

Erlanger Squeeze Play Newsletter

May, 2005

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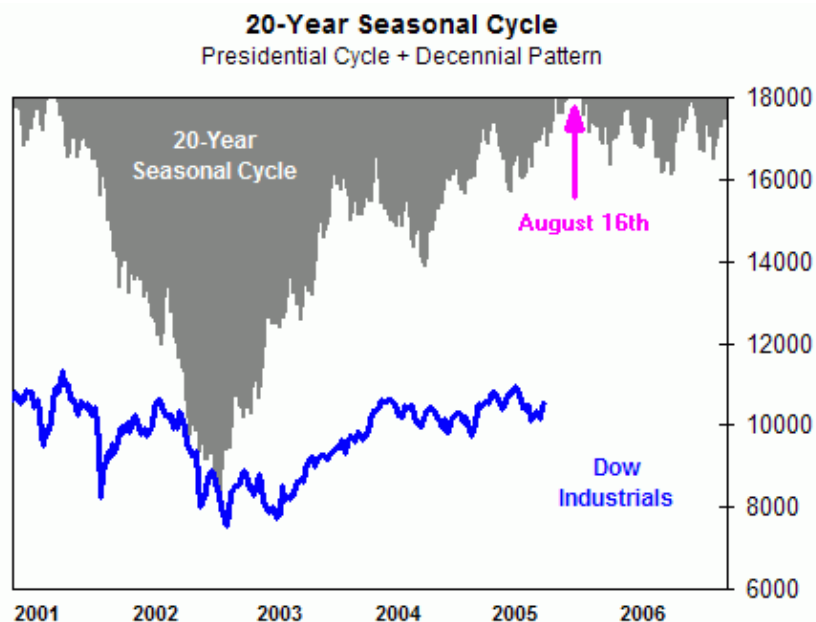
Meat on the Bone

The markets are recovering, but is there still meat on the bone for the bulls?

So far, we have pretty much got what we asked for: easing energy prices, higher stock prices from an April 15th low, elevated short selling... even upside participation by technology stocks. So now we must analyze what remains in this "positive cycle." Is there truly anything left on the bone for the bulls?

To answer this question, we consider factors of price action, sentiment and seasonality (this should not exactly be a surprise to our seasoned readers.)

The seasonal cycles pinpointed the April 15th low. Now we must use them to gauge when seasonality reverts to a negative phase:



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The above is a partial view of our 20-year seasonal pattern, a conglomeration of the decennial pattern and the Presidential cycle. It shows a broad peak around August 16th, 2005. This is not only a peak for the period since April 15th, but represents the beginning of an extended negative phase that ends in October of 2006. Given that the 5th year of the decade is usually the strongest of the decade, we have to consider the action so far to be a disappointment in terms of its magnitude. That said, the action so far has been constructive, especially for secondary and tertiary stocks:



Small and mid cap stocks have done well since April 15th, but the annual seasonal cycle in the above chart suggests that the easy money has been made. After this week, the first of three peaks occurs over as many months, with the last in August (see arrows in above chart.)

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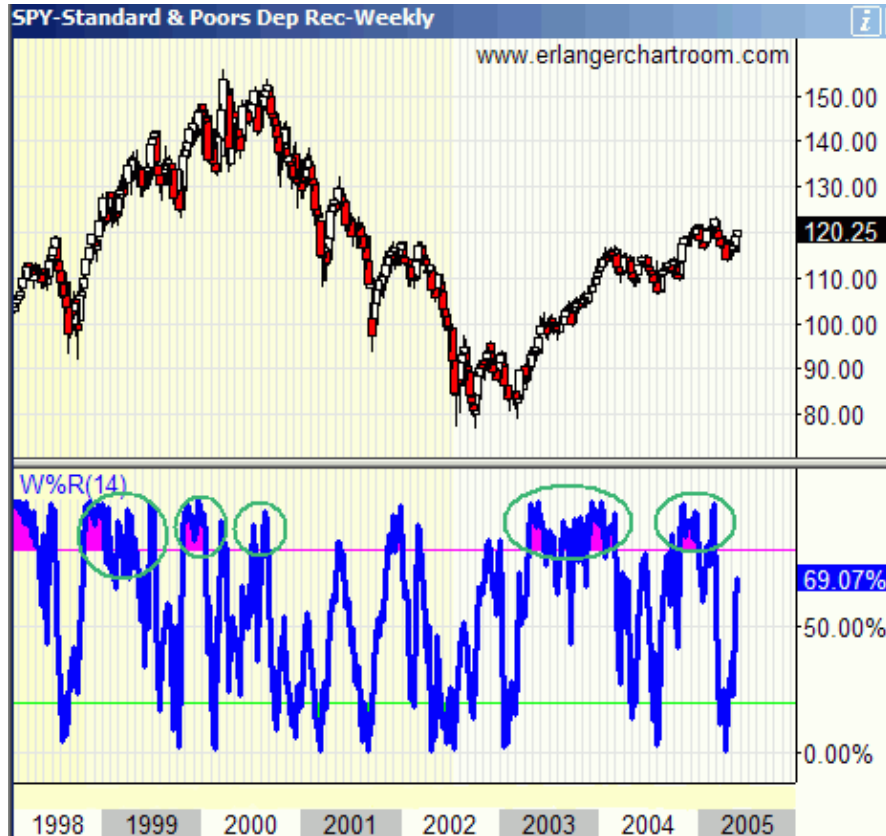


The NASDAQ 100 index has shot up like a Roman candle in close correlation to its seasonal cycle ($r = 0.69$), but there are also peaks in June and July, with a secondary peak in August.



For the Dow, the June through August is a seasonal plateau, with a falling over the cliff pattern in late August.

At the least there is likely to be more volatility in stock prices as the calendar passes through these seasonal dips and rallies. The question is, will stock prices be higher by the third peak in August, or has the advance in general run its course? One area to look at is price action:



In the above weekly chart, we see the S&P 500 ETF with its %Range indicator. %R is a momentum oscillator that measures overbought/oversold levels by tracking price as a percentage of its recent range. Readings in the range of 20 to 0% indicate that a security is oversold while readings in the 80 to 100% range suggest that it is overbought. Divergences with price often precede trend changes. It is not unusual for overbought/oversold indicators to remain in an overbought/oversold condition for a long time period as the security's price continues to trend. Up to the peak in 2000, the overbought extremes (see circles) became briefer and briefer as the top approached. Currently, there have been two previous periods of extreme, a long one in 2003 and a shorter one in 2004. The current action have not achieved overbought on a weekly basis, so the broader market as measure by the S&P 500 certainly has more to go. *It will be important to observe the sustainability of any forthcoming overbought extremes.*

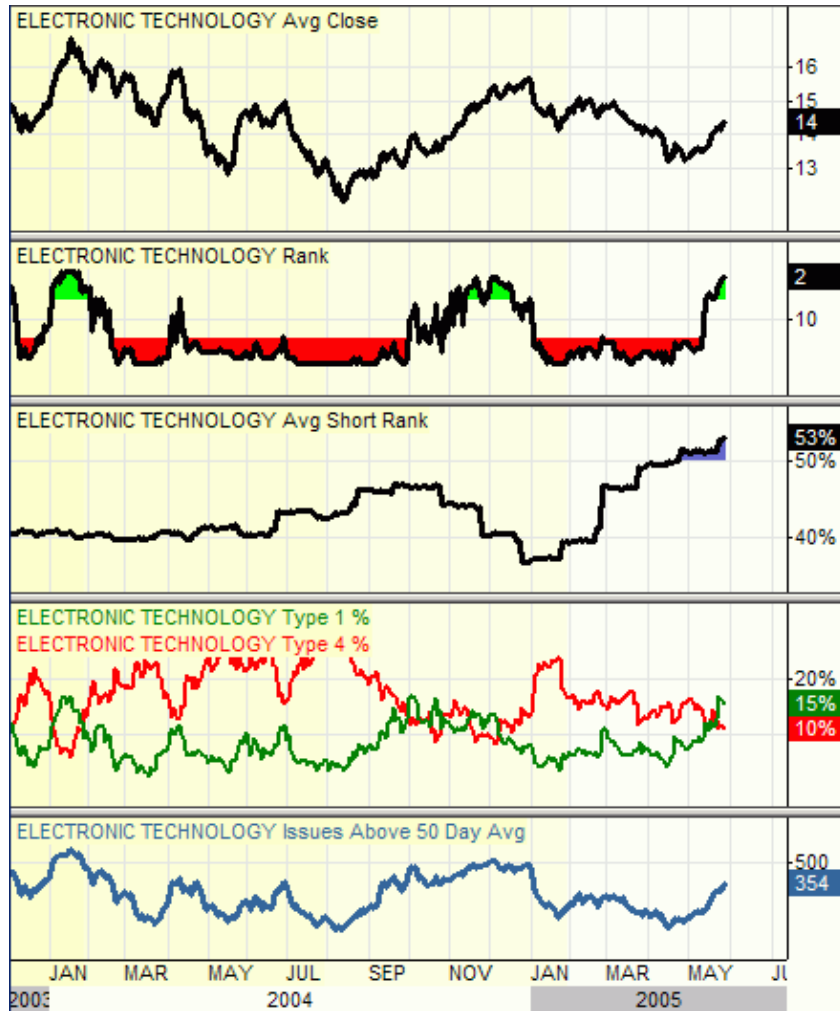


The NASDAQ 100 has quickly moved to an extreme %R reading. This is a sign that it is a stronger market, but we have to take into consideration that the last extreme (2004) was much briefer than that of 2003 (see circles.) The longer the %R can stay above the %R level of 80%, the better.

The Meatiest Sectors

The sentiment picture is what really suggests that there is more meat on the bone for the bulls. Momentum indicators are lagging indicators, but sentiment indicators uncover who is in pain by the price action, and to what extent they need to act to remove that pain. Short interest has been hitting records of late, but the true test of elevated short intensity is in our normalized short rankings:

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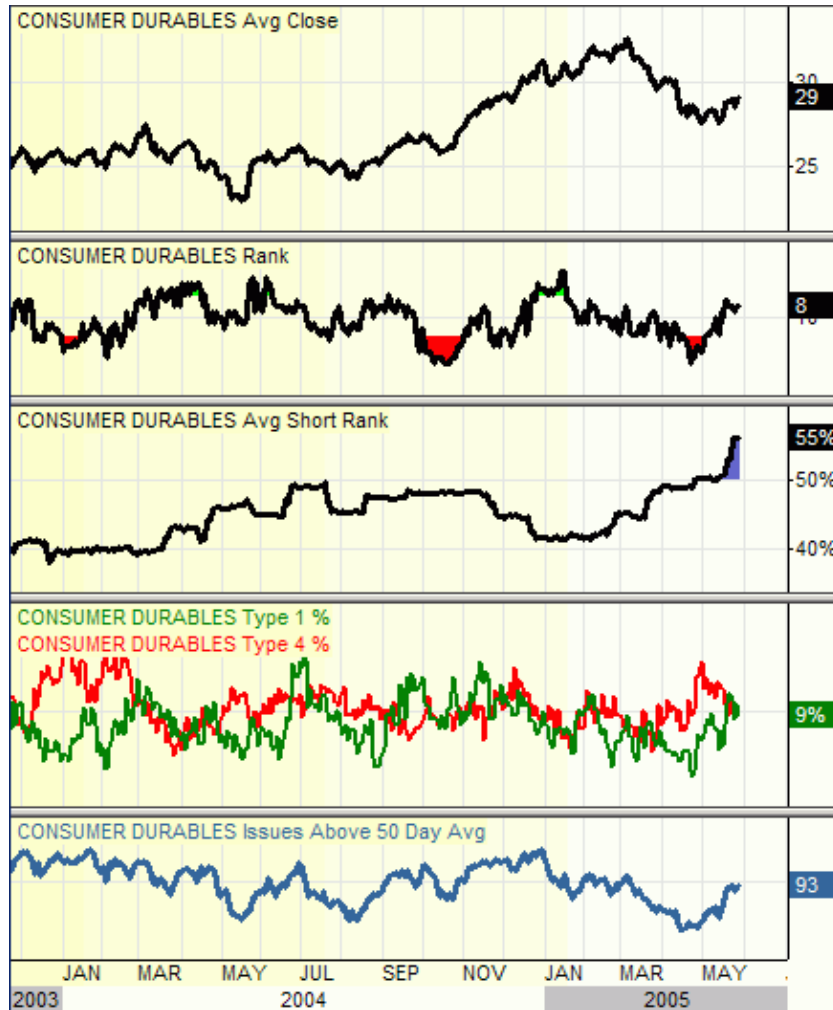
In the chart above, the electronic technology sector is coming alive as issues above their 50–day average have increased substantially. The average short intensity has soared to 53%. The average short intensity rank is a non cap weighted measure — therefore, its elevated level tells us that short selling is widespread. The percentage of issues that are Type 1 short squeezes (15%) now outnumber those that are Type 4 long squeezes (10%.) This is a positive change. If the Type 1 percentage can surpass 20%, higher prices are inevitable as the pain of being short will spur short covering (i.e. buying.)

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Symbol	Issue	Price 05/27/05	Power Rank	Tech Rank	Short Rank	Short Ratio
CKCM	Click Commerce Inc	\$22.77	100%	100%	100%	2.95
MDRX	Allscripts Healthcare Solution	\$16.40	100%	100%	99%	12.79
MSCC	Microsemi Corp	\$20.07	100%	100%	100%	6.48
TXCC	Transwitch Corp	\$1.95	100%	100%	100%	15.01
RTI	Rti Internat Metal Inc	\$27.45	100%	100%	100%	11.09
TRID	Trident Microsystems Inc	\$21.36	100%	100%	100%	8.44
SIRF	Sirf Tech Holdgs Inc	\$13.99	100%	100%	100%	4.61
ENWV	Endwave Corporation	\$34.53	100%	100%	100%	10.90
DIOD	Diodes Inc	\$33.51	100%	100%	100%	9.22
PLXS	Plexus Corp	\$13.53	100%	100%	99%	8.59
KTCC	Key Tronics Corp	\$3.77	100%	100%	100%	1.50
HDTV	Spatialight Inc	\$5.75	98%	100%	95%	12.79
TRMB	Trimble Navigation Ltd	\$41.03	97%	100%	92%	7.93
CRUS	Cirrus Logic Inc	\$5.21	97%	100%	92%	4.00
COI	Cogent Communications Group Inc	\$24.00	96%	100%	87%	8.40
SBAC	Sba Communications Corp	\$11.22	96%	100%	88%	4.35
IRF	Internat Rectifier Corp	\$48.24	94%	100%	81%	4.19
ORCT	Orckit Communication Ltd	\$23.49	93%	90%	98%	3.10
KOPN	Kopin Corp	\$3.89	93%	100%	78%	4.33
PLAB	Photronics Inc	\$23.62	93%	100%	79%	5.47
UTEK	Ultratech Inc	\$17.59	91%	90%	94%	6.56
IMA	Inverness Medical Tchnlg	\$27.96	91%	90%	93%	14.47
COHU	Cohu Inc	\$19.35	91%	100%	73%	3.99
STMP	Stamps.com Inc	\$21.80	90%	90%	89%	7.78
MCRL	Micrel Inc	\$11.37	89%	100%	66%	4.51
AWRE	Aware Inc	\$6.10	89%	100%	68%	10.73
RHAT	Red Hat Inc	\$13.00	89%	100%	68%	4.55
WEBX	Webex Communications	\$26.23	88%	100%	64%	4.81
WDC	Western Digital Corp	\$14.94	88%	90%	85%	5.77
NTGR	Netgear	\$18.92	87%	100%	62%	7.17

The above table shows the top 30 electronic technology issues that are Type 1 short squeezes. *Bon appetite!*

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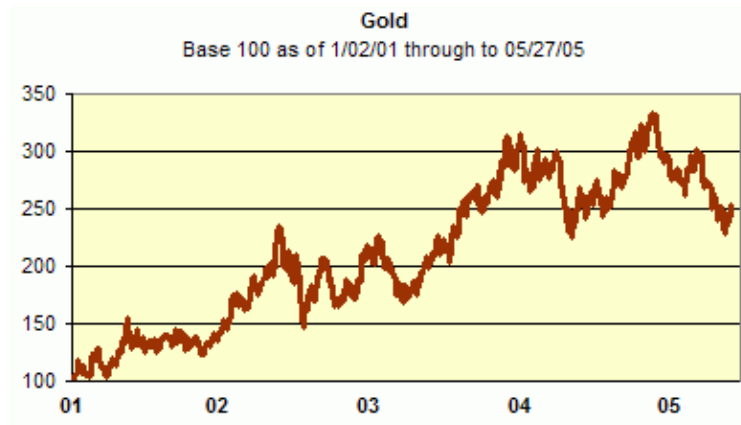
Perhaps the most reviled sector has been consumer durables. Yet our sector rank has risen from the pits to a respectable 8 out of 18 sectors. Consumer durable issues above their 50–day average has risen noticeable, a move that coincided with a surge in short selling. Shorting in the face of strength is a bullish phenomenon, one that often leads to higher stock prices.

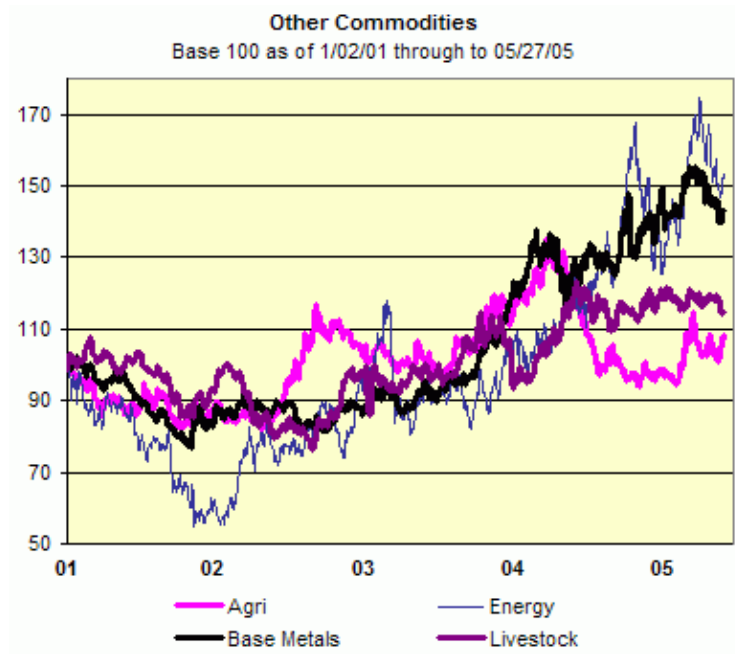
Symbol	Issue	Price 05/27/05	Power Rank	Tech Rank	Short Rank	Short Ratio
WHR	Whirlpool Corp	\$69.06	80%	70%	100%	8.42
RYL	Ryland Group Inc. The	\$68.55	69%	70%	67%	4.09
KBH	Kb Home	\$66.26	90%	100%	70%	3.99
CTX	Centex Corp	\$64.75	75%	70%	85%	4.63
HOV	Hovnanian Enterprises A	\$61.07	87%	100%	60%	5.58
LKQX	Lkq Corporation	\$24.90	92%	90%	97%	7.34
OHB	Orleans Homebuilders Inc	\$22.53	91%	100%	73%	8.75
CTHR	Charles & Colvard Ltd	\$20.00	86%	90%	78%	7.65
IPAR	Inter Parfums Inc	\$18.26	100%	100%	100%	8.04
MNC	Monaco Coach Corp	\$16.55	75%	70%	85%	8.80
OO	Oakley Inc	\$14.68	90%	90%	89%	8.51
MYG	Maytag Corp	\$14.49	72%	70%	76%	12.93
FLE	Fleetwood Enterprises	\$9.49	73%	70%	78%	22.26
NAVR	Navarre Corp	\$8.90	80%	70%	99%	11.29
RGR	Sturm Ruger & Co Inc	\$8.05	80%	70%	100%	11.95
PWEI	Pw Eagle Inc	\$6.20	100%	100%	100%	5.75

The above table shows the Type 1 consumer durable short squeezes. Homebuilders, washing machines and RVs seem to be on the bear's menu, but we think they will be forced into hibernation before prices peak.

Update on Gold and Other Commodities

Last month we contemplated a move of the gold index to the \$70, which it did this past month. It has bounced off this level, and likely will test \$80 as resistance. We believe the overhead resistance is formidable, and recommend no positions in gold at this time:





Energy and base metals are pulling back from decade highs, while livestock has maintained high levels. Agricultural commodities are grinding higher.



Light Sweet Crude pulled back below \$50, but rallied again to the \$52 level. We suspect that crude will vacillate roughly in the \$48 to \$52 range as it more clearly defines support and resistance. Major support lies at \$40 — should this level be tested, stocks in general could get an extra boost.

Sectors and Groups

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SECTORS	SectorRank ▲	Tech Rank	AvgShortRank (M)
Retail	1	49	52.67
Electronic Technology	2	47	53.00
Technology Services	3	48	51.43
Health Services	4	50	45.62
Health Technology	5	48	48.98
Consumer Services	6	46	49.31
Producer Manufacturing	7	44	52.39
Consumer Durables	8	41	55.99
Finance	9	42	53.39
Commercial Services	10	40	55.05
Utilities	11	44	45.86
Industrial Services	12	44	45.35
Transportation	13	41	49.29
Energy Minerals	14	44	41.82
Consumer Non-Durables	15	40	47.27
Miscellaneous	16	45	34.59
Process Industries	17	37	49.08
Non-Energy Minerals	18	32	43.43

We can no longer say that technology is "weak despite elevated short selling." We now say that technology is strong, most likely due to the elevated short selling. Our favorites are technology, consumer durables and finance because they are less extended but have power short squeezes underway.

GROUPS	GroupRank ▲	SectorRank	AvgTechRank	AvgShortRank
Water Supply	1	11	53	78
Homebuilding	2	8	63	55
Semiconductors	3	2	61	54
Clothing/Shoe/Accessory Chains	4	1	61	55
Rental/Leasing Companies	5	9	53	63
Drug Store Chains	6	1	63	43
Department Stores	7	1	60	46
Life Insurance	8	9	48	70
Casinos/Gambling	9	6	55	57
Fluid Controls	10	7	52	61
Specialty Insurers	11	9	51	64
Meat/Poultry/Fish	12	15	54	56
Hospital Management	13	4	56	51
Accident & Health Insurance	14	9	49	66
Medical/Dental Distributors	15	4	48	67
Insurance Brokers/Services	16	9	48	66
Multi-Line Insurance	17	9	59	41
Electronic Production Equipment	18	2	48	61
REITs	19	9	46	65
Aerospace	20	2	51	56

There are a number of technology, consumer durable and finance groups in the top 20. Retail is also well represented.

GROUPS	GroupRank ▾	SectorRank	AvgTechRank	AvgShortRank
Specialty Steels	139	18	17	34
Photographic Products	138	8	10	48
Steel/Iron Ore	137	18	23	30
Paper	136	17	21	46
Aluminum	135	18	10	70
Diversified Electronic Products	134	2	31	33
Non-U.S. Banks	133	9	34	29
Major Chemicals	132	17	29	42
Coal Mining	131	14	38	28
Tobacco	130	15	31	46
Home Furnishings	129	8	25	59
Precious Metals	128	18	34	42
Railroads	127	13	39	32
Containers: Packaging	126	17	34	43
Diversified Financial Services	125	9	45	21
Computer/Video Chains	124	1	42	29
Cellular Telephone	123	11	38	37
Non-U.S. Utilities	122	11	46	22
Automobiles	121	8	29	55
Building Materials	120	18	42	29

Basic metals aren't doing well, along with precious metals, railroads and cellular telephones.

Bottom Line Strategies

We anticipate the second quarter rally could spill over into the third quarter, primarily because the bears are the most at risk in this market. Until they capitulate, prices will improve, but seasonal factors have us looking only as far as August. We will look for pullbacks to further populate our various portfolios as we observe more squeeze plays unfolding.

For those seeking income from their investments, call writing has been a lucrative alternative to unhedged long positions this year. We would tend to wait until Q3 to establish new call writes against existing stock positions.

We recommend no positions in gold or precious metal issues at this time.

Hedged portfolio trading is a great way to deploy assets when the risks in the market are high. Our short and long squeeze screens are useful in making selections (they have performed very well in this churning market), as is the table below that ranks the recently updated *Business Week's* top 100 growth companies.

Our Take on *Business Week's* 100 Hot Growth Companies

In the June 6th 2005 issue, *Business Week* published their Annual Hot Growth Companies issue, in which they track what they believe are the 100 best stocks from a growth standpoint. Each month we dig into current names that can be acted on from the long and short side. Before doing so, we thought it would be useful to provide another quick summary of what constitutes hot growth before we review this month's actionable names.

Hot growth is described as fundamental performances with stellar three-year results in sales growth, earnings growth, and return on invested capital. The average return on capital for the 2002 Hot Growth 100 Universe wasn't bad two years later. 81 out of the 100 names of two years ago posted positive total returns for the last two years. The average return was 47%, vs. 31% for the S&P 500 Index, according to *Business Week*.

We have published the current companies in terms of our power, technical and short ranks. In addition, we highlight the short ratio, type classification, group rank, group name, and market cap. We endeavor to highlight several of these stocks each month as potential longs and shorts for our model portfolio. As stocks are added to the model portfolio, we will note if these names are on the Business Week Hot Growth Companies List.

Highlighted below are two attractive Type 1, Short Squeezes:

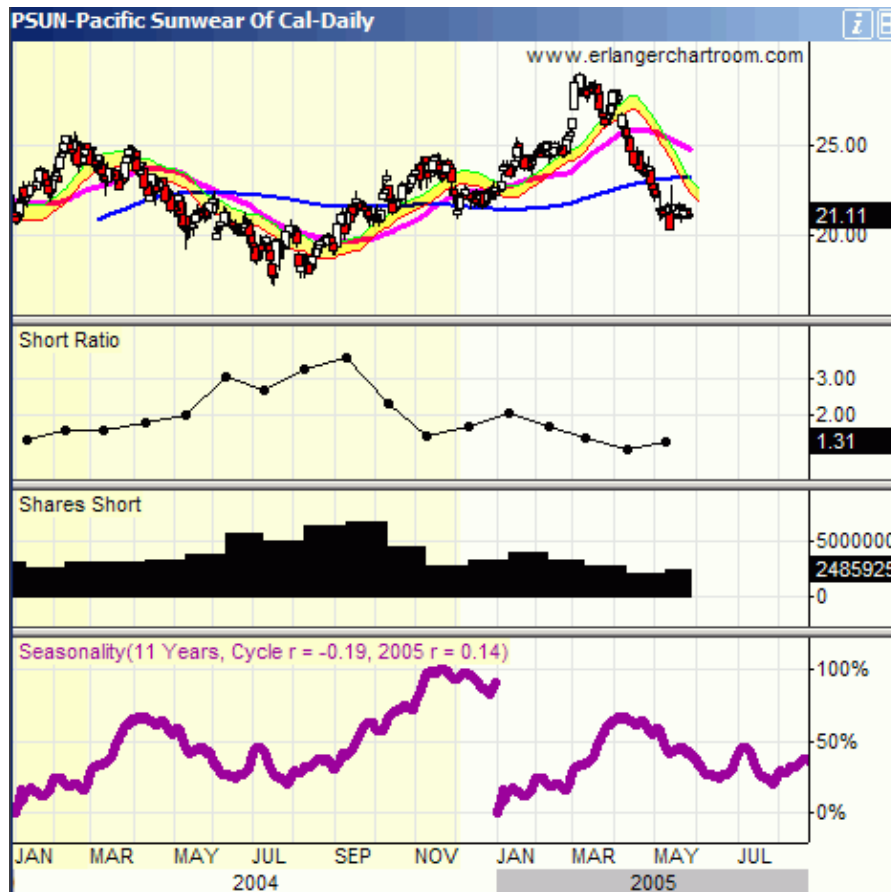


DIOD – (Diodes Inc.) engages in the manufacture, sale, and distribution of discrete semiconductors, primarily to manufacturers in the communications, computing, industrial, consumer electronics, and automotive markets, as well as to distributors of electronic components to end customers in these markets. Seasonality is strong into the month of July, and price action is well ahead of this market. Short selling is massive.



SGK – (Schawk Inc.) Schawk, Inc. provides digital imaging graphic services for the consumer products industry worldwide. It offers conventional, electronic, and desktop color separations; creative design; art production; electronic retouching; conventional and digital plate making; and digital press proofs. The company provides these services for the three main printing processes used in the graphic arts industry: lithography, flexography, and gravure. Seasonality is strong into the month of August, and price action is on a breakout. Short selling is massive with a short ratio over 16 times average daily volume. It would be nice if price pulled back to the \$21 area, but the preponderance of bears in pain make us believe the path of least resistance is up!

Highlighted below is one interesting Type 4, Long Squeeze:



PSUN – (Pacific Sunwear) Pacific Sunwear of California, Inc. and its wholly owned subsidiaries is a specialty retailer of everyday casual apparel, accessories and footwear designed to meet the needs of active teens and young adults. Seasonality is weak through the month of July, and price has broken down. A test approaching \$25 as resistance would be a logical place to add to short positions. Short selling is light.

We update *our* rankings on these issues for you on a monthly basis.

As a review, here are brief definitions of the Erlanger Ranks that we list in our table of Business Week's 100 Hot Growth Companies:

Power Rank: *On a scale from 0% to 100%, the higher the Power Rank, the stronger a stock's relative strength pattern is and the greater the short selling is, constituting a potential for a short squeeze. The lower the Power Rank, the weaker the stock's relative price action is, and the fewer shorts (or greater amount of bulls), which is a potential for a long squeeze. This table is sorted by the Power Rank (best to worst.)*

Short Ratio: *This measure is a ratio of the current shares short divided by average daily volume. Our measure averages daily volume over the latest 12 months of trading, yielding a truer measure of short selling, especially for lower capitalized issues such as the ones in this table.*

Type Classification: *A Type 1 is a "short squeeze" (we like to buy these). A Type 2 is a strong stock with little short selling, and therefore its "strength is recognized" (we like to hold these). A Type 3 is a weak stock with lots of short interest, and therefore its "weakness is recognized" (we like to avoid these). A Type 4 is a "long squeeze" (we like to short these.)*

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Group Rank: Currently we track 139 industry groups. We calculate the Power Rank for each component issue for each group and average them to get the average Power Rank of the issues in each group. We sort from strongest Power Rank to weakest, giving a rank of 1 to the strongest and 139 to the weakest.

Option Rank: We combine various options series into one normalized index to get an overall picture of sentiment derived from options trading. We call it the Trading Index. Its purpose is to highlight the sentiment of equity options traders and at the same time reflect the momentum of sentiment. The trading index is on a 0% to 100% scale. One hundred percent (100%) reflects extreme dominance of put activity over call activity, and therefore represents an excess of bearish sentiment. Zero percent (0%) reflects extreme dominance of call activity over put activity, and represents an excess of bullish sentiment.

Symbol	Issue	Price 05/27/05	Power Rank	Tech Rank	Short Rank	Short Ratio	Type	Group Rank	Group	Option Rank
DIOD	Diodes Inc	\$33.51	100%	100%	100%	9.22	1	3	Semiconductors	
SGK	Schawk Inc	\$23.64	100%	100%	99%	16.64	1	96	Industrial Specialties	
TRMB	Trimble Navigation Ltd	\$41.03	97%	100%	92%	7.93	1	69	Precision Instruments	11.43
QSII	Quality Systems Inc	\$60.17	96%	100%	87%	9.88	1	49	Health Industry Services	
JOSB	Jos A Bank Clothiers	\$40.06	88%	100%	63%	10.26	1	4	Clothing/Shoe/Accessory Chains	75.44
NTGR	Netgear	\$18.92	87%	100%	62%	7.17	1	65	Telecommunications Equip.	
CWTR	Coldwater Creek Inc	\$23.00	86%	100%	59%	8.41		22	Catalog/Specialty Chains	58.22
PRSC	Providence Service Corp The	\$25.02	85%	80%	94%	2.83	1	74	Other Consumer Services	
ALTR	Altera Corp	\$22.26	84%	90%	72%	2.10	1	3	Semiconductors	10.50
SSNC	SsCTechnologies Inc	\$29.78	84%	90%	73%	3.58	1	40	Computer Software	54.94
SRX	Sra Intl Inc	\$67.50	83%	80%	89%	8.35	1	30	E.D.P. Services	49.32
ANSI	Advanced Neuromo Systems	\$35.99	80%	100%	41%	7.36		61	Medical Specialties	12.77
SFCC	Sfbc International Inc	\$35.98	80%	70%	100%	7.64	1	28	Biotechnology	41.21
TALX	Talx Corporation	\$28.32	80%	90%	59%	7.31		30	E.D.P. Services	68.25
FORM	Formfactor Inc	\$26.06	79%	90%	56%	6.74		31	Internet	
LSCP	Laserscope	\$34.76	79%	90%	56%	6.69		24	Medical Electronics	33.65
MCRS	Micros System Inc	\$44.77	79%	90%	56%	4.28		73	Office Equipment/Supplies	76.48
VSEC	Vse Corp	\$35.80	78%	100%	33%	.22		66	Military/Government/Technical	
RNT	Aaron Rents Inc	\$22.80	77%	90%	50%	7.75		5	Rental/Leasing Companies	
SSYS	Stratasys Inc	\$31.59	77%	70%	90%	11.58	1	31	Internet	63.45
URBN		\$54.16	77%	100%	32%	3.20		4		78.21

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	Urban Outfitters Inc								Clothing/Shoe/Accessory Chains	
HANS	Hansen Natural Corp	\$71.10	76%	90%	49%	4.63		119	Soft Drinks	
PIXR	Pixar	\$52.54	74%	90%	41%	6.22		108	Movies/Entertainment	2.12
ANT	Anteon Intl Corp	\$44.11	73%	60%	100%	6.26		30	E.D.P. Services	
RELV	Reliv International Inc	\$10.52	73%	60%	100%	6.84		80	Specialty Foods/Candy	
RRGB	Red Robin Gourmet	\$54.90	73%	60%	100%	16.73		21	Restaurants	70.53
WLDA	World Airways Inc	\$8.50	73%	100%	18%	.30	2	39	Airlines	
AVID	Avid Technology Inc	\$58.88	71%	70%	72%	6.21	1	52	E.D.P. Peripherals	69.11
PNRA	Panera Bread Co Cl A	\$62.52	71%	100%	12%	6.38		21	Restaurants	
ADSK	Autodesk Inc	\$38.15	70%	90%	29%	1.29	2	40	Computer Software	65.31
MOVI	Movie Gallery Inc	\$31.84	70%	90%	29%	10.80		124	Computer/Video Chains	34.31
AVL	Aviall Inc	\$30.50	69%	80%	48%	4.30		20	Aerospace	83.03
CHS	Chico's Fas Inc	\$33.85	69%	100%	7%	10.47		86	Apparel	33.28
CTSH	Cognizant Tech Sol Cp A	\$47.38	67%	80%	40%	2.93		30	E.D.P. Services	
CLE	Claire's Stores Inc	\$23.51	66%	80%	38%	2.35		4	Clothing/Shoe/Accessory Chains	33.36
BRLI	Bio-Reference Labs Inc	\$14.45	65%	50%	94%	5.72		49	Health Industry Services	81.35
XEC	Cimarex Energy Inc	\$37.90	65%	50%	94%	19.42		92	Oil & Gas Production	81.50
CAE	Cascade Corp	\$34.55	64%	50%	92%	5.61		94	Construction/Ag Equip/Trucks	
PRAA	Portfolio Recovery Assoc	\$38.98	64%	70%	52%	11.14		88	Financial Publishing/Services	86.50
VIVO	Meridian Bioscience Inc	\$18.24	64%	90%	13%	1.39	2	61	Medical Specialties	
FINL	Finish Line Inc Cl A	\$20.53	63%	50%	88%	3.91		4	Clothing/Shoe/Accessory Chains	100.00
ZQK	Quiksilver Inc	\$15.68	61%	50%	84%	6.32		86	Apparel	78.38
TDY	Teledyne Technologies	\$31.00	58%	50%	74%	4.38		79	Diversified Commercial Services	68.85
EAC	Encore Acquisition	\$37.52	57%	50%	71%	8.08		92	Oil & Gas Production	
REM	Remington Oil Corp B	\$31.21	57%	50%	70%	7.26		92	Oil & Gas Production	.00
NTAP		\$28.94	54%	50%	62%	3.51		52	E.D.P. Peripherals	59.98

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	Network Appliance Inc									
WBSN	Websense Incorporated	\$54.09	53%	50%	59%	4.79		31	Internet	94.50
AMHC	American Healthways Inc	\$40.08	48%	60%	23%	11.83		95	Medical/Nursing Services	71.34
SM	Saint Mary Land & Explor	\$26.18	48%	70%	5%	6.11		61	Medical Specialties	70.12
ARO	Aeropostale Inc	\$27.32	47%	20%	100%	4.23	3	4	Clothing/Shoe/Accessory Chains	81.54
LEIX	Lowrance Electronics Inc	\$23.15	47%	20%	100%	11.45	3	99	Consumer Electronic/Appliances	
ACO	Amcol International Corp	\$19.48	46%	20%	97%	6.22	3	102	Other Metals/Minerals	55.75
ASVI	A.S.V. Inc	\$35.99	46%	20%	98%	9.75	3	94	Construction/Ag Equip/Trucks	
VMSI	Ventana Medical Systems	\$41.86	46%	60%	17%	12.53		61	Medical Specialties	100.00
ARLP	Alliance Rsrce Partners	\$71.11	43%	50%	29%	1.57		102	Other Metals/Minerals	56.47
USNA	Usana Health Science Inc	\$44.00	41%	50%	24%	6.82		78	Packaged Goods/Cosmetics	
PMTI	Palomar Medical Tech	\$22.63	40%	10%	99%	13.85	3	47	Electronic Components	51.25
LOJN	Lo-jack Corp	\$14.78	39%	40%	37%	1.15		99	Consumer Electronic/Appliances	100.00
BSTE	Biosite Inc	\$58.99	38%	40%	33%	13.28		61	Medical Specialties	58.33
EASI	Engineered Support Sys	\$38.39	38%	50%	13%	2.03		66	Military/Government/Technical	.00
MMLP	Martin Midstream Partners Lp	\$31.43	38%	50%	15%	.94		105	Mutual Funds	
AVD	American Vanguard Corp	\$17.18	37%	10%	92%	29.07	3	90	Agricultural Chemicals	
MMP	Magellan Midstreams Ptnrs Lp	\$31.65	37%	50%	11%	.71		28	Biotechnology	.00
IMDC	Inamed Corporation	\$62.75	36%	20%	68%	3.53	3	84	Miscellaneous	32.39
KSWS	K-Swiss Inc Cl A	\$31.79	34%	30%	41%	4.20		98	Shoe Manufacturing	83.25
RMD	Resmed Inc	\$63.10	29%	40%	8%	7.49		61	Medical Specialties	14.26
KRON	Kronos Inc	\$44.50	28%	20%	45%	4.38		31	Internet	49.95
NCI	Navigant Consulting Inc	\$22.56	27%	10%	60%	8.84	3	79	Diversified Commercial Services	100.00

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BRY	Berry Petroleum Co Cl A	\$45.83	26%	20%	37%	4.62		92	Oil & Gas Production	91.09
SGDE	Sportsman`s Guide Inc	\$16.83	26%	30%	18%	.59	4	22	Catalog/Specialty Chains	
AH	Armor Holdings Inc	\$37.75	25%	20%	35%	4.19		96	Industrial Specialties	60.76
SYNA	Synaptics Inc	\$19.69	24%	20%	32%	3.55		30	E.D.P. Services	66.72
CRDN	Ceradyne Inc	\$22.85	23%	20%	29%	2.81	4	96	Industrial Specialties	40.47
FLIR	Flir Systems Inc	\$26.28	23%	20%	30%	4.38		66	Military/Government/Technical	91.49
MTEX	Mannatech Inc	\$15.61	23%	10%	48%	9.30		61	Medical Specialties	
ATVI	Activision Inc	\$15.38	18%	20%	14%	1.33	4	89	Recreational Products/Toys	76.61
FRD	Friedman Industries Inc	\$7.54	16%	20%	9%	.19	4	112	Metal Fabrications	
TWP	Trex Co Inc	\$38.46	16%	10%	27%	9.75		120	Building Materials	69.72
CAW	Cca Industries Inc	\$9.87	15%	10%	26%	.24	4	78	Packaged Goods/Cosmetics	
COO	Cooper Companies Inc	\$65.25	14%	20%	1%	2.91	4	61	Medical Specialties	83.45
CEDC	Central European Dist	\$32.35	12%	10%	17%	7.41		115	Alcoholic Beverages	75.41
PSUN	Pacific Sunwear Of Cal	\$21.11	11%	10%	12%	1.31	4	4	Clothing/Shoe/Accessory Chains	76.98

Regards,

Philip B. Erlanger, CMT

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