

Parabolic Stock Picker

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

WEEKLY UPDATE – JUN 29, 2007

HOT PICKS (new Buy signals)

Bargain Bin

- BDAY 06/01/07 8.86 online party supplies**
moving customer svc to NC plant; will save \$500K annually
1.3x book, 3.2x cash, low 0.8x sales, no debt
- STC 06/01/07 41.75 title insurance/services**
competitor LFG +11% on 6/1 sale talk; STC -25% from high
0.9x book, low 0.3x sales, good cashflow, low debt
- RACK 06/08/07 13.58 computer storage systems**
COO transfer could mean RapidScale unit spinoff; at IPO \$
1.2x book, 2.3x cash, 1.0x sales, no debt, 23% short
- PDII 06/08/07 9.89 drug marketing services**
new On Demand temp sales teams s/b a hit; 1Q not too bad
1.1x cash, 0.9x book, strong cashflow, no debt
- RADN 06/15/07 9.66 satellite video/data equip**
\$2M Xicom power amplifier order; stock at 3 month high
PEG 0.8, 1.7x book, 1.3x sales, good cashflow, no debt
- KOMG 06/22/07 26.16 thin-film disk drives**
32% ROE deserves higher price; 26% shorts c/b squeezed
PE 5.6, 1.4x book, low 0.7x sales, monster cashflow
- PLNR 06/29/07 7.49 flat panel displays**
progress integrating acquisitions that caused -45% stumble
0.8x book, 3.3x cash, low 0.6x sales, no debt

Cheap Growth

- CTHR 06/29/07 4.95 moissanite jewelry maker**
new sales distribution deal; new broker Outperform/\$8 tgt
31% EG, 0.5 PEG, 1.4x book, 2.2x sales, no debt

Volume 3, No. 6

June 2007

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PICKED APPLES (new Hold/Sell signals)

Bargain Bin

- APSG 06/01/07 Sell 15.73**
+0.8%, 105 days; weak signal processor in 2Q
- ELNK 06/15/07 Sell 7.61**
+12.7%, 182 days; sliding cashflow limits upside
- SKY 06/29/07 Sell 30.01**
-12.0%, 42 days; home builders still look shaky
- KOMG 06/29/07 Sell 31.89**
+21.9%, **7 days**; buyout speeds up gain search

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- KVHI 06/08/07 Sell 9.11**
-5.9%, 63 days; couldn't home in on this signal
- AATI 06/15/07 Hold 9.56**
+59.9%, 154 days; powered into 2007 *Top Pick*
- IXYS 06/15/07 Sell 9.52**
-8.1%, 63 days; power missing in this chip stock
- ISYS 06/22/07 Sell 23.19**
-5.1%, 63 days; DOD canceled satellite program

Week 06/29	PSP +2.2%	NASDAQ +0.6%	S&P 500 +0.1%	Russell 2000 -0.1%
YTD 2007	PSP +16.0%	NASDAQ +7.8%	S&P 500 +6.0%	Russell 2000 +5.8%
2006	PSP +49.3%	Russell 2000 +17.0%	S&P 500 +13.6%	NASDAQ +9.5%
2005	PSP +26.5%	Russell 2000 +3.3%	S&P 500 +3.0%	NASDAQ +1.4%

WEAK PICKS OF THE WEEK

- HERO 34.47 (06/22) 32.38 (06/29) -6.1%**
hit by downgrade to Hold and lower nat gas
- SKY 31.08 (06/22) 30.01 (06/29) -3.4%**
home building still weak as key season starts
- PDII 10.40 (06/22) 10.26 (06/29) -1.3%**
small move nothing to get excited about
- ARII 39.45 (06/22) 39.00 (06/29) -1.1%**
some profit taking after new high last week

TOP PICKS OF THE WEEK

- KOMG 26.16 (06/22) 31.89 (06/29) +21.9%**
Western Digital cash buyout means speedy exit
- USMO 25.20 (06/22) 26.76 (06/29) +6.2%**
third week a Top Pick; first WAN coaster pager
- BDAY 8.51 (06/22) 9.04 (06/29) +6.2%**
noted Hannah Montana, Disney-themed parties
- OVTI 17.38 (06/22) 18.11 (06/29) +4.2%**
starts volume shipment of new 3G CameraChip

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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 (06/29/07) Price</u>	<u>% Gain</u>	<u>Market Cap (\$M)</u>
CKP	retail security system	2-Mar	19.50	25.25	29.5%	995.7
PIR	furnishings retailer	2-Mar	6.63	8.49	28.1%	749.6
USMO	wireless messaging	16-Mar	19.63	26.76	36.3%	731.0
OVTI	image sensor chips	30-Mar	12.96	18.11	39.7%	995.0
PLXS	electronics mfg svcs	20-Apr	19.19	22.99	19.8%	1070.0
XJT	regional airline svcs	27-Apr	5.99	5.98	-0.2%	324.2
ACET	specialty chem dist	4-May	8.23	9.25	12.4%	225.0
ZIPR	real estate broker	25-May	7.66	7.50	-2.1%	168.7
SRT	business mgmt svcs	25-May	10.18	10.79	6.0%	158.9
BDAY	online party supplies	1-Jun	8.86	9.04	2.0%	71.6
STC	title insurance/svcs	1-Jun	41.75	39.83	-4.6%	727.2
RACK	computer storage sys	8-Jun	13.58	12.36	-9.0%	353.8
PDII	drug mktg svcs	8-Jun	9.89	10.26	3.7%	145.4
RADN	satellite data equip	15-Jun	9.66	10.67	10.5%	196.3
PLNR	flat panel displays	29-Jun	7.49	7.49	0.0%	130.7
					Average	12.3%
					Ave Days	64

Cheap Growth

<u>Ticker</u>	<u>Business</u>	<u>Buy Date</u>	<u>Price</u>	<u>Current (06/29/07) Price</u>	<u>% Gain</u>	<u>Market Cap (\$M)</u>
ARII	railcar manufact/svcs	23-Feb	32.10	39.00	21.5%	828.4
HERO	offshore drilling svcs	13-Apr	26.80	32.38	20.8%	1040.0
GIFI	oil rig construction	11-May	33.34	34.70	4.1%	490.8
PSEM	interface/timing ICs	18-May	10.33	11.16	8.0%	290.3
CTHR	moissanite jewelry	29-Jun	4.95	4.95	0.0%	89.3
					Average	13.6%
					Ave Days	74