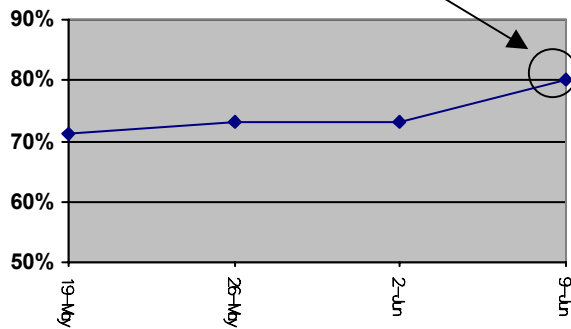


# Swing Trading Bulletin

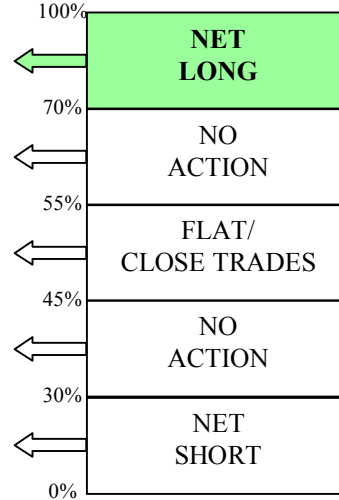
Week 108,  
Market Close,  
9th June 2006

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

9th June 2006,  
Closing Level:

**2135**

SQ INPUTS

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

## Commentary

The NASDAQ Composite dropped 3.8% on the week which helped us fill the final part of our LONG trade at 2164. Although in the short term there could be further falls, we are happy now to have our full capital committed LONG. The model reading has attained a rare 80% bullish probability as the consensus turns decidedly bearish: ideal conditions for our position. We look forward to watching the market recover its footing over the coming weeks and months.

## 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:

\$US 240,024 LONG Limit Order filled at 2164 on Tuesday 6<sup>th</sup> June 2006.

### Current Open Positions:

\$US 1,240,024 LONG at average level of 2171 (filled on 22<sup>nd</sup> May at 2176 and 2178, 24<sup>th</sup> May at 2154 and 6<sup>th</sup> June at 2164).

### Current Pending Orders/New Trades:

Stop Order to Close all positions at 1850.

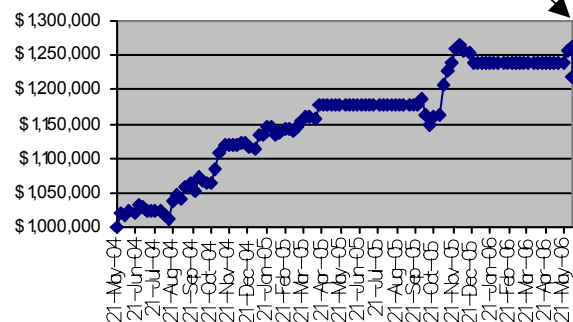
## Weekly Performance Track (9th June '06)

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

5 Winning Closed Trades, 0 Losing Closed Trades.

Change in NAV since 1 week ago: - 3.3%

Change in NAV since inception: **+21.9%**



**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.