

Parabolic Stock Picker

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

3.5 YEAR RETURN (+76%) OVER 5x RUSSELL 2000 (+14%)

WEEKLY UPDATE – SEP 26, 2008

HOT PICKS (new Buy signals)

Bargain Bin

- SUP 09/12/08 19.00 aluminum auto wheels**
closing KS plant, cutting 30% of staff; 39% short interest
0.9x book, 3.4% dividend, good cashflow, no debt
- MTSN 09/12/08 5.06 IC processing equipment**
cost saving news this week will cut workforce by 14%
1.8x cash, 1.1x book, good cashflow, no debt
- ESIO 09/12/08 14.59 electronic mfg equipment**
new center in Korea for demonstrating Cignis cutting tool
1.0x book, low 1.3x sales, strong cashflow, no debt
- OVTI 09/19/08 12.52 image sensor chips**
AmTech reiterated Buy rating Sep 12; 25% short interest
18% EG, 2.3x cash, strong cashflow, low debt
- LCAV 09/19/08 5.77 Lasik laser vision centers**
sixth new center this year is 78 total; 34% short interest
1.7x cash, low 5.3 PE, strong cashflow, low debt
- LOJN 09/19/08 7.53 vehicle tracking services**
FCC approval to track missing persons will diversify sales
1.1x book, low 0.6x sales, strong cashflow, low debt
- BBSI 09/26/08 14.68 HR management services**
on Zacks.com *Strong Buy* list this week; 13% 2Q rev growth
17% EG, low 0.5x sales, good cashflow, no debt

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PICKED APPLES (new Hold/Sell signals)

Bargain Bin

- USMO 09/12/08 Hold 13.48**
+66.8%, 119 days; sent strong winning message
- USU 09/12/08 Sell 5.12**
-19.4%, 112 days; nuked again on this stock
- MOH 09/19/08 Sell 35.15**
+41.3%, 84 days; managed a healthy gain here
- EFII 09/19/08 Sell 14.74**
-0.4%, 56 days; weak print on digital svcs firm
- VVI 09/19/08 Hold 30.61**
-2.0%, 42 days; not much to show for this one
- UCTT 09/19/08 Sell 6.17**
-26.2%, 35 days; sub par hit on this component

Cheap Growth

No Sells this week.

HOT PICKS (new Buy signals)

Cheap Growth

- BJRI 09/05/08 11.88 casual restaurant**
Restaurant Mag Top 10 Growth; 20% short sale
26% EG, 1.0 PEG, very strong cashflow, no debt
- CUTR 09/05/08 11.39 aesthetic lasers**
FDA approved Pearl deep dermis laser Aug 27
24% EG, 1.5x cash, very strong cashflow, no debt

Week 09/26	S&P 500 -3.4%	NASDAQ -4.0%	Russell 2000 -6.5%	PSP -7.0%
YTD 2008	PSP -5.2%	Russell 2000 -8.0%	S&P 500 -17.4%	NASDAQ -17.7%
2007	NASDAQ +9.8%	S&P 500 +3.5%	Russell 2000 -2.7%	PSP -4.2%
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

- UCTT 7.27 (09/19) 6.17 (09/26) -15.1%**
Matrix USA downgrade of Hold to Strong Sell
- MTSN 5.68 (09/19) 4.99 (09/26) -12.1%**
hurt by IC sector downgrade, weak tech week
- BCSI 16.90 (09/19) 15.09 (09/26) -10.7%**
Pacific Crest sector downgrade on low demand

TOP PICKS OF THE WEEK

- SUP 19.38 (09/19) 19.97 (09/26) +3.0%**
aluminum wheel maker rare shiny spot this week

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PARABOLIC PORTFOLIO - ACTIVE PICKS (open trades)

Bargain Bin

<u>Ticker</u>	<u>Business</u>	<u>Date</u>	Buy <u>Price</u>	Current (09/26/08) <u>Price</u> <u>% Gain</u>	Market <u>Cap (\$M)</u>
OPLK	optical ntwk systems	23-May-08	10.86	12.98 19.5%	272.0
DSPG	wireless chipsets	18-Jul-08	7.23	7.02 -2.9%	215.0
DSW	footwear retailer	1-Aug-08	13.63	14.93 9.5%	638.9
KCP	clothing designer	8-Aug-08	14.40	15.82 9.9%	287.1
ELMG	wireless comm equip	15-Aug-08	23.90	21.64 -9.5%	367.8
PJC	investment banking	22-Aug-08	33.89	42.10 24.2%	728.7
RIMG	disk duplication equip	22-Aug-08	16.24	15.08 -7.1%	151.7
ANEN	wireless comm equip	29-Aug-08	10.62	10.47 -1.4%	151.2
SUP	aluminum wheels	12-Sep-08	19.00	19.97 5.1%	506.5
MTSN	IC processing equip	12-Sep-08	5.06	4.99 -1.4%	250.3
ESIO	electronic mfg equip	12-Sep-08	14.59	14.75 1.1%	394.3
OVTI	image sensor chips	19-Sep-08	12.52	11.94 -4.6%	642.0
LCAV	laser vision centers	19-Sep-08	5.77	5.37 -6.9%	106.9
LOJN	auto tracking services	19-Sep-08	7.53	6.87 -8.8%	130.7
BBSI	HR mgmt services	26-Sep-08	14.68	14.68 0.0%	157.7
				Average	1.9%
				# Days	36

Cheap Growth

<u>Ticker</u>	<u>Business</u>	<u>Date</u>	Buy <u>Price</u>	Current (09/26/08) <u>Price</u> <u>% Gain</u>	Market <u>Cap (\$M)</u>
KBALB	furn./elec assemblies	25-Jul-08	10.41	11.19 7.5%	389.2
BCSI	ntwk security system	8-Aug-08	16.04	15.09 -5.9%	707.1
HDNG	machine tools	22-Aug-08	16.39	14.06 -14.2%	184.7
BJRI	casual restaurants	5-Sep-08	11.88	13.00 9.4%	313.2
CUTR	aesthetic lasers	5-Sep-08	11.39	11.35 -0.4%	145.6
				Average	-0.7%
				# Days	38