



# TAIPAN

FORESIGHT

COURAGE

PROFITS

February 2002  
Volume 15 Number 4

INSIDE :

**How a 20% trailing stop helps lock in maximum gains**

**• Seven oil plays set for 100% profits in 2002 . . . . . see page 4**

**• Brit Ryle's Definitive Five . . . . . page 7**

**• DeHaemer's Best Bets for 2002 . . . . . page 12**



## Crisis? What crisis?

*Taipan's Portfolios average 26.3% gains in 2001... and an additional 35% for those following our daily e-Dispatch!*

by J. Christoph Amberger

They're at it again... in Chicago, New York, San Francisco, and right here in Baltimore, in the corner offices of mutual fund companies, executives and fund managers are dictating their annual "Dear Shareholder" letters.

"And put some feeling into it," they may be telling the personal assistants whose sorry job it is to explain away why investors—again!—lost money with them. You'll read about recession, terror, hearts going out, markets going down, and the absolute uniqueness of two-year back-to-back losses.

Of course, it all depends on your point of view. Judging by an above-the-fold article in the Business section of the Baltimore *Sun* from January 3, 2002, there's also some backslapping going on. If you're the "glass half full" type, you may be tempted to celebrate alongside Legg Mason Value Trust manager Bill Miller, who according to the headline "beat the S&P 500 for the 11th year in a row"!

### Call that value?

Of course, if you read past the headlines, you'll find that this means he lost "roughly" 9.3% in 2001... a tad worse than last year's 8% loss. Ouch!

To be fair, 2001 WAS a tough year. The Dow lost 7.1%, the NASDAQ 24%, and the S&P dropped 13.4%. And Bill Miller (who had the good taste to leave the crowing to his corporate spin doctors) actually did quite well compared to some of the Putnam mutual fund statements that have been trickling in at my house...

(I'm actually aghast: How can a professional fund manager send out statements documenting 20-40% losses—and still have a job to go home to?)

But let me tell you a secret. You didn't have to lose money. In fact, 2001 could have been a blockbuster year for you! If you took initiative... implemented AND observed rigid stop-loss discipline... and followed *Taipan's* advice in 2001, you could have made decent returns on your money.

Don't get me wrong: I am glad 2001 is over. We never had to work as hard for our money as in the last 12 months. We added a free daily information service to your subscription to better update you on sell signals, re-buys and trailing stops. In fact, I thought this service was so important, I decided I had to do it myself!

Those of you who took this

### Not just a pretty face: The major indices vs. Taipan 1998-2001

	1998	1999	2000	2001
Dow	17	25	-6.21	-7.10
NASDAQ	40	84	-40.98	-24.00
S&P500	26.3	19	-10.14	-13.40
<b>TAIPAN*</b>	<b>27.87</b>	<b>83.1</b>	<b>26.2</b>	<b>26.33</b>
<i>incl. 20% trailing stop</i>				

(over, please...)

TAIPAN

35%  
average gains  
just by reading  
your DAILY  
DISPATCH DOSE  
of TAIPAN!  
And it's free!

Sign up at: [www.247profits.com](http://www.247profits.com)

This issue went to print 01-11-2002. Prices and margins quoted reflect levels at this date.

[www.taipanonline.com](http://www.taipanonline.com)

**TAIPAN**

**Publisher:**

J. Christoph Amberger

**Editors:**

Christian DeHaemer,  
Brian Hicks, Siu-Yee Ng,  
Briton Ryle, Adam T. Lass,  
Bryan Bottarelli, Eric Lapp,  
Ian Cooper

**Managing Editor:**

Ned Humphrey

**Webmaster:**

J. Vince Skelley

**Art:**

J. Lindsay Willey

**Fulfillment:**

Alex Ferguson

**Tours and Conferences:**

Barbara Perriello

**Customer Care:**

Call (410) 234-0691

9 a.m. to 5 p.m. Eastern Time

**email:** editor@taipanonline.com

*Taipan* (USPS#008-049) is published monthly for US\$129 per year by Agora, Inc., 808 St. Paul St., Baltimore, MD 21202, USA. Periodicals Postage Paid at Baltimore, MD, and at additional mailing offices. **Postmaster: Send address changes to *Taipan*, 808 St. Paul Street, Baltimore, MD 21202 USA.**

©2002 by Agora, Inc. All rights reserved. Printed in USA. Information, opinion, research, and commentary contained herein is obtained from sources believed to be reliable; their reliability, however, cannot be guaranteed. The maxim of Caveat Emptor applies—let the buyer beware!

*Taipan* does not provide individual investment advice, or act as an investment advisor, or individually advocate the purchase or sale of any security or investment. Members of the organization, its officers, directors, employees, and associated individuals may have positions in investments referred to in this newsletter and may add to or dispose of the same.

Investments recommended in this newsletter should be made only after reviewing the prospectus or financial statements of the company. *Taipan* does not necessarily endorse the statements in advertising inserts or classified ads that accompany this publication.

T #123384745

[www.taipanonline.com](http://www.taipanonline.com)

**USERNAME:**

***taipanmember7***

**PASSWORD:**

***7lemurs***

opportunity and signed up for the service, which we call the **Taipan Group's 247profits e-Dispatch**, were able to close out a number of positions at their peak (in fact, that's what saved this year's Global Resource Portfolio) or limit your losses as stocks started to head south.

On top of that, Dispatch-only picks (including secondary and tertiary positions on some *Taipan* stocks, as well as exclusive new recommendations) averaged 35% gains in 2001! Not a bad bonus for a free service, wouldn't you agree?

**Overall, and not counting the e-Dispatch picks, *Taipan's* stock pickers averaged gains of 26.33% in 2001.** (I have appended their 2001 track records—and their HOT PICKS FOR 2001—to their contributions to this issue.)

The year 2001 proved once again that in the Age of Opportunity, it's the opportunists who stand a chance of walking out with their profits intact. But, to be successful, opportunism in turbulent stock markets requires self-control, decisiveness, risk management, and, most of all, the rational avoidance of emotional attachments. That means Relentless Risk Management!

***Nuts and bolts***

At *Taipan*, we like to take advantage of opportunities as they arise. Markets can turn against you at the drop of a hat. That's why every February in this column, I recommend that you closely observe a -20% trailing stop on all your *Taipan* positions.

To *Taipan* readers of long standing, this advice is nothing new. In fact, it's part of our overall strategic positioning. The difference between heeding this warning and carrying on as before was made dramatically evident in Brian Hicks's 2001 Microcap Portfolio and in James Passin's Global Resource Plays.

Overall, our Portfolios rely on a number of assumptions... *which means our tally in all probability will not reflect exactly what your personal brokerage account did last year.*

To arrive at a meaningful workup of the numbers and "average gains," we have to make certain assumptions. Such as that the hypothetical *Taipan* member invested an equal amount of money in each and every stock recommended. And that each and every *Taipan* member was able to buy the stock at exactly the publication date level... and observe trailing stops at exactly the same moment. Which we

know is statistically impossible. (So, while we are immensely proud of last year's results, we're taking our workup with a grain of salt.)

These are the criteria we apply to our track record:

**Buy and sell dates:** Unless marked otherwise, buy and sell dates are determined by the publication date. Due to variations in mail delivery, the publication date since January 2001 is the date the issue is made accessible to *Taipan* Members at our website, [www.taipanonline.com](http://www.taipanonline.com). (Statistically, this coincides with the date that 75% of U.S. *Taipan* members are receiving their issues in the mail.)

**Prices and dividends:** Any gains and losses reported in the individual Portfolios apply to the calendar year between January 1 and December 31, 2001. For recommendations and open positions carried over from previous years, we have taken the first trading day in 2001 as our entry level.

Our "Portfolios" provide us (and our marketers!) with a convenient handle to measure the degree of success our editors have. In a way, however, they are somewhat contrary to our philosophy. *Taipan* considers itself a smorgasbord of profitable investment ideas for independent individuals... not a static fund to park your money in. In the past two years, it was your individual commitment to taking charge of your investments that made the difference between losing money and making a profit.

The first couple of trading days in 2002 have shown that the coming 12 months will require no less. Which is why I urge you to take advantage of all the features of your *Taipan* membership... our monthly alerts, our annual conference and tours, our weekly hotline alerts... and our daily e-Dispatch.

Let's make sure 2002 will rank right up there as one of the most profitable years of your lifetime!

Taipan's Portfolios 2001		
James Passin	18.81%	Global Resource
Adam Lass	19.81%	Market Analyst
Brian Hicks	21.015%	Microcaps
Siu-Yee Ng	22.85%	IPOs
Venturesome	26.49%	Technology
Conservative	24.78%	Real estate related
Chris DeHaemer	50.58%	World Investor
<b>Average gain 26.33%</b>		

**Taipan's Conservative Profiteer Portfolio**

			Entry/Carry -over Date	Exit Date	Entry Price	Exit Price	Gain/Loss (%)	
Health Care REIT Co.	HCN	NYSE	2-Jan-01	31-Dec-01	\$16.06	\$24.75	54.10%	
Health Care Properties	HCP	NYSE	2-Jan-01	31-Dec-01	\$29.25	\$36.00	23.07%	
Vanguard REIT Index	VGSIX		2-Jan-01	31-Dec-01	\$11.50	\$12.15	5.65%	
Spirit of America Inv. Fund A			2-Jan-01	31-Dec-01	\$7.68	\$9.19	19.66%	
Impac Mortgage Holdings	IMH	AMEX	30-Jul-01	31-Dec-01	\$7.00	\$8.50	21.42%	\$0.44 div. paid on Jan 9 2002

**Average Gains 24.78%**

**James Passin's Global Resource Plays**

			Entry/Carry -over Date	Exit Date	Entry Price	Exit Price	Gain/Loss (%)	
Aramex	ARMX	NASDAQ	2-Jan-01	3-Jul-01	\$9.00	\$11.00	22.22%	sell signal in e-Dispatch
Herzfeld Caribbean	CUBA	NASDAQ	2-Jan-01	15-Sep-01	\$3.80	\$3.44	-9.47%	stop loss
Uni-Charm	8113	Tokyo	2-Jan-01	28-Feb-01	\$51.00	\$40.80	-20.00%	stop loss
Ventspils Nafta	VNFT	Riga	2-Jan-01	13-Jul-01	\$1.20	\$0.96	-20.00%	stop loss
Lukoil Pref	LUKPY	NASDAQ	2-Jan-01	29-Jun-01	\$10.50	\$12.50	19.04%	sell signal in e-Dispatch
TyumenTransAvia	TYAVY	OTC	2-Jan-01	29-Jun-01	\$1.50	\$4.50	200.00%	sell signal in e-Dispatch
Mosenergo	AOMOY	NASDAQ	2-Jan-01	29-Jun-01	\$2.35	\$3.80	61.70%	sell signal in e-Dispatch
Casio	CSIOY	NASDAQ	2-Jan-01	1-Mar-01	\$85.00	\$68.00	-20.00%	stop loss
Leisure Canada (Prices in C\$)	LCN	CDNX	2-Jan-01	1-Apr-01	\$0.96	\$0.76	-20.83%	stop loss
Exponent	EXPO	NASDAQ	2-Jan-01	13-Jul-01	\$9.00	\$11.00	22.22%	sell signal in e-Dispatch
Demegen	DBOT	OTC	2-Jan-01	15-Mar-01	\$0.75	\$0.60	-20.00%	stop loss
Elron	ELRN	NASDAQ	2-Jan-01	1-Mar-01	\$26.00	\$20.80	-20.00%	stop loss
Avant	AVAN	NASDAQ	2-Jan-01	26-Feb-01	\$7.00	\$6.90	-1.42%	stop loss
Xoma	XOMA	NASDAQ	2-Jan-01	9-Jul-01	\$9.75	\$16.05	64.61%	sell signal in e-Dispatch
Dime Bancorp	DIMEZ	NASDAQ	25-Jun-01	25-Jul-01	\$0.33	\$0.29	-10.90%	stop loss
Nelson Resources (prices in C\$)	NLG	TORONTO	26-Feb-01	5-Sep-01	\$0.26	\$0.40	53.84%	sell signal in e-Dispatch

**Average gains 18.81%**

# Contrarian 101: Buy gas & oil stocks whenever the pump price drops below a buck

*This bundle of seven oil sector stocks should lock in 50-100% gains over the next year*



by Adam T. Lass

Gas is cheap.

In fact, it's so cheap, those two notorious yuppie green-mobile manufacturers, Saab and Volvo, are rolling out SUVs for the new model year.

Every time there's an economic dip, some pundits serve up this hyper-deflationary scenario, and it never comes true. The deflationary

argument simply doesn't work as long as any significant economic activity continues to take place.

Face it: in 2002, the gold standard ain't coming back, the penny pencil is gone, and stockbrokers will not be selling apples on the corner of Wall and Broad Street. But I'll tell you what is cheap right now: Oil and gas exploration, drilling, and service stocks!

But not for long. This spring and summer, the global

economy's massive thirst for petroleum will return with a vengeance, driving crude oil—and pump prices—up 50%.

**Back in the air**

We could have three 9/11-style disasters a year, and flying would still be safer than my daily commute down I-95. Any decrease in the number of flights will simply equate to an increase in price and profitability. (Heck, the air traffic control system was busting under the strain of too many flights as it was. This may actually be a blessing in disguise.)

And trust me when I tell you that business travelers will fly. If you think the country's cadre of manic salesmen and consultants are going to take the train cross-country for three days to close a deal, you're nuts. (In fact, the reputed spike in post 9/11 Amtrak bookings turned out to be little more than a last-ditch fraudulent attempt to preserve billions in wasted subsidies.)

At Reagan National, currently the most paranoid airport

this side of Israel's Ben Gurion, new flights are being booked on a daily basis. By early March, airlines will be authorized to serve almost as many cities from National as they did before September 11. And while the number of daily flights is limited to 77% of pre-9/11 volume, the airlines will be focusing those flights on their most profitable routes. (And charging accordingly for the privilege of not being blown up en route.)

**Manufacturing picks up the slack**

Next on the doom-and-gloom crowd's tick list: the end of manufacturing as we know it. The best evidence offered for this downside scenario is the continuing blizzard of pink slips piling up in drifts around both front offices and factory floors.

Again, bunk. At its absolute worst, the current recession's drop in hiring has been a fraction of the average number of victims in previous economic dips. Considering that both hiring managers and inflation hawks were screaming about overemployment and accelerated wage increases as recently as nine short months ago, this dip is also nothing more than an overdue, welcome—and short-lived—break for a previously overheated economy.

The key word here is short-lived, because hiring is a lagging indicator. The recent spate of major discounts for everything from computers to cars has finally managed to deplete excess inventories across the board, and factories from South Bend to Seoul are reporting significant new orders for the first time in 18 months.

**Snow comes to Birmingham**

The final stone holding down crude prices has been the warmest fall and early winter in years, leading to a significant slowdown in heating oil consumption. Okay, I may finally be willing to concede that the global warming freaks have a point. It's hard to argue with the fact that nine of the warmest years since we began keeping records

have occurred in the past decade.

But this is a climatic issue, not a function of any short-term weather patterns; a question of a few degrees increase spread out across the entire planet over the course of twelve months. As for short-term weather phenomena, the past few years have seen record-breaking cold winters and hotter-than-heck summers, both massive consumers of fossil fuels. In fact, these extremities may actually be the result of changes in the larger climatic picture.

As I write this, the previously immune southeastern states are under a foot and a half of snow, while Buffalo has set a new single-storm snowfall record. Looks like we're going to be using up that heating oil backlog after all. So what is California going to use when next summer's predicted power crisis arrives?

**The global economy's massive thirst for petroleum will return with a vengeance, driving crude oil—and pump prices—up 50%.**

**The simple story**

Look, this really doesn't have to be complicated. Here's my patented oil stock leading indicator: Buy the leading players when low-test is at US\$0.99/gallon, and sell when it hits US\$1.75. Classic contrarian stuff, and good for a 50-100% profit every couple of years.

The trick is really just picking the stocks you'll use to rake it all in. Here is a basket of current industry leaders. No long stories here. I don't pretend to be an Oilman with any inside connections.

Instead, I used a pretty standard computer model to pick them, looking for such key parameters as the recent performance in share prices, sales and EPS growth over the past five years, net profit margin, and debt.

The resulting seven candidates give you a diverse basket of exploration, delivery, and service companies that work the fields both at home and abroad (including one really odd candidate, OAO Tatneft, that is has only brought in three profitable quarters but could be the diversification play of the century).

**Seven Oil Patch Players that could double in the next six months**

Name	Ticker	Price % change 4 weeks	Price % change 4 weeks industry	P/E excluding Xord items	P/E TTM excl Xord items industry	5 yr. sales growth rate %	5-yr. sales growth rate % industry	5-yr EPS growth rate % industry	Qtrly tot. debt to tot. equity	Qtrly debt to equity industry
Carrizo Oil & Gas, Inc.	CRZO	12.37	1.63	5.76	8.84	61.69	28.45	38.41	0.60	0.77
Devon Energy Corp.	DVN	4.64	1.63	5.75	8.84	33.57	28.45	38.41	0.53	0.77
Edge Petroleum Corp.	EPEX	20.69	1.63	3.53	8.84	63.42	28.45	38.41	0.00	0.77
Houston Exploration	THX	10.02	1.92	6.82	33.72	45.89	17.21	5.64	0.28	0.69
Key Production, Inc.	KP	3.31	1.63	6.69	8.84	38.91	28.45	38.41	0.21	0.77
Newfield Exploration Co.	NFX	4.62	1.63	7.85	8.84	40.97	28.45	38.41	0.52	0.77
OAO Tatneft	TNT	10.42	1.63	1.34	8.84	56.41	28.45	38.41	0.29	0.77

**Adam Lass's 2001 Tip Sheet: Up 19.81%**

			Entry/Carry -over Date	Exit Date	Entry Price	Exit Price	Gain/Loss (%)	
Harris & Harris	HHGP	NASDAQ	23-Apr-01	2-Jul-01	\$2.35	\$2.68	14.04%	trailing stop
Ceradyn	CRDN	NASDAQ	23-May-01	25-Oct-01	\$7.50	\$9.32	24.26%	sell signal in e-Dispatch
ACS TECH 80	ACSEF	NASDAQ	18-Jul-01	20-Aug-01	\$4.25	\$3.60	-15.29%	trailing stop
Eltrek	ELTK	NASDAQ	26-Jul-01	21-Aug-01	\$3.26	\$3.20	-1.84%	trailing stop
Autonomy Corp.	AUTN	NASDAQ-NM	30-Jul-01	21-Aug-01	\$3.95	\$4.80	21.51%	trailing stop
Tele Centro Oeste	TRO	NYSE	27-Aug-01	17-Sep-01	\$6.20	\$4.96	-20.00%	trailing stop
	TRO	NYSE	21-Sep-01	31-Dec-01	\$4.00	\$7.00	75.00%	re-entry in e-Dispatch
Jones Soda	JSDA	OB	24-Sep-01	26-Oct-01	\$0.50	\$0.78	56.00%	sell signal in e-Dispatch
Jones Soda	CA:JSD	Canada	24-Sep-01	26-Oct-01	\$0.80	\$1.21	51.25%	sell signal in e-Dispatch
QQQ March 30 Put	QAVOD	CBOE	29-Oct-01	31-Dec-01	\$4.29	\$4.00	-6.75%	(our life insurance against calamity!)

**Average Gains 19.81%****War is our business... and business is very good***Get these defense stocks in your portfolio before another bomb drops into a dirt hut**by Brian Hicks*

Bin Laden has declared that the end of the United States is imminent... and George W. Bush has declared that 2002 will be a year of war.

Let's get ready to rumble!

It was Plato who said, "Only the dead have seen the end of war."

And he's correct.

Currently, there are about two dozen major conflicts occurring around the globe. And I'm not even counting the minor skirmishes and occasional uprisings, which number in the hundreds.

And, of course, the U.S. is blamed for everything. If Ebola runs through an African village, big corporate American pharma is blamed for not finding a cure because there isn't any profit in an Ebola vaccine. If a tick sucks the blood of a dog in Bombay, the CIA is behind it. And if a sack of rice falls off a cart in China, the American-dominated WTO gave it a subtle nudge.

I always found the blame game interesting... considering that many of the world's conflicts—mostly regional, religious, and ethnic in nature—have been going on longer than the United States has even existed as a nation.

But, if it's war they want... war they'll get, which is why I love defense stocks.

Last year I was bullish on defense stocks because of the presidential election of George W. Bush.

This year I'm bullish on defense stocks because the world hates America.

***The one and only...***

If you like playing disequilibrium on the supply and demand equation, you'll love the fact that there's only one defense mutual fund in the U.S. It's the **Fidelity Select Defense and Aerospace Fund (FSDAX:NASDAQ)**.

What I really like about this fund—besides the fact it's the only defense fund out there and that readers of the 247profits e-Dispatch made 7-13% profits on it last September—is that its holdings range from Lockheed Martin to specific munitions developer Alliant Techsystems. Lockheed Martin won a monster US\$200 billion joint fighter contract, which, if you're counting at home, is the largest military contract ever.

So if you're looking for a very diversified way to play the defense market, the Fidelity Select Defense and Aerospace Fund definitely fits the bill.

***Is that a gun in your pocket, or...***

Back in 1996 and 1997, *Taipan* recommended a little-known stock called **InVision Technologies (INVN:NASDAQ)**. The company had a novel way of detecting bombs using a CAT-scan kind of technology.

It won praise from governments like Israel, which makes extensive use of the systems. But InVision received very little attention from Wall Street, which is why we liked it in the first place.

Today, everybody has heard of InVision. In fact, I even watched stock-picking "gurus" on Fox News on a Saturday morning talking up the stock's potential. A conga line of Wall Street Johnnies-come-lately has formed at InVision's doorstep. Check this out—there's been a 31% increase in net institutional buying of INVN over the previous quarter.

*That's my cue to avoid the stock.*

That's OK though, because I have found two other stocks that haven't yet blipped on the Street's radar.

If you're looking for individual stocks to play in the aftermath of the war on terrorism, two I really like are **American Science and Engineering (ASE:AMEX)** and **OSI Systems (OSIS:NASDAQ)**.

American Science and Engineering trades at a market cap of just US\$96 million. So, strictly speaking, it's a

microcap stock. But the paltry market cap doesn't reflect the company's strong fundamental position in the market.

ASE did US\$70 million in trailing-twelve-month revenues, and that has steadily grown during a period of "peace," up 16% from FY2000. So, if you're doing the math, the stock trades at a cheap price of 1.37x sales.

But I expect these multiples to expand as the U.S. beefs up its antiterrorist infrastructure.

And ASE's technologies are some of the best in the business.

I won't recount all of the ways terrorists can attack the U.S., or U.S. interests, but ASE's detection systems can help stop them in their tracks. Other than X-ray machines at the airport, the U.S. will begin deploying detection systems able to search trucks and people. And they'll use ASE's systems.

**I'm recommending ASE as a strong buy under US\$20 a share.**

**One more for the road**

Another defense/security stock I love is **OSI**

**Systems (OSIS:NASDAQ).** The company's bomb detection systems are in numerous airports in the U.S. and around the world. And its share of the market is evident in the company's fundamentals—which are phenomenal.

Trading at a market cap of US\$150 million on sales of US\$112 million, OSIS has a thin price-to-sales ratio of 1.4.

The EPS estimate for the current fiscal year is US\$0.33. The estimate for next year's EPS is US\$0.76—a rise of 130%. Very nice—but I don't think this truly reflects the surge in business OSIS is experiencing in the wake of September 11.

What I'm getting at here is that OSIS (like ASE) was highly profitable even before 9/11.

In fact, we could've picked up shares of OSIS in 2000 for a song. The average P/E for OSIS during FY2000 was 9.8.

Today it's 35—higher than the market average, but definitely lower than its EPS growth. And I think the multiple will expand with OSIS's expanding business.

**Buy it under US\$20 a share.**

**Brian Hicks's Microcaps 2001: 21% average gains thanks to tight trailing stop discipline**

			<u>Entry/Carry</u> <u>over Date</u>	<u>Exit Date</u>	<u>Entry Price</u>	<u>Exit Price</u>	<u>Gain/Loss (%)</u>	
Optimal Robotics	OPMR	NASDAQ	2-Jan-01	27-Aug-01	\$30.00	\$52.00	73.33%	
	OPMR	NASDAQ	26-Dec-01	31-Dec-01	\$36.00	\$37.75	4.86%	
Aviron	AVIR	NASDAQ	2-Jan-01	10-Feb-01	\$65.00	\$52.00	-20.00%	trailing stop
	AVIR	NASDAQ	5-Feb-01	5-Mar-01	\$46.00	\$36.80	-20.00%	trailing stop
	AVIR	NASDAQ	12-Mar-01	27-Aug-01	\$32.00	\$51.48	60.87%	reco in Hotline, trailing stop
Sensormatic	SRM	NASDAQ	2-Jan-01	10-Apr-01	\$19.30	\$15.44	-20.00%	trailing stop
MedImmune	MEDI	NASDAQ	29-Jan-01	12-Mar-01	\$44.00	\$35.20	-20.00%	trailing stop
Inhale Therapeutics	INHL	NASDAQ	29-Jan-01	15-Feb-01	\$38.00	\$30.40	-20.00%	trailing stop
	INHL	NASDAQ	26-Mar-01		\$20.00	\$28.80	44.00%	trailing stop
MiniMed	MNMD	NASDAQ	26-Mar-01	21-Aug-01	\$26.00	\$48.00	84.61%	(Buyout through Medtronic)
PolyMedia	PLMD	NASDAQ	26-Mar-01	23-Jul-01	\$25.00	\$39.52	58.08%	trailing stop
Titan	TTN	NYSE	23-Apr-01	19-Jun-01	\$15.00	\$20.00	33.33%	trailing stop
MacroChem	MCHM	NASDAQ	28-May-01	4-Jun-01	\$8.00	\$8.64	8.10%	trailing stop
	MCHM	NASDAQ	27-Oct-01	28-Nov-01	\$2.25	\$3.35	48.88%	trailing stop
Microvision	MVIS	NASDAQ	28-May-01	15-Jun-01	\$25.00	\$20.00	-20.00%	trailing stop
Jakks Pacific	JAKK	NASDAQ	1-Aug-01	11-Dec-01	\$18.90	\$19.65	3.96%	sold in e-Dispatch
	JAKK	NASDAQ	17-Sep-01	11-Dec-01	\$12.50	\$19.65	57.20%	sold in e-Dispatch

**Average Gains 21.0196**

T E C H N O L O G Y

**Doctor operates on himself!**

*Medical simulators are turning science fiction into reality*



by *Briton L. Ryle*

The surgeon feels the flesh resist slightly and then give way to the scalpel. His practiced touch knows instinctively how hard the clamp must squeeze the artery to cut off the blood flow, yet do no damage to the delicate tissue. He watches his hands

move inside the patient on the monitor in front of him. The face on the screen is very familiar. Because it's his own. Cue scary music.

This doctor is performing bypass surgery on a virtual representation of himself. And it's being recorded. Later, a surgical robot will exactly duplicate every incision and stitch as it repairs this doctor's diseased heart.

This might be a scene from a *Star Trek* episode. Or a

**Taipan's Venturesome Portfolio**

			Entry/Carry -over Date	Exit Date	Entry Price	Exit Price	Gain/Loss (%)	
US1 Industries	USOO	OTC:BB	27-Dec-01	31-Dec-01	\$0.40	\$0.75	30.58%	
Priceline	PCLN	NASDAQ	29-Oct-01	21-Dec-01	\$4.25	\$5.55	13.55%	sell signal in e-Dispatch
Bluefly	BFLY	NASDAQ	28-Nov-01	21-Dec-01	\$1.77	\$2.01	13.55%	sell signal in e-Dispatch
Space Devices	SPDV	OTC:BB	25-Jun-01	20-Sep-01	\$0.85	\$0.80	-5.88%	trailing stop
3D Systems	TDSC	NASDAQ	2-Jan-01	21-Jun-01	\$12.00	\$15.00	25.00%	
DTM Corps	DTMC	NASDAQ	2-Jan-01	21-Jun-01	\$2.75	\$4.15	50.90%	
Stratasys	SSYS	NASDAQ	2-Jan-01	16-Jul-01	\$2.70	\$3.00	11.11%	
MGG	MGG	NYSE	17-Sep-01	18-Dec-01	\$22.00	\$27.79	26.31%	
	MGG	NYSE	24-Sep-01	18-Dec-01	\$16.00	\$27.79	73.68%	
Princeton Video	PVII	NASDAQ	26-Mar-01	25-Jul-01	\$4.25	\$3.90	-8.23%	trailing stop
Legend Computers	LGHL	NASDAQ	3-Mar-01	15-Jun-01	\$14.75	\$13.72	-6.98%	trailing stop
Nuance	NUAN	NASDAQ	26-Feb-01	28-Feb-01	\$30.00	\$24.00	-20.00%	
Hanaro	HANA	NASDAQ	2-Jan-01	21-Jun-01	\$2.00	\$2.60	30.00%	
	HANA	NASDAQ	29-Oct-01	31-Dec-01	\$1.50	\$3.56	137.33%	

**Average Gain 26.49%**

nightmare. But one company is making it a reality. And the key is creating simulators that incorporate the sense of touch.

**The final frontier**

Touch is the final frontier for the computer interface. Maybe you remember the computer before color. Green text on a black background wasn't good for much more than words and numbers. Add color, however, and suddenly you have charts, photos, ads, graphic art, and more.

The same goes for sound. Add sound to the computer experience and you add music, news reports, sound effects, etc.

Now, imagine you had seen the possibilities inherent in computers back in the day, and you patented the idea of bringing color or sound to computing. Every application that used color or sound would owe you a little cash. You'd be filthy, stinkin' rich.

Well, we've got the company that owns every imaginable patent for incorporating the sense of touch into the computer experience—**Immersion Corp. (IMMR:NASDAQ)**. As of this writing, the patent tally is an even 140. Another 220 are pending worldwide.

**Feel my ubiquity**

If you think touch has nothing to do with computing, you couldn't be more wrong. Computer games are probably the most obvious application.

60% of the U.S. population plays computer games. Chances are, either you or someone you know is included in that 60%. Those silly games are a huge moneymaker. Computer games took in over US\$6 billion in 2000.

So you may be familiar with certain computer game peripherals that utilize Immersion's patented touch technology. Steering wheels from the likes of Thrustmaster that shake as your Formula One racecar skids off the track. Joysticks from Logitech and Microsoft that recoil when you fire.

**The royalty treatment**

Royalty revenues from licensing agreements account for 30% of gross annual revenues. Fiscal 2001 royalties were up over 50% from fiscal 2000. This indicates that tactile feedback technology is becoming more accepted. And there's only one place you can get this technology—Immersion.

Immersion's technology is being used in a tactile feedback mouse from Logitech and a new concept for dashboard controls from BMW.

Now, royalties from existing patents or technology is all gravy. But for Immersion, the big money will be made on medical training simulators.

**Medical money machines**

Rather than license its medical technology to others, Immersion wants to take the biggest market for itself, so it makes and sells medical simulators. Medical product revenues were up over 50% in 2001.

Immersion currently makes a vascular access simulator (for intravenous procedures), an endoscopy simulator, and an endovascular simulator. Four hundred systems are in place around the world at such prestigious institutions as Cal State Fresno, Stanford University

**Brit Ryle's Definitive Five for 2001**

- **Petrochina (PTR:NYSE):** Buy below US\$20. One-year price target of US\$32. Two-year target of US\$45.
- **Immersion Corp. (IMMR:NASDAQ):** Buy below US\$6.50. One-year price target of US\$11.
- **Sprint PCS (PCS:NYSE):** Buy below US\$24. One-year price target of US\$40.
- **Crown Cork & Seal (CCK:NYSE):** Buy below US\$3.75. One-year price target of US\$7.
- **Telecommunications Systems (TSYS:NASDAQ):** Buy below US\$5. One-year price target of US\$9.50.

Medical Center, the Mount Sinai School of Medicine in New York, and the Imperial College School of Medicine at St. Mary's Hospital in London.

Not only do tactically enhanced simulators give medical students a more hands-on feel in their training, we believe liability insurers will recognize the benefits of such training and offer incentives.

Immersion is not just at the forefront of an entirely new computer experience—Immersion owns it. And you can own a piece of it, too, for less than 7 bucks a share. Amazing, I know. All I can say is, buy some now, before Immersion shows up on the cover of Time magazine.

**Immersion should be aggressively accumulated under US\$7 a share.**

## Don't miss out on the breakout of this "defensive" stock!



by *Siu-Yee Ng*

Looking for a job? It's a tough market out there. My youngest brother graduated from college in May 2001 and has yet to find a permanent job. Personally, I think he's picky.

If you look back two to three years ago, companies were hiring with bonuses and perks.

And work in information technology (IT) was in such high demand that companies were offering big bucks to new grads. But those days are gone.

Although IT spending has slowed, there is one sector that continues to pump more money into its IT units. That's right. The U.S. federal government is the largest single customer for information technology solutions and engineering services in the world. In fiscal year 2000 alone, the federal government spent over US\$100 billion on IT!

The government expects to expand its technology services at least 4% annually through fiscal year 2005, with expenditures for IT solutions projected to increase 7% or more annually over the same period.

### **Homeland security**

Defense IPOs are coming out of the woodworks looking to raise money in the new issues market. And with the success of **United Defense Industries' (UDI:NYSE)** IPO in raising over US\$400 million on December 14, 2001, defense issues will continue to be a hot IPO sector.

So you can see why I want to tell you about **Anteon International Corp.**

Anteon designs, integrates, maintains and upgrades state-of-the-art information systems for national defense, intelligence, emergency response, and other high priority government missions.

It also provides many of its government clients with the systems analysis, integration, and program management skills necessary to manage their mission systems development and operations.

Anteon focuses on several service competencies, including intelligence systems, emergency response management, logistics modernization, training, platform and weapons systems engineering support, ballistic missile defense, healthcare services, and government enterprise solutions.

Siu-Yee Ng's Five Stocks to Own for 2002

- Buy Petroleum and Chemical Corporation, also known as **Sinopec Corp. (SNP:NASDAQ)**, the largest refiner and petrochemical producer in China, under US\$13.75 with a one-year target of US\$20.00.
- **InforMax, Inc. (INMX:NASDAQ)** develops a portfolio of proprietary bioinformatic software products and complementary services. Its products are flexible, scalable and designed to integrate with one another. This software allows researchers to incorporate, directly or through the Internet, customer and third party analytical algorithms and data sets. As a biotechnology play, buy **InforMax (INMX:NASDAQ)** under US\$3.25 with a one-year target of US\$6.00.
- **FTHL Telecom Holdings** provides global network services. An acronym for Fiber Loop Around the Globe, FTHL operates an undersea cable from the U.K. to Japan (FTHL Europe-Asia) and a terabit transatlantic cable system (FTHL Atlantic-1). It's in a joint venture with Level 3 Communications to build a multi-terabit intra-Asia submarine cable system, part of which is already in operation. FTHL is also developing a European backbone network with Verizon Communications. Institutions have been buying for the past month. Buy **FTHL Telecom (FTHL:NASDAQ)** under US\$1.40 with a one-year target of US\$3.00.
- Since September 2001, **ChipPAC, Inc. (CHPC:NASDAQ)** has been on a steady uptrend. Its service of packaging semiconductors in protective cases that attach to printed circuit boards has benefited from increased demand for computers. ChipPAC also tests semiconductors and has expanded its functionality and reliability testing services by acquiring Intersil's Malaysian packaging and testing operations. **ChipPAC (CHPC:NASDAQ)** is a buy under US\$8.50. Resistance is at US\$10.00, but if it breaks this level, ChipPAC will continue its upward trend.
- **WatchGuard Technologies (WGRD:NASDAQ)** provides Internet security solutions to protect companies using the Internet for electronic commerce and secure communications. Its award-winning products and services include firewalls for access control, virtual private networks for secure communications, and its new ServerLock products for server content and application security. Buy **WatchGuard Technologies** under US\$7.25 with a one-year target of US\$12.00.

### US\$3.2 billion of backlog

Anteon currently serves over 600 U.S. federal government clients, as well as state and foreign governments. As of September 30, 2001, it was the lead contractor on approximately 90% of its contracts. Its contracts typically have terms of four to five years. Anteon has also built an estimated contract backlog of US\$3.2 billion as of September 30, 2001, of which US\$297.0 million was funded as of September 30, 2001.

Let me explain how backlog is recorded. Total backlog represents the aggregate estimated contract revenue to be earned by Anteon at a given time over the remaining life of its contracts. When more than one company is awarded a contract for a given work requirement, Anteon includes in total backlog only the estimate of the contract revenue it expects to earn over the remaining term of the contract. Funded backlog is based upon amounts actually appropriated by a customer for payment of goods and services.

Anteon's contract base is well diversified among government agencies, and in the nine months ended September 30, 2001, it performed work on more than 3,000 task orders under more than 550 contracts. No task order or single award contract accounted for more than 3.8% of revenues for the nine months ended September 30, 2001, which is good to see. The contracts it performs fall into three primary categories: cost-plus, fixed-fee reimbursement, and time-and-materials.

### Building a foundation

Anteon has been growing on acquisitions. In July 2001, Anteon acquired the assets, contracts and personnel of the training systems division of SIGCOM, Inc. It was a smart buy. Anteon got US\$4.1 million of accounts receivable.

And SIGCOM's training systems division provides sophisticated simulation systems used by the most advanced military and government organizations around the world. The U.S. Army, Navy Seals, the FBI, SWAT teams, British Special Forces and NATO troops use them to help acclimate members of the armed forces to combat conditions in urban areas.

Anteon has made a lot of acquisitions in the past few years. Some good and some bad. But what I like to see is that Anteon does not hesitate to cut its losses.

### Role model

Anteon's business model must be working. From January 1, 1996, to September 30, 2001, revenues increased at a compound annual growth rate of 39%. Over the same period, revenue (excluding acquisitions) grew organically at a 16% compound annual rate. Anteon's pro forma revenues for the nine months ended September 30, 2001, were US\$525.6 million, an increase of 21.7% over the same time in 2000.

For the nine-month period ended September 30, 2001, revenues increased 37.1% from the same period in 2000. For the nine-month period ended September 30, 2001, internal growth was 21%. This growth was driven in part by the expansion of work on several large contracts with the U.S. Army, the Federal Emergency Management Agency, the Office of the Secretary of Defense, the GSA and the U.S. Postal Service.

Anteon also won several new contracts with the Secretary of the Air Force, the U.S. Army Battle Simulation Center, and the U.S. Navy.

Revenues have increased year after year, up by 35.4% in 2000 compared to 1999, and by 60.5% in 1999 from 1998.

Anteon plans to raise US\$230 million. Expect Anteon to have a positive first day pop. If you miss the IPO,

### Who said IPOs were dead?

#### Siu-Yee Ng's IPO and aftermarket picks went up 22% in 2001!

	Entry/Carry -over Date			Entry Price	Exit Price	Gain/Loss (%)	
Silicon Lab	2-Jan-01*	SLAB	NASDAQ	\$14.88	\$21.00	41.18%	
Illumina	2-Jan-01*	ILMN	NASDAQ	\$16.00	\$13.00	-18.75%	
Orion Power Holdings	2-Jan-01*	ORN	NYSE	\$24.50	\$25.60	4.49%	
Tellium, Inc.	17-May-01	TELM	NASDAQ	\$15.00	\$19.20	28.00%	
Riverstone Networks	16-Feb-01	RSTN	NASDAQ	\$12.00	\$19.00	58.33%	
Biomarin	23-Feb-01	BMRN	NASDAQ	\$9.00	\$13.50	50.00%	trailing stop
United Surgical Partners	8-Jun-01	USPI	NASDAQ	\$14.00	\$20.00	42.86%	
Kraft Foods, Inc.	13-Jun-01	KFT	NASDAQ	\$31.00	\$34.00	9.68%	
HPL Technologies	31-Jul-01	HPLA	NASDAQ	\$11.00	\$8.80	-20.00%	trailing stop
ThermaWave	25-Sep-3-Oct-01	TWAV	NASDAQ	\$10.50	\$15.83	50.76%	
Cross Country, Inc.	25-Oct-01	CCRN	NASDAQ	\$17.00	\$26.75	57.35%	
AeroGen, Inc.	10-Nov-01	AEGN	NASDAQ	\$12.00	\$9.60	-20.00%	trailing stop
Prudential Financial	13-Dec-01	PRY	NYSE	\$27.50	\$31.25	13.64%	
American Pharmaceutical Partners	14-Dec-01	APPX	NASDAQ	\$16.00	\$20.75	29.69%	
Netscreen Technologies, Inc.	14-Dec-01	NSCN	NASDAQ	\$16.00	\$23.70	48.13%	
United Defense Industries, Inc.	14-Dec-01	UDI	NYSE	\$19.00	\$20.75	9.21%	
Bruker AXS, Inc.	14-Dec-01	BAXS	NASDAQ	\$6.50	\$6.75	3.85%	

**Average Gain 22.85%**

\*=Carryover from 2000

wait a few days for the dust to settle before considering an aftermarket buy.

If Anteon has a huge first day pop, we could see a pullback before the run-up begins. We'll keep you updated in the daily e-Dispatch.

For more information on Anteon International Corp. after the quiet period, contact Investor Relations at 3211 Jermantown Rd., Ste. 700, Fairfax, VA 22030-2801, tel. 703-246-0200, fax 703-246-0294, website <http://www.anteon.com>.

## Use these 2 LEAPS options to safely position yourself for a NASDAQ recovery in 2002



by **Bryan Bottarelli**

I must admit, it's not easy to play stock and index options through a monthly newsletter. After all, by the time *Taipan* gets shipped off to the printer, the specific price targets for my options recommendations could be well above or well below our printed recommendation.

For example, take my recent recommendation on puts on the Dow (*2002 Taipan Forecast issue*). The reasoning behind this trade was a Fibonacci-based graphical comparison of NASDAQ versus Dow retracement levels. Without reiterating the entire article, the bottom line was that the Dow must catch up with the NASDAQ (in terms of the severity of its selloff). Therefore, Adam Lass and I figured the Dow has to hit 6,315 (roughly 37% below its current levels) before it officially "bottoms out." (We also projected that the NASDAQ will rally to 3,500 in 2002.)

### What to do in 2002?

To play our forecasted Dow selloff, I recommended spending between US\$10 and US\$13 per options contract on December 100 Dow LEAP (ZDK XV). This LEAP gives you the right to sell the Dow for 10,000 anytime before December 19, 2003. Should the Dow drop to 6,315, this LEAPS would gain at least 350%.

It's a pure play on the Dow having its third down year in a row by the time 2002 comes to an end. But, to many *Taipan* readers, the problem in this recommendation didn't lie in the forecast... it lay in the price of the options recommendation.

### See how they run

At the time of the recommendation, the Dow LEAPS was trading for US\$11 a contract. I set my buy limits between US\$10 and US\$13. If this had been a stock recommendation, these parameters would most likely have been fine. But this is a stock option. Options move fast.

By the time the *Taipan Forecast Issue* arrived in your mailbox, the Dow had staged a mini-rally. The put had fallen to US\$9.30 a contract. As it turned out, the time it took to mail the issue actually worked in your favor, as

you got the Dow LEAPS for a cheaper price. But the overall point remains...

When dealing with options investing, use your own judgment when picking entry prices for *Taipan* recommendations. As a general rule, use a 15% cushion for options. That is, consider my *Taipan* option recommendations "good" if the price range is 15% above or below my recommended price.

### With that out of the way, let's jump into the LEAPS

The basis behind this LEAPS strategy is twofold: 1) stay away from Dow stocks, which we feel will go down in 2002; and 2) choose the top two industry sectors in the NASDAQ, and position yourself with option LEAPS in the best two companies within each sector.

Why LEAPS? Here's a quick explanation, starting with a general definition of LEAPS...

LEAPS are long-term stock or index options that are available with expiration dates of up to three years in the future. The purpose of LEAPS is to allow you to control a large amount of stock for a smaller up-front cost. For example, if you wanted to buy 100 shares of Microsoft, you'd pay US\$6,581.00 (as of 01/08/02). A Microsoft LEAPS option, on the

other hand, allows you to own 100 shares of Microsoft for total price per contract of US\$970.00 (LEAPS option price of MSFT January '03 US\$70 call on 01/08/02). In this example, LEAPS allow you to control 100 shares of Microsoft at US\$9.70 a share instead of paying US\$68 per share on the open market.

### What's the risk?

The risk is that if Microsoft does not move in the direction you predict, then your LEAPS could expire worthless at the end of 2002. But once again, this risk is offset by the low up-front cost you pay for LEAPS. And should Microsoft move in your predicted direction, your LEAPS (in this example) gain US\$0.50 for every US\$1.00 gain in Microsoft stock.

Using this equation (calculated using a 50-delta at-the-money call LEAPS), should Microsoft rally from US\$68 to US\$88 (a modest 29% gain), your LEAPS option would shoot from US\$9.70 to US\$18.70—an explosive 100% gain.

**LEAPS offer you the ability to control large amounts of stock for less up-front capital.**

LEAPS offer you the ability to control large amounts of stock for less up-front capital, more potential growth, but with slightly more risk. If this game sounds like something you'd be willing to play, then here are two LEAPS to position yourself for the NASDAQ recovery of 2002. The first is a biotech LEAPS. The second is a technology LEAPS. Both will fully participate in the NASDAQ recovery of 2002...

• **MLNM January '03 US\$25 LEAPS (VHY AE) under US\$7.00**

**Millennium Pharmaceuticals (MLNM:NASDAQ)** is one of my top biotech picks for 2002. MLNM ended 2000 as the eighth-best performer on the NASDAQ. After a rough 2001, I feel MLNM will get back to its winning ways, led by sales of its newly acquired product, Integrilin, a drug that prevents blood clots.

This December, Millennium announced a US\$2 billion buyout plan for competing biotech company CORR Therapeutics (CORR:NASDAQ), developer of Integrilin. Millennium expects total Integrilin sales of US\$300 million for 2002, of which it will record about US\$150 million.

Including Integrilin, MLNM is forecasting total revenues of at least US\$400 million in 2002, up about 60% from an estimated US\$249.3 million for 2001. After a relatively off year for biotech stocks, I think 2002 will see renewed interest. MLNM is my top pick in the sector.

• **NVDA January '03 US\$70 LEAPS (OLI AN) under US\$24.00**

Despite an awful year for the overall market, **NVIDIA Corporation (NVDA:NASDAQ)** had a monster year in 2001. In fact, shares of NVDA more than quadrupled in 2001, making it the year's best performer on the S&P 500. Who would have guessed that a tech stock, of all things, would end up as Wall Street's top performer

in 2001? But believe the hype.

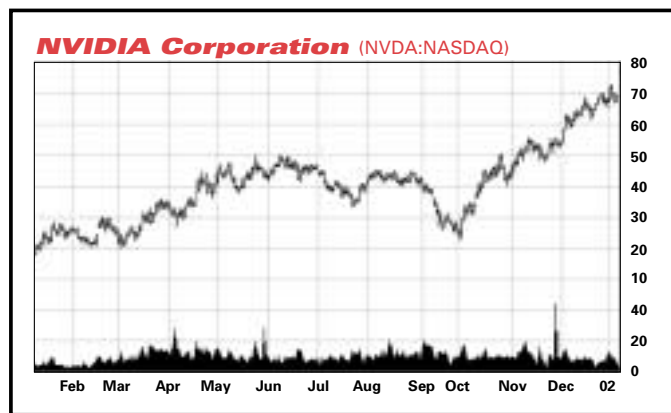
Nvidia designs, develops and markets what are undoubtedly the best 3D graphics processors on the market. In a year of across-the-board corporate layoffs and cost-cutting, NVDA grew revenues at a massive clip. For the 39 weeks ended 10/28/01, total revenues rose 69% to US\$871.4 million. Net income rose 51% to US\$104.1 million.

Nvidia has outperformed all its competitors, growing earnings in the third quarter by 60% despite the worst-ever slump for the semiconductor industry. Most of the buzz around Nvidia comes from the fact that they make the graphics chips for Microsoft's Xbox, Bill Gates's newly launched video game system.

**The joystick vs. Julia Roberts, Tom Hanks, and Co.**

And if you think video games are just for pimple-popping geeks, think again. Last year, the entire movie industry generated US\$20 billion in revenues. Not bad for a year's work, right? Well, video games outperformed the silver screen with sales of (are you ready for this?) US\$21 billion.

For the graphics chip makers, stats like these are golden because they fuel



**Classifieds Ads**

**INVESTMENT OPPORTUNITIES**—WITH \$100,000 (or less) YOU CAN EARN 19.5% YEAR or 1.5% PER MONTH COMPOUNDED ON A SAFE, SECURE INVESTMENT. IRA COMPATIBLE. LIFE MEMBER LIONEL NEGUS - (888)926-4942 or email: info@parklaneinternational.com

**Oil and gas investments.** Be a direct owner of natural gas wells in the Big Sandy Gas Field. Developmental drilling; infill locations. A four well program. 100% one to one active write off against ordinary income. Develop existing gas field. Accredited investors only need apply for future programs based on availability. This communication should not be considered an offer to sell or the solicitation of an offer to buy. Nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful. Offers to sell securities may be made by private memorandum only. Contact member Ron Walblay, Owner, Secretary/Treasurer, The Energy Group, Inc., 188 Cal Batsel Road, Bowling Green, KY 42104. Phone: (800)487-9712. Visit website www.energyvest.com E-mail: energy@energyvest.com

**Affordable Health Care!!** Money-back guarantee!! Savings of 80% on doctors, hospitals, vision, dental, prescriptions, chiropractic, alternative, veterinary, long-term care—much more. Only \$9.95-\$54.95/mo. Entire family. Pre-existing conditions accepted. Not insurance no license required. Reps needed.

**Great Money!!** Training provided. Call Joni at: (219) 924-1058. 3-minute recorded overview: (888) 702-8023. Website: www.caretree.com/joni

Beach house directly on beautiful **Delray Beach, FL.** Charmingly renovated historical house w/3BD, 2BA, fireplace, hardwood floors, new appliances, more. Walk to historical downtown Delray to dine, shop, and peruse the arts. Minimum one-week stay. \$2,800 seasonal, \$1,950 summer. Call (561)243-0630.

**Advertising Opportunity:** Reach 90,000 well-traveled, financially stable readers worldwide with a classified ad in the Global Traveler's Marketplace. FREE website placement with a live link to your site with each paid classified. Contact Janet Wisner at 410-668-6566, fax 410-668-6566; e-mail Jwordcraft@aol.com

**Taipan's Classified Rates**

TAIPAN CLASSIFIEDS are published concurrently in our U.S., Canadian, and international editions, as well as on our web site www.taipanonline.com. They are read by investors in 108 countries and in cyberspace. Lifetime Members: One free 40-word or less ad per year. Place the ad for two consecutive months—receive the first month free and a 25% discount off the regular rate for the second month. Additional ads at the regular member rate. Regular Rates: US\$3.50 per word. All capital or boldface words are 50c additional per word. Members receive a 20% discount. Deadline: The 5th of the month preceding publication. Make check or money order payable to Taipan Classifieds. We also accept VISA and MasterCard. Send ads and payments to: Attention: Janet Wisner, Editor, Taipan Classifieds, 2043 East Joppa Road PMB #371; Baltimore, MD 21234, U.S.A.; tel. (410)668-2355, fax (410)668-6566.

the demand for more and more games... and more and more graphics chips. As we speak, the Xbox game system is still very new. Heck, it currently has only 10 games that can run on it! Expect the number of games to increase by 2-3 times over the course of this year... This will give a tremendous boost to Xbox sales, all of them equipped with NVDA chips.

Adam Lass and I have just launched a new options trading service I'd like you tell you about.

The name of the service is **Q-Wave**. We only trade options on the **QQQ** (which is a tracking stock of the **NASDAQ 100**). The options cost an average of **US\$300** per contract, and have the potential of gaining upwards of **100%** each week as the market vacillates up and down. Plus, unlike our other "high-end" services, **Q-Wave** is cheaper than anything else. For only **US\$250** per quarter, you can have the power of **Q-Wave** working for you.

Since launching **Q-Wave**, Adam and I have made 8

recommendations and taken profits on 7 of them. A small group of traders who are learning about options for the first time are very happy that they gave it a try. I invite you to join them. If you want more information on **Q-Wave**, call 866-476-0219 or visit [www.q-wave.net](http://www.q-wave.net).

For your **FREE** daily market updates, sign up for our **FREE** e-dispatch at [www.247profits.com](http://www.247profits.com)



**Christian DeHaemer's World Investor: Full House of Profits**

			Entry/Carry -over Date	Exit Date	Entry Price	Exit Price	Gain/Loss (%)	
South African Breweries (price in British Pence)	SAB.L	London	2-Jan-01	21-Jun-01	410	540	31.70%	
The Medicines Company (short)	MDCO	NASDAQ	2-Jan-01	2-Feb-01	\$20.50	\$12.00	41.46%	
Indonesian Telekom	TLK	NYSE	2-Jan-01	16-Jul-01	\$4.20	\$5.65	34.52%	sell signal in e-Dispatch
58 Sept Calls	QQQIF.X	AOE	23-Apr-01	23-May-01	\$1.20	\$2.46	105.00%	sell signal in e-Dispatch
QQQ	QQQ	AMEX	23-Apr-01	23-May-01	\$44.89	\$50.28	12.00%	sell signal in e-Dispatch
Cipla (price in rupees)		BSE (India)	4-Apr-01	8-Oct-01	875	1088	24.34%	sell signal in e-Dispatch
Turkcell	TKC	NYSE	27-Aug-01	14-Dec-01	\$9.00	\$18.45	105.00%	sell signal in e-Dispatch

**Average Gain 50.57%**

All prices in US\$ unless noted otherwise

(Christian's December 2001 pick of ICIC Bank will be tracked as of January 2, 2001)



DeHaemer's 5 Picks for 2002

- Buy **Haliburton (HAL:NYSE)** below US\$11.50. Sell at US\$40. Collect 4.07% dividend yield. Haliburton is getting crushed by an asbestos lawsuit settlement. Remember when Phillip Morris was at 10 bucks due to a concentrated attack against smoking? It's now at US\$46. Remember when Microsoft was at US\$40 due to lawsuits? It's now at US\$68. (Does anyone miss the Clinton White House?)
  - Buy **Abitibi Consolidated (ABY:NYSE)** below US\$7.50, sell above US\$12, and get a 3.5% yield while you are waiting for paper prices to rebound.
  - Buy **The Boston Celtics Limited Partnership (BOS:NYSE)** below US\$11. Sell above US\$20 when they make the playoffs. Paul Pierce, Kenny Anderson, and Antoine Walker—need I say more? These guys have been on the bottom since Kevin McHale left. There is only one way to go from here.
  - Buy **Eastman Kodak (EK:NYSE)**. This is the Big Dog of the Dow. According to the dogs of the Dow theory—which has returned 17.7% average annual gains since 1973—you buy the ten Dow component stocks that pay the largest dividend yield. If you take away the five that have the highest price, you get the Dow puppy theory, which has returned 20.9% since 1973. The big winner in this case is EK, which yields 6.12% at US\$29.43 a share.
- The other four are:
- **International Paper (IP:NYSE)**, yields 2.48% at US\$40.35.
  - **SBC Communications (SBC:NYSE)**, yields 2.60% at US\$40.17.
  - **ExxonMobile (XOM:NYSE)**, yields 2.43% at US\$39.30.
  - **JP Morgan Chase (JPM:NYSE)**, yields 3.74% at US\$36.35.