

Parabolic Stock Picker

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

WEEKLY UPDATE – SEP 29, 2006

HOT PICKS (new Buy signals)

Bargain Bin

1. ISSI 09/01/06 5.31 memory semiconductors
1.7x cash, 20% EG, 1.1x sales (3.3x industry ave)
2. ARBX 09/01/06 5.14 online telco trading xchg
very low 0.3x sales, 2.0x cash, 10% ROE, no debt
3. CAMD 09/01/06 4.52 application specific ICs
PC 2.3, strong cashflow, low 1.4x sales, 18% EG
4. STC 09/15/06 36.08 title insurance/info svcs
2.3x cash, PE 11, 0.3x sales, low debt for industry
5. PLNR 09/15/06 11.23 flat panel displays
strong cashflow, 2.2x cash, 0.4 PEG, no debt
6. ACET 09/15/06 7.24 specialty chemical distrib
PB 1.5, low 0.6x sales, 9% ROE, no debt
7. SRT 09/22/06 12.11 business mgmt services
PB 1.3, low 0.8x sales, 16% EG, no debt, 8.5% div
8. METH 09/22/06 9.06 electric components
strong cashflow, 1.2x book, 1.2 PEG, no debt

Cheap Growth

1. IKAN 09/01/06 13.02 programmable comm ICs
35% EG, PEG 0.6, 3.2x cash, strong cashflow
2. PTC 09/01/06 9.98 hospitality tech systems
PEG 0.6, PB 1.6, low 0.6x sales, 13% ROE
3. EZEM 09/08/06 14.60 GI screening products
25% EG, PEG 0.8, 3.9x cash, 1.2x sales
4. RADN 09/08/06 12.22 satellite video/data equip
PEG 0.8, 22% EG, strong cashflow, 16% ROE
5. KEYW 09/15/06 16.04 signal/image processing
32% EG, 1.6x sales, no debt (11.0 DE industry ave)
6. INSP 09/15/06 22.76 mobile Internet services
PEG 0.7, 20% EG, very strong cashflow, 1.7x cash
7. SFN 09/22/06 7.25 staffing services
1.0x book, low 0.2x sales, PEG 1.0, 20% EG
8. NWRE 09/22/06 13.36 thin client networking
PC 2.4, 25% EG, good cashflow, 18% short interest
9. GGYX 09/22/06 13.20 golf specialty retail
PEG 0.6, 30% EG, no debt (9.5 ind DE), 0.7x sales

Volume 2, No. 9

September 2006

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PICK THAT APPLE (new Hold/Sell signals)

Bargain Bin

1. TWMC 09/01/06 Sell 6.11
+11.7%, 133 days; just missed the high note
2. VNUS 09/08/06 Sell 6.43
-18.1%, 133 days; couldn't cure competition
3. VOXX 09/15/06 Hold 14.67
+14.9%, 112 days; tuned in a decent gain
4. BTN 09/15/06 Hold 4.65
+16.3%, 91 days; projected a winner
5. CALL 09/22/06 Sell 2.77
-21.3%, 56 days; can't connect on this one
6. WSTL 09/22/06 Sell 2.09
-12.9%, 49 days; VZ project disconnected
7. UTSI 09/22/06 Hold 8.57
+14.3%, 70 days; communicated nice gain

Cheap Growth

1. GPX 09/01/06 Sell 7.30
+1.4%, 126 days; couldn't train investors to buy
2. KEYN 09/08/06 Sell 10.35
-3.5%, 63 days; growth slower than expected
3. NVTL 09/15/06 Hold 11.26
+11.8%, 147 days; not the best connection
4. OPMR 09/15/06 Hold 12.39
-13.7%, 49 days; couldn't process a gain
5. MTLG 09/15/06 Sell 18.30
+11.6%, 21 days; scanned a quick win on buyout
6. INSP 09/22/06 Sell 17.54
-22.9%, 7 days; business model in question
7. RIMG 09/22/06 Hold 22.05
-7.4%, 63 days; didn't print a winner here

Sep 2006	NASDAQ +3.4%	S&P 500 +2.5%	Russell 2000 +0.7%	PSP +0.2%
2006 YTD	PSP +18.8%	Russell 2000 +7.8%	S&P 500 +7.0%	NASDAQ +2.4%
2005	PSP +25.8%	Russell 2000 +3.3%	S&P 500 +3.0%	NASDAQ +1.4%

MARKET PICKINGS

Stocks rode a quarter-end bandwagon, with all indices rising this week, despite further signs of economic slowdown. 2Q GDP revised downward to +2.6% (+2.9% estimate) and August personal spending up just +0.1%, lowest monthly gain all year. Investors viewed this as old news, though, focusing on September consumer confidence jump.

NASDAQ had best week (+1.8%) and best month (+3.4%); index solidly back in black for the year. S&P 500 took second place honors for the week, +1.6%, and September; now almost even with Russell 2000 at +7.0% YTD. Small caps lagged behind, with Russell 2000 up +1.0% this week but just +0.7% for the month; +7.8% gain this year.

Parabolic Stock Picker scratched out a meager +0.1% this week, with four stocks up more than +5% (ISSI, METH, AEIS, EZEM) and three down more than -5% (PLAY, SOLD, BCSI). We were barely breakeven in September, +0.2%, but maintained our **strong +18.8% year-to-date return**.

Week of Sep 29 was a welcome breather after a very busy month, with no Hot Picks and no Picked Apples; portfolios are full at 30 stock limit. Our "watch bushel" is also still pretty full, though, so we expect October will be active as well.

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PARABOLIC PORTFOLIO - ACTIVE PICKS (open trades)

Bargain Bin

Ticker	Business	Buy		Current (09/29/06)		Market Cap (\$M)	
		Date	Price	Price	% Gain		
BHIP	direct sales network	23-Jun	4.80	2.60	-45.8%	21.3	
XJT	regional airline svcs	21-Jul	6.57	6.61	0.6%	358.0	
MMS	govt consulting svcs	28-Jul	27.36	26.10	-4.6%	562.0	
SGTL	cons electronic ICs	28-Jul	5.00	4.68	-6.4%	164.8	
PLAY	portable player chips	4-Aug	11.95	11.28	-5.6%	286.6	
BDG	retread tires/equip	18-Aug	35.98	41.04	14.1%	797.8	
ISSI	memory IC chips	1-Sep	5.31	5.57	4.9%	208.8	
ARBX	telco trading xchg	1-Sep	5.14	5.22	1.6%	134.7	
CAMD	app specific ICs	1-Sep	4.52	5.10	12.8%	117.3	
STC	title insurance/svcs	15-Sep	36.08	34.77	-3.6%	633.6	
PLNR	flat-panel displays	15-Sep	11.23	11.35	1.1%	173.1	
ACET	specialty chem dist	15-Sep	7.24	7.04	-2.8%	170.9	
SRT	business mgmt svcs	22-Sep	12.11	12.47	3.0%	183.2	
METH	electric components	22-Sep	9.06	9.51	5.0%	354.7	
					Average Ave Days	-1.8% 45	

Cheap Growth

Ticker	Business	Buy		Current (09/29/06)		Market Cap (\$M)	
		Date	Price	Price	% Gain		
SOLD	online real estate svc	16-Jun	8.92	5.84	-34.5%	152.1	
ACMR	arts/crafts retailer	7-Jul	17.16	19.03	10.9%	377.9	
PSEM	interface/timing ICs	4-Aug	8.82	9.75	10.5%	254.0	
PFCB	Chinese restaurants	18-Aug	36.24	34.71	-4.2%	921.8	
JOSB	men's clothing retail	18-Aug	28.51	29.96	5.1%	539.7	
AEIS	electronic mfg equip	18-Aug	14.24	17.05	19.7%	763.2	
URGI	large women's retail	18-Aug	17.03	18.23	7.0%	246.2	
BCSI	proxy Web appliance	25-Aug	17.10	18.01	5.3%	249.2	
IKAN	programmable ICs	1-Sep	13.02	11.77	-9.6%	321.3	
PTC	hospitality systems	1-Sep	9.98	9.07	-9.1%	128.6	
EZEM	GI medical devices	8-Sep	14.60	15.78	8.1%	171.5	
RADN	satellite data equip	8-Sep	12.22	12.24	0.2%	223.0	
KEYW	signal processing	15-Sep	16.04	17.40	8.5%	377.9	
SFN	staffing services	22-Sep	7.25	7.15	-1.4%	404.1	
NWRE	thin client networking	22-Sep	13.36	13.59	1.7%	271.0	
GGXY	golf specialty retail	22-Sep	13.20	13.00	-1.5%	142.7	
					Average Ave Days	1.0% 42	

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