

Parabolic Stock Picker

Newsletter dedicated to picking small *Bargain Growth* stocks ready to *Go Parabolic*

WEEKLY UPDATE – MAR 31, 2006

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www.parabolicstockpicker.com

HOT PICKS (new Buy signals)

Bargain Bin

1. **STEC** 03/03/06 3.73 data memory cards
low 0.6x sales, 15% EG, price 2.4x cash = Bargain
2. **WLSN** 03/10/06 3.51 leather goods retail
1.2x book, 20% EG, 3.0x cash, PE ratio just 11.7
3. **DPII** 03/17/06 2.45 drug discovery tools
under 1x cash, strong cashflow, 1.9x sales
4. **DRAD** 03/17/06 3.79 med imaging equipment
very low 1.0x sales, no debt, 1.4x cash = Bargain
5. **TEAM** 03/31/06 11.13 IT consulting services
1.4x book, 0.6x sales, 12% ROE, good cashflow

Cheap Growth

1. **PHRM** 03/03/06 16.91 oncology/hematology med
30% EG, strong cashflow, price 2.3x cash, no debt
2. **XPRT** 03/03/06 16.97 expert services (forensics)
22% EG (31% 2005), strong margins = Cheap Growth
3. **NMSS** 03/10/06 3.63 wireless enabling tech
25% EG, price 2.8x cash, no debt, low 1.6x sales
4. **APTM** 03/17/06 5.14 online marketing network
industry low 2.5x book, 2.1x sales; cashflow + growth
5. **ARBX** 03/24/06 7.15 online telco trading xchg
low 0.3x sales, 2.8x cash, 20% EG, no debt
6. **EDGW** 03/31/06 6.54 managed IT services
30% EG, 1.0x book, no debt, 2.2x cash

PICK THAT APPLE (new Hold/Sell signals)

Bargain Bin

1. **MERX** 03/03/06 *Hold* 9.85
+56.6%, 147 days; hard wired winner
2. **KBALB** 03/03/06 *Hold* 12.99
+25.3%, 56 days; made-to-order performance
3. **VOL** 03/10/06 *Hold* 27.22
+35.2%, 63 days; Parabolic gain on recent news
4. **SBSE** 03/20/06 *Sell* 16.03
+48.2%, 108 days; rich buyout a gift from GE
5. **APFC** 03/30/06 *Hold* 9.68
+85.1%, 41 days; sparked a Parabolic reaction

Cheap Growth

1. **SYMM** 03/03/06 *Sell* 9.00
+6.8%, 112 days; timing not in synch after all
2. **KFRC** 03/10/06 *Sell* 11.66
+2.0%, 126 days; couldn't recruit a winner
3. **MRTN** 03/10/06 *Hold* 23.02
+43.3%, 154 days; trucked in cold hard cash
4. **PSPT** 03/17/06 *Sell* 9.66
+10.1%, 126 days; outsourced a small gain
5. **PSEM** 03/17/06 *Sell* 9.12
+11.9%, 70 days; timed another modest win
6. **HORC** 03/17/06 *Sell* 20.18
-7.3%, 21 days; trading pattern not healthy
7. **TLGD** 03/17/06 *Hold* 16.10
+27.0%, 28 days; this one tested Parabolic
8. **NTCT** 03/29/06 *Hold* 9.36
+63.9%, 131 days; scouted out a big gain

Mar 2006	PSP +9.8%	Russell 2000 +4.7%	NASDAQ +2.6%	S&P 500 +1.1%
2006 YTD	PSP +25.3%	Russell 2000 +13.7%	NASDAQ +6.1%	S&P 500 +3.7%
2005	PSP +25.8%	Russell 2000 +3.3%	S&P 500 +3.0%	NASDAQ +1.4%

MARKET PICKINGS

Technology stocks and small caps started at month-end, as large caps suffered from interest rate worries. Russell 2000 again had the best week, +1.5%; index gained +4.7% in March, up +13.7% for the year. NASDAQ rose +1.2% this week, gaining +2.6% for March (+6.1% YTD). The S&P 500 lost ground again this week, -0.6%; the month was a meager +1.1% (+3.7% YTD).

Parabolic Stock Picker added +2.9% this week, posting a +9.8% gain for March and **+25.3% year-to-date return**. Week ended Mar 31, we added two new *Hot Picks* (TEAM, EDGW) and *Picked* two *Apples* (APFC earned a *Parabolic* +85.1% in just 41 days and NTCT scouted a +63.9% cash return).

In addition to APFC (+15.5% this week in its final burst), **some old and some new positions were strong**. Recent *Hot Pick* APTM jumped another +13.5% (+25.7% since Mar 17 *Buy*), while 2005 *Hot Picks*, CALL and MGPI, were up +10.4% and +9.2%, respectively.

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PARABOLIC PORTFOLIO - ACTIVE PICKS (open trades)

Bargain Bin

<u>Ticker</u>	<u>Business</u>	<u>Buy Date</u>	<u>Price</u>	<u>Current (03/31/06) Price</u>	<u>% Gain</u>	<u>Market Cap (\$M)</u>
JAKK	toy designer/maker	21-Oct	18.32	26.74	46.0%	668.2
SRT	supply mgmt svcs	4-Nov	15.02	23.56	56.9%	288.2
CALL	call bridging svcs	11-Nov	4.35	4.46	2.5%	93.4
YAKC	telco reseller; VoIP	16-Dec	3.46	3.92	13.3%	40.6
DWRI	furnishings distributor	6-Jan	5.47	5.69	4.0%	88.6
GLGC	drug discovery tools	13-Jan	3.97	4.59	15.6%	121.4
AGP	Medicaid mgd health	20-Jan	20.78	21.04	1.3%	1100.0
MSN	consumer electronics	24-Feb	3.15	3.74	18.7%	86.6
STEC	memory cards	3-Mar	3.73	3.76	0.8%	167.7
WLSN	leather goods retail	10-Mar	3.51	3.90	11.1%	137.0
DPII	drug discovery tools	17-Mar	2.45	2.43	-0.8%	64.6
DRAD	med imaging equip	17-Mar	3.79	4.28	12.9%	70.9
TEAM	IT consulting services	31-Mar	11.13	11.13	0.0%	111.6
					Average Ave Days	15.2% 81

Cheap Growth

<u>Ticker</u>	<u>Business</u>	<u>Buy Date</u>	<u>Price</u>	<u>Current (03/31/06) Price</u>	<u>% Gain</u>	<u>Market Cap (\$M)</u>
MGPI	special grains;ethanol	2-Dec	11.82	16.20	37.1%	213.6
ACMR	arts/crafts retailer	16-Dec	14.63	18.40	25.8%	356.7
SRVY	online survey svcs	16-Dec	5.38	5.99	11.3%	177.4
ZOLL	resuscitation devices	16-Dec	26.53	26.34	-0.7%	252.0
ANSR	IT consulting svcs	6-Jan	4.40	6.43	46.1%	270.0
QLTI	biopharm (Visudyne)	13-Jan	6.74	7.69	14.1%	661.1
PTEC	core system software	20-Jan	6.73	6.78	0.7%	173.5
KVHI	satellite/nav equip	24-Feb	10.60	11.07	4.4%	153.4
PHRM	oncology pharma	3-Mar	16.91	18.02	6.6%	539.0
XPRT	expert services	3-Mar	16.97	19.27	13.6%	409.3
NMSS	wireless technologies	10-Mar	3.63	3.75	3.3%	174.5
APTM	online mktg network	17-Mar	5.14	6.46	25.7%	33.3
ARBX	telco trading xchg	24-Mar	7.15	7.36	2.9%	180.7
EDGW	managed IT services	31-Mar	6.54	6.54	0.0%	71.9
					Average Ave Days	14.7% 70