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SMALLCAP		3/6/2008
Symbol	Sector	Quant
BEST		Rating
CHTT	Healthcare	110
HAE	Healthcare	110
CF	Basic Materials	105
CMP	Basic Materials	105
HK	Basic Materials	105
HOS	Services	100
HUBG	Transportation	100
PRGO	Healthcare	100
RS	Industrial Goods	100
BKE	Services	95
CENX	Basic Materials	95
CRZO	Basic Materials	95
EXAC	Healthcare	95
FCN	Services	95
OTEX	Technology	95
PCLN	Technology	95
PETD	Basic Materials	95
PQ	Basic Materials	95
VIVO	Healthcare	95
WORST		Rating
ATML	Technology	15
DSCM	Technology	15
EFJI	Technology	15
KOPN	Technology	15
KTOS	Technology	15
LEV	Financial	15
NANO	Technology	15
RDWR	Technology	15
SA	Basic Materials	15
WEDC	Technology	15

General Notes: R2K volumes are rising versus early February, as the R2K aims to test the January low. Basics still have the highest scores while Tech & Financials remain weakest. Healthcare is stock-by-stock. Seasonality tailwinds for biotech disappear by mid March. The [IndexMetrix Specialty Apparel Retail Index](#) is outpacing broader retail and market indexes in 2008, suggesting investors are bargain hunting where risk is more clearly defined than other at-risk sectors such as financials. The IM S.A.R. Index is down -1.01% ytd, while the S&P 500 Retailing Index is down -5.2%. WMT same store sales rose more than hoped, up 2.6% vs. 2% estimates. Target same store sales rose 0.5% vs -0.5% estimates. ARO same store sales rose 7% versus 4.6% estimates (margins improved). BKE rose 24.3% vs 11% estimates. Credit crisis risk continues with margin calls and forced liquidation chatter. TMA dropped 60% today on news it failed to meet a \$28 mn margin call yesterday. Carlyle's \$21.7bn mortgage backed fund also failed to meet margin calls. Wilbur Ross bought \$1 bn of muni's and PIMCO is reportedly a buyer. *ABK's shareholder dilution plan does little to ease fear.* Corn is near another record as a weak dollar further fuels export growth. Soybeans have robust seasonality through the U.S. planting season. China's corn harvest for the marketing year beginning October is down 5.5% YoY to 137mn metric tons. Russia is extending its wheat export duty to curb food inflation. China will fight food inflation with export taxes and grain imports. Own ag suppliers. Oil hit a record \$105.97 as the dollar fell, OPEC held production steady and inventories dropped. Natural gas in storage dropped last week, remaining below last year levels. Nat gas offers strong seasonal upside as winter inventories tighten and summer inventories are built. The spread from crude to nat gas is too wide. Own nat gas producers. Also, own refiners ahead of summer driving season. Coal contracts will garner media attention ahead of the April shipping year. Mining equipment company JOYG beat and guided up citing rising investments in coal production capacity. India is upping domestic and foreign coal production while So. African producers are boosting production to meet Eskom's rising demand. Consolidation is likely. China power plant coal supplies are back to normal. Own coal miners and mining equipment. Steelmakers are raising prices with Indian, South Korean and Taiwanese makers following China's lead. Global steel demand, fewer cheap Chinese exports and higher input prices are driving prices up. Own steelmakers. The Baltic Dry Index hit its highest since January 10th while the vessel queue at Newcastle, Australia rose back to 37 ships.