

Parabolic Stock Picker

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

WEEKLY UPDATE – SEP 28, 2007

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HOT PICKS (new Buy signals)

Bargain Bin

- 1. KEM 09/07/07 7.33 electronic capacitors**
purchase of Acrotronics widens product line; strong 1Q08
1.1x book, low debt, 0.9x sales, good cashflow
- 2. ELNK 09/07/07 7.77 Internet services**
good investor response to municipal Wi-fi cutback plans
PC 2.7, low 0.7x sales, strong cashflow, bus svcs gain
- 3. SKX 09/21/07 22.14 footwear designer**
2Q revenue up +20%; just upgraded to Buy at BB&T Capital
PEG 0.8, low 0.8x sales, good cashflow, no debt

Cheap Growth

- 1. KVHI 09/07/07 9.27 satellite/navigation equip**
won King Controls patent suit; military sales add upside
30% EG, 0.6 PEG, 1.7x book, low 1.7x sales, no debt
- 2. OPNT 09/14/07 11.06 network mgmt software**
9/10 broker upgrade to Buy; new \$75M Navy contract
26% EG, 2.0x book, very strong cashflow, no debt
- 3. CUTR 09/14/07 24.32 skin treatment lasers**
2Q07 earnings beat estimates; strong second half guidance
0.8 PEG, 2.8x cash, monster cashflow, no debt

PICKED APPLES (new Hold/Sell signals)

Bargain Bin

- 1. PLNR 09/07/07 Sell 6.31**
-15.8%, 70 days; not reflecting a good outlook
- 2. USMO 09/14/07 Sell 16.08**
-18.1%, 182 days; bad static on wireless trade
- 3. XJT 09/14/07 Sell 3.91**
-34.7%, 140 days; turbulent trading skies here
- 4. BDAY 09/21/07 Sell 9.34**
+5.4%, 112 days; trade nothing to celebrate

Cheap Growth

No Sells this week.

Week 09/28	NASDAQ +1.1%	PSP -0.3%	Russell 2000 -0.9%	SP Small600 -1.1%
YTD 2007	NASDAQ +11.8%	PSP +11.3%	SP Small600 +5.9%	Russell 2000 +2.3%
2006	PSP +49.3%	Russell 2000 +17.0%	SP Small600 +14.1%	NASDAQ +9.5%
2005	PSP +26.5%	SP Small600 +6.7%	Russell 2000 +3.3%	NASDAQ +1.4%

WEAK PICKS OF THE WEEK

- 1. HERO 27.88 (09/21) 26.11 (09/28) -6.3%**
high oil prices still not enough to spark stock
- 2. KVHI 8.95 (09/21) 8.55 (09/28) -4.5%**
satellite maker missing signals again this week
- 3. ZIGO 13.55 (09/21) 13.03 (09/28) -3.8%**
gave back half of last week's +6% gain
- 4. IXYS 10.80 (09/21) 10.43 (09/28) -3.4%**
surprising retreat with semi stocks strong
- 5. ELNK 8.19 (09/21) 7.92 (09/28) -3.3%**
mixed with Disney Mobile shut, Virgin IPO

TOP PICKS OF THE WEEK

- 1. PLXS 25.92 (09/21) 27.40 (09/28) +5.7%**
Malaysian medical device plant got FDA approval
- 2. OVTI 21.70 (09/21) 22.73 (09/28) +4.7%**
image sensor used by Fitivision security cameras
- 3. PDII 9.99 (09/21) 10.38 (09/28) +3.9%**
stock needs marketing help to boost volume
- 4. PSEM 11.37 (09/21) 11.72 (09/28) +3.1%**
4Q07 financial stmt release shows income +44%
- 5. CTHR 3.94 (09/21) 4.03 (09/28) +2.3%**
rare glimmer of hope for jewelry maker

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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 (09/28/07)</u>		<u>Market Cap (\$M)</u>
				<u>Price</u>	<u>% Gain</u>	
OVTI	image sensor chips	30-Mar	12.96	22.73	75.4%	1240.0
PLXS	electronics mfg svcs	20-Apr	19.19	27.40	42.8%	1270.0
ACET	specialty chem dist	4-May	8.23	9.00	9.4%	219.0
SRT	business mgmt svcs	25-May	10.18	10.13	-0.5%	149.2
RACK	computer storage sys	8-Jun	13.58	12.97	-4.5%	380.9
PDII	drug mktg svcs	8-Jun	9.89	10.38	5.0%	147.0
RADN	satellite data equip	15-Jun	9.66	10.56	9.3%	195.1
HTCH	disk drive assemblies	13-Jul	19.11	24.60	28.7%	641.2
ZIGO	optical components	31-Aug	12.85	13.03	1.4%	241.4
KEM	electronic capacitors	7-Sep	7.33	7.35	0.3%	616.9
ELNK	Internet services	7-Sep	7.77	7.92	1.9%	979.4
SKX	footwear designer	21-Sep	22.14	22.10	-0.2%	1010.0
				Average	14.1%	
				Ave Days	99	

Cheap Growth

<u>Ticker</u>	<u>Business</u>	<u>Buy Date</u>	<u>Price</u>	<u>Current (09/28/07)</u>		<u>Market Cap (\$M)</u>
				<u>Price</u>	<u>% Gain</u>	
HERO	offshore drilling svcs	13-Apr	26.80	26.11	-2.6%	2330.0
GIFI	oil rig construction	11-May	33.34	38.39	15.1%	543.9
PSEM	interface/timing ICs	18-May	10.33	11.72	13.5%	304.0
CTHR	moissanite jewelry	29-Jun	4.95	4.03	-18.6%	73.0
IXYS	power mgmt ICs	31-Aug	10.20	10.43	2.3%	338.0
KVHI	satellite/nav. equip	7-Sep	9.27	8.55	-7.8%	128.7
OPNT	network mgmt sftw	14-Sep	11.06	11.60	4.9%	238.8
CUTR	skin treatment lasers	14-Sep	24.32	26.21	7.8%	349.2
				Average	1.8%	
				Ave Days	76	