

Parabolic Stock Picker

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

WEEKLY UPDATE – DEC 28, 2007

HOT PICKS (new Buy signals)

Bargain Bin

- 1. USU 12/14/07 8.96 uranium processing**
Russian import limit less than feared; clarity to boost stock
0.8x book, 1.3x cash, 0.5x sales, 25% short interest
- 2. MKSI 12/21/07 19.02 IC control systems**
Yield Dynamics purchase adds software to sensor products
1.1x book, very strong cashflow, 1.3x sales, no debt
- 3. SYMM 12/21/07 5.25 timing control devices**
named to Deloitte's Wireless Fast50 in 5 yr revenue growth
1.0x book, 1.4x cash, 1.1x sales, strong cashflow
- 4. COHU 12/28/07 15.39 IC test equipment**
semiconductor test equipment sector ripe for consolidation
2.3x cash, 1.6x book, strong cashflow, no debt
- 5. USMO 12/28/07 14.88 wireless messaging**
late exit last time to get dividend; want both on this trade
0.7x book, monster cashflow, 0.7x sales, 17% div yld
- 6. BBSI 12/28/07 18.00 human resources mgmt**
added Phillips Temps, pvt staffing firm; buying back stock
3.4x cash, 0.9x sales, strong cashflow, 17% ROE

Cheap Growth

- 1. ARII 12/14/07 18.99 railcar manufacturer**
down -55% from July high; so Cheap it fits in Bargain Bin
31% EG, 0.4 PEG, 1.4x cash, 0.6x sales, 14% ROE
- 2. WINN 12/21/07 17.59 grocery/food retailer**
emerging from bankruptcy w/ strong mgmt; takeover play
39% EG, 1.0 PEG, 1.1x book, 0.1x sales, low debt
- 3. ZOLL 12/28/07 26.47 resuscitation devices**
Fairfax, VA latest add for emergency tracking swf product
25% EG, 1.0 PEG, 1.4x book, 1.2x sales, no debt

Volume 3, No. 12

December 2007

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PICKED APPLES (new Hold/Sell signals)

Bargain Bin

- 1. ACMR 12/14/07 Sell 12.60**
-23.4%, 28 days; not the season for retailers
- 2. SKX 12/28/07 Sell 19.19**
-13.3%, 98 days; no traction on this shoe stock

Cheap Growth

- 1. HERO 12/07/07 Sell 24.08**
-10.1%, 238 days; no heroics on this weak trade
- 2. KVHI 12/14/07 Sell 8.16**
-12.0%, 98 days; can't track a gain on this stock
- 3. IKAN 12/21/07 Sell 5.25**
-19.2%, 56 days; failure to communicate here

Week 12/28	NASDAQ -0.7%	PSP -1.4%	SP Small600 -1.6%	Russell 2000 -1.8%
YTD 2007	NASDAQ +10.7%	SP Small600 -0.5%	Russell 2000 -2.0%	PSP -3.5%
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. SYMM 5.25 (12/21) 4.74 (12/28) -9.7%**
timing off so far on control device maker
- 2. JAKK 24.97 (12/21) 23.70 (12/28) -5.1%**
investors on worry despite decent Xmas sales
- 3. SKX 20.18 (12/21) 19.19 (12/28) -4.9%**
consumer stocks on markdown again this week

TOP PICKS OF THE WEEK

- 1. PRX 22.30 (12/21) 23.60 (12/28) +5.8%**
healthy response to last week's earnings report
- 2. MKSI 19.02 (12/21) 19.41 (12/28) +2.1%**
instrument maker looks ready for strong reading
- 3. RNWK 6.13 (12/21) 6.22 (12/28) +1.5%**
AMZN download deal boosts online music buzz

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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 (12/28/07) Price</u>	<u>% Gain</u>	<u>Market Cap (\$M)</u>
HTCH	disk drive assemblies	13-Jul	19.11	26.76	40.0%	686.0
RNWK	digital media services	19-Oct	6.50	6.22	-4.3%	896.4
KND	hospital/rehab svcs	2-Nov	20.22	24.85	22.9%	940.8
KCP	clothing designer	9-Nov	18.99	17.85	-6.0%	377.9
AXR	real estate/publishing	16-Nov	35.42	30.03	-15.2%	220.0
JAKK	toy designer/maker	23-Nov	24.28	23.70	-2.4%	712.6
PRX	generic drug maker	23-Nov	18.70	23.60	26.2%	650.8
USU	uranium processing	14-Dec	8.96	9.03	0.8%	989.6
MKSI	IC control systems	21-Dec	19.02	19.41	2.1%	1080.0
SYMM	timing control devices	21-Dec	5.25	4.74	-9.7%	241.4
COHU	IC test equipment	28-Dec	15.39	15.39	0.0%	354.0
USMO	wireless messaging	28-Dec	14.88	14.88	0.0%	406.0
BBSI	HR mgmt services	28-Dec	18.00	18.00	0.0%	203.0
					Average	5.4%
					Ave Days	48

Cheap Growth

<u>Ticker</u>	<u>Business</u>	<u>Buy Date</u>	<u>Price</u>	<u>Current (12/28/07) Price</u>	<u>% Gain</u>	<u>Market Cap (\$M)</u>
ARII	railcar manufacturer	14-Dec	18.99	20.34	7.1%	404.5
WINN	food retailer	21-Dec	17.59	16.79	-4.5%	948.1
ZOLL	resuscitation devices	28-Dec	26.47	26.47	0.0%	542.1
					Average	1.3%
					Ave Days	11