Limit Orders are retained at the same levels for the moment.

## 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.

Note: Zero transaction/trading costs assumed.

## Current Trades and Open Positions

Trades Executed Last Week:

NONE

Current Open Positions:

NONE

US\$1,021,922 in cash

Limit Order to Open LONG US\$100,000 @ 1820

Limit Order to Open LONG US\$100,000 @ 1810

Limit Order to Open LONG US\$200,000 @ 1795

Stop Order to Close LONGs at 1610

New Trades:

NONE

Note: All stop and limit orders are entered at the next market open on a "good until cancelled" basis. Cancellation can take place only within a report such as this one. All trades are executed at the closest exact level (no fractions) and without spread. No interest on cash balances.

## Performance to Date (without leverage)

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

Currently 100% in cash with returns to date of +2.2% (US\$1,021,922 in cash).

1 Winning Closed Trade, 0 Losing Closed Trades.

## Feedback

Please contact [info@contraquant.com](mailto:info@contraquant.com)

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