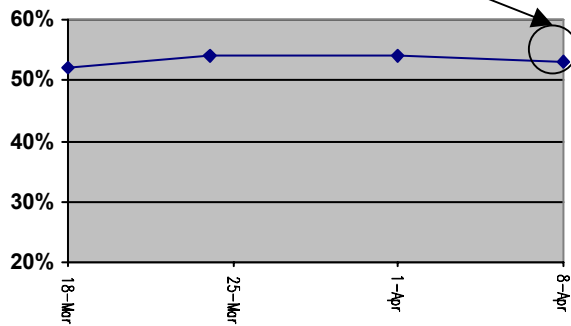


Swing Trading Bulletin

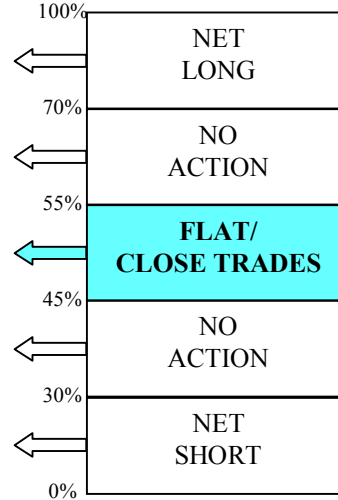
Week 47,
Market Close,
8th Apr. 2005

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



TRADING
MODEL

NASDAQ Composite
CLOSING LEVEL

8th Apr. 2005,
Closing Level:
1999

SQ INPUTS

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

Commentary

There was a move up in the NASDAQ Composite last week though not enough to hit our trailing stop to close our open SHORT position. We remain very comfortable with this posture even though the model remains broadly neutral: volatility took another sharp tumble and we believe that this can only lead to further short-term pain for the bulls. There was also further evidence of some aggressive call buying on the QQQQs during the week which is another short-term bearish input within our model. If we are wrong then our position will be stopped out at 2030 but until that happens we are very happy to continue to ride the trend lower.

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 500,000 SHORT at average level of 2090 (opened on 7th, 14th and 15th February).
\$US 635,355 in cash.

Current Pending Orders/New Trades:

Stop Order to Close all SHORT positions at 2030.

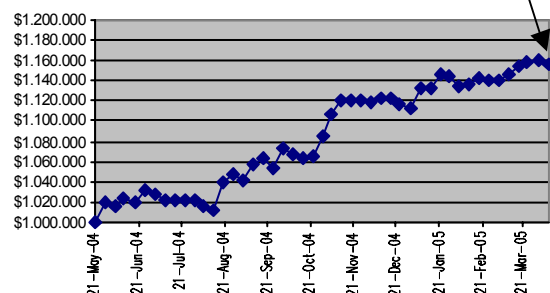
Weekly Performance Track (8th Apr. '05)

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

3 Winning Closed Trades, 0 Losing Closed Trades.

Change in NAV since 1 week ago: - 0.3%

Change in NAV since inception: **+15.7%**



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.