A Special Report from Sabrient Systems, LLC

Sabrient "Baker's Dozen"
Top Stocks for 2010

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Sabrient "Baker's Dozen" Top Stocks for 2010
Sabrient Systems LLC
(Final selection of stocks was originally published on December 31, 2009)

Picking stocks in an uncertain climate

It's been generally accepted that the best way to build a good stock portfolio is to start by determining the state of the economy and market direction, then choosing the best sectors for such an environment, then identifying the best-positioned industries within those sectors, and finally selecting the strongest stocks from those industries—based on growth, value and momentum characteristics.

Trouble is, this approach simply doesn't work. The first step (market direction) is hard enough to get right...and if you don't get that right, you're wrong about everything else.

Consider this. To predict market direction, you have to take hundreds of factors into consideration, including myriad economic data, military data, weather data, accounting systems of various companies. Not only that, but there is a wide range of methods for predicting market movement. Then there are all of the issues facing the Fed, the President and leaders of other countries, corporate CEOs, etc. There are the fluctuations in the value of gold, currencies, interest rates, and so on….

It is simply impossible to assimilate all these factors with any final conviction. Hardly anyone gets it right more than 50% of the time. Analyzing sectors and industries is somewhat easier but still subject to too many external factors.

So what's an investor to do?

At Sabrient, we have come to the conclusion that it is much easier to identify 10, 20, or 50 companies whose data is known and credible; whose growth history is a matter of record; whose stock price is comparable to its historic levels and to those of peer companies; whose future prospects are solid and certified by the analysts who forecast future earnings; whose management provides guidance or an educated assessment of their near-term future direction.

All this gives us hard data on thousands of companies. And in this digital age, we have powerful computers to analyze and crunch this data to arrive at a small number of companies that seem to have right stuff—real revenues, real earnings, real cash flow, a real future. We can then pinpoint those that have really good prices or at least are the best among historical comparisons. We can determine which of these companies are not overly dependent on the market direction, and from those we can select a group that is independent of one another.

Start, middle, or end of an uptrend?

We have just closed an amazing year that saw the stock market teetering at the edge of the abyss before sharply reversing and providing brave investors with solid returns in a V-bottom recovery straight through year-end. Although many are predicting the "next shoe to drop" in the commercial & residential mortgages, which could again send the economy into a tailspin, others believe that the Federal government's willingness to intervene with whatever it takes to save the banking industry has given investors the confidence to put money back into private and public equity.

Sabrient's quant models are indicating that we are entering 2010 on reasonably sound footing, and with stock valuations (based on forward earnings projections) that are not out of line with historical norms. Unless the analysts' consensus projections are completely off the deep end, or unless the world economy reverses its fledgling recovery and falls into despair, the climate seems ripe for continued investment in high-quality stocks that are particularly well positioned to succeed.

This year's top stock picks

Like last year, we have compiled a diverse group of stocks that seem to fit the bill, and we are again calling them the Sabrient "Baker's Dozen." They are 13 stocks, plus five speculative bonus picks. Last year we had only two bonus picks, but this year we just couldn't decide, so we threw in a few extras. The full group of 18 represents a cross-section of industries and countries, score particularly well in our system, and are not all household names that you would already know. Giving us an enhanced international flavor, they are based in diverse countries including U.S., China, Canada, Argentina, and Greece.

	Name	Ticker	Sector: Industry
1	James River Coal	JRCC	Energy: Oil, Gas & Consumable Fuels (Coal)
2	China Petroleum & Chemical	SNP	Energy: Oil, Gas & Consumable Fuels
3	Aegean Marine Petroleum Network	ANW	Industrials: Transportation Infrastructure
4	Joy Global	JOYG	Industrials: Machinery
5	Alaska Air Group	ALK	Industrials: Airlines
6	Credit Acceptance Corp.	CACC	Financials: Consumer Finance
7	Transatlantic Holdings	TRH	Financials: Insurance
8	Humana	HUM	Healthcare: Healthcare Providers
9	Suburban Propane Partners	SPH	Utilities: Gas Utilities
10	Telecom Argentina S.A.	TEO	Telecommunications: Diversified Telecom Services
11	America's Car-Mart	CRMT	Consumer Discretionary: Specialty Retail
12	Core-Mark Holding	CORE	Consumer Staples: Food & Staples Retailing
13	STEC, Inc.	STEC	Information Technology: Computers & Peripherals
	Speculative Bonus Picks:		
14	IAMGOLD Corp.	IAG	Materials: Metals & Mining (Gold)
15	Hatteras Financial	HTS	Financials: Real Estate Investment Trusts
16	Lannet	LCI	Healthcare: Pharmaceuticals
17	Fuqi International	FUQI	Consumer Discretionary: Textiles, Apparel & Luxury Goods
18	Zhongpin, Inc.	HOGS	Consumer Staples: Food Products

These stocks were selected based on a number of quantitative criteria. In the larger table at the end of this document, we show the following scores that were used in the analysis:

SOS – Sabrient Company Outlook Score is a proprietary Sabrient rank that measures current valuation and the forward earnings outlook of a consensus of Wall Street analysts. It can be considered largely a GARP rank (Growth at a Reasonable Price), and also rewards conservative accounting practices.

SVS – Sabrient Value Score measures the relationship between a company's stock price and its intrinsic value, as indicated by earnings and balance sheet attributes, with an emphasis on earnings. Also considered are cash flow measures and fundamental valuation ratios. A high value score indicates that the stock may be undervalued, while a low value score indicates it is overvalued.

SGS – Sabrient Growth Score reflects a company's historical and projected earnings growth, revenue and sales growth, projected cash flow, analyst activity, and changes in earnings estimates, each over various time periods. The higher the score, the better the combined performance of these key measures.

SMS – Sabrient Momentum Score measures a company's earnings AND price momentum, evenly weighted and augmented by group strength, money flow, and relative volume. Core technical factors include current price relative to periodic highs and moving averages. High scores indicate strong momentum.

5-yr Proj Gr is the consensus estimate among Wall Street analysts of the annualized projected earnings growth rate for the next five years. Of course, positive numbers are best. (An “n/a” indicates that there were not enough analysts covering the given stock to provide a reliable estimate.)

1-yr Proj Gr is the consensus estimate among Wall Street analysts of the next year's projected year-over-year earnings growth rate. Again, positive numbers are best.

Let’s discuss each stock, by sector.

<u>ENERGY</u>:

Energy is the lifeblood of the world economy. If supply continues to tighten while demand increases, it should lead to higher energy prices across the board. Two of our best performers from last year’s Top Stocks list were from the Energy sector: Dresser-Rand (NYSE: DRC) and T-3 Energy Services (Nasdaq: TTES), up 83% and 170% for the year, respectively.

1. James River Coal (Nasdaq: JRCC), through its subsidiaries, engages in mining, processing, and selling bituminous, steam, and industrial-grade coal in eastern Kentucky and southern Indiana. It conducts mining operations in Bell County, Bledsoe, Blue Diamond, Leeco, McCoy Elkhorn, and Triad mining complexes. As of December 31, 2008, the company had 6 mining complexes, including 17 underground mines, 14 surface mines, and 10 preparation plants, as well as controlled approximately 277.1 million tons of proven and probable coal reserves in Central Appalachia and the Midwest. It sells coal to electric utilities and industrial customers. The company was founded in 1988 and is headquartered in Richmond, Virginia.

JRCC carries a *Strong Buy* rating from the Sabrient Ratings Algorithm. It looks particularly well-positioned to prosper in an energy-hungry world that likes to run on coal. Its scores are solid across the board, with a particularly strong Company Outlook Score that reflects good valuation and analyst optimism. Its projected earnings growth for 2010 is particularly strong.

2. China Petroleum & Chemical (Sinopec Corp.) (NYSE: SNP), through its subsidiaries, operates as an integrated oil and gas, and chemical company in the People's Republic of China and Hong Kong. The company engages in the exploration, production, storage, transportation, and sale of crude oil, natural gas, and petrochemical and other chemical products; refining of petroleum products; wholesale of gasoline, kerosene, and diesel; exploration, construction, installation, and maintenance of petroleum and petrochemical constructions and equipments; manufacture of electrical equipment; provision of research, development, application, and consulting services in the areas of information technology and alternative energy products; and self-run and representation import and export of goods and technology. It also offers chemical products, such as basic organic chemicals, monomers and polymers for synthetic fiber, synthetic resin, synthetic rubber, and chemical fertilizers. The company was founded in 2000 and is based in Beijing, China. China Petroleum & Chemical Corporation is a subsidiary of China Petrochemical Corporation.

SNP is rated *Strong Buy* by the Sabrient Ratings Algorithm. It stands at the top of the rankings based on our Company Outlook and Value scores (perfect 100 on both!), and offers a strong projected growth rate for the next five years (despite a flat projection for next year that we believe is fully discounted by the market). It is also a major player in the important Chinese energy industry.

<u>INDUSTRIALS</u>:

Performance in the Industrials sector is highly tied to economic recovery, but these three diverse picks are positioned to outperform and should hold up well even in a stagnant growth climate.

3. Aegean Marine Petroleum Network (NYSE: ANW), through its subsidiaries, operates as a marine fuel logistics company that supplies and markets refined marine fuel and lubricants to ships in port and at sea. It also markets and distributes marine lubricants under the Alfa Marine Lubricants brand name. The company sells its marine fuel to various shipping customers, such as tankers, container ships, dry bulk carriers, cruise ships, reefers, LNG/LPG, car carriers, ferries, and marine fuel traders and brokers. It has operations in Greece, Gibraltar, the United Arab Emirates, Jamaica, Singapore, northern Europe, Portland (the United Kingdom), West Africa, Vancouver, Montreal, and Mexico. As of March 31, 2009, the company owned a fleet of 33 bunkering vessels, of which 28 are double-hull bunkering vessels. It has a strategic partnership with Gulf Oil Marine Ltd. for the distribution of marine lubricants worldwide. The company was founded in 2005 and is based in Athens, Greece.

ANW carries a *Buy* rating from the Sabrient Ratings Algorithm. It sports an eye-popping 5-year projected growth rate of 54% per year, along with sound Outlook, Growth, and Momentum scores. If the world economy is indeed recovering, business should be robust. You might note that its Value score indicates that ANW is close to fully valued based on its current earnings. The projected growth needs to occur if the stock is to perform.

4. Joy Global (Nasdaq: JOYG) engages in the manufacture and servicing of mining equipment for the extraction of coal, and other minerals and ores. The company operates in two segments, Underground Mining Machinery and Surface Mining Equipment. The Underground Mining Machinery segment manufactures underground mining equipment for the extraction of coal and other bedded minerals, as well as operates service locations near mining regions worldwide. Its product line includes continuous miners; longwall shearers; powered roof supports; armored face conveyors; shuttle cars; flexible conveyor trains; complete longwall mining systems, consisting of powered roof supports, an armored face conveyor, and a longwall shearer; feeder breakers; continuous haulage systems; battery haulers; and roof bolters. The Surface Mining Equipment segment produces electric mining shovels, rotary blasthole drills, and walking draglines for open-pit mining operations. These products are used in mining copper, coal, iron ore, oil sands, silver, gold, diamonds, phosphate, and other minerals and ores. The company was founded in 1884 and is headquartered in Milwaukee, Wisconsin.

JOYG is the one holdover from last year's Top Stocks list. It was one of our top performers with a fantastic 125% gain. Although it is projected to earn less this coming year than last, we believe the current price properly reflects that expectation. Moreover, its 5-year growth projections are strong, its overall scores are quite high (especially the Growth and Outlook scores), and it seems well-positioned relative to its peers to succeed in any market climate. JOYG continues to carry a *Strong Buy* rating from the Sabrient Ratings Algorithm.

5. Alaska Air Group (NYSE: ALK) through its subsidiaries, Alaska Airlines, Inc. and Horizon Air Industries, Inc., operates as an airline company serving destinations in the western United States, Canada, and Mexico. The company provides passenger air services; and freight and mail services primarily to and within the state of Alaska and on the West Coast. As of December 31, 2008, Alaska Airlines operated a fleet of 110 jet aircraft; and Horizon Air Industries operated a fleet of 18 jets and 41 turboprop aircraft. The company was founded in 1932 and is headquartered in Seattle, Washington.

ALK carries a *Strong Buy* rating from the Sabrient Ratings Algorithm. Airlines have shown strong momentum lately due to increased optimism in the sector, and ALK scores the highest in our system across the board. Its 502% year-over-year projected earnings growth is impressive, too.

<u>FINANCIALS</u>:

Although the financial industry almost collapsed last year, bringing the entire world economy down with it, a couple of industries within the Financials sector have held up well and score particularly strong in the Sabrient rankings: Consumer Finance and Insurance.

6. Credit Acceptance Corp. (Nasdaq: CACC) provides auto loans to consumers primarily in the United States. Its business comprises portfolio program, under which the company advances money to dealer-partners in exchange for the right to service the underlying consumer loan; and purchase programs, under which it buys the consumer loan from the dealer-partner and keeps the amounts collected from the consumer. The company offers its products through a network of automobile dealers. Credit Acceptance Corporation was founded in 1972 and is headquartered in Southfield, Michigan.

CACC is rated *Strong Buy* in the Sabrient Ratings Algorithm. In a weak Financials sector, segments of consumer finance look strong. Other high-ranked players in this space include EZPW and WRLD. You'll notice that CACC doesn't have enough Wall Street coverage to receive a 5-yr growth rate projection or a Sabrient Outlook Score. Because it's a bit "under the radar," we decided to include it in the portfolio rather than its better-known peers.

7. Transatlantic Holdings Inc. (NYSE: TRH), through its subsidiaries, offers reinsurance capacity for a range of property and casualty products, directly and through brokers, to insurance and reinsurance companies, in both domestic and international markets. The company is licensed as a reinsurer in each of the 50 states and the District of Columbia in the United States and in Puerto Rico and Guam, through its subsidiaries. It also has operations in Canada, five countries in Europe, three countries in central and South America, one country in Africa, one country in Asia (excluding Japan), Japan, and Australia. Transatlantic Holdings was founded in 1986 and is headquartered in New York, New York.

Along with many of the insurers and reinsurers, TRH carries a Strong Buy rating from the Sabrient Ratings Algorithm. Like last year, Insurance stocks are again scoring well in our system, and TRH is consistently at the top of our Company Outlook rank.

HEALTHCARE:

The Healthcare sector has been strong all last year in our Sabrient SectorCast model. Despite the uncertainty of the Obama administration's efforts to overhaul our healthcare system, many of the healthcare providers and insurers continue to score well and perform well.

8. Humana (NYSE: HUM) provides various health and supplemental benefit plans for employer groups, government benefit programs, and individuals in the United States. The company operates in two segments, Government and Commercial. The Government segment comprises beneficiaries of government benefit programs. This segment operates in three lines of business: Medicare, Military, and Medicaid. The Medicare program is a federal program that offers hospital and medical insurance benefits to persons of age 65 and over and some disabled persons under the age of 65. The Military program provides health insurance coverage to the dependents of active duty military personnel and to retired military personnel and their dependents. The Medicaid program is a federal program that is state-operated to facilitate the delivery of health care services primarily to low-income residents. The Commercial segment consists of members enrolled in its medical and specialty products marketed to employer groups and individuals. As of December 31, 2008, Humana Inc. had approximately 11.6 million members enrolled in medical benefit plans and approximately 6.8 million members enrolled in specialty products programs. It has a strategic alliance with SIHO Insurance Services. The company was founded in 1964 and is headquartered in Louisville, Kentucky.

HUM is rated *Strong Buy* in the Sabrient Ratings Algorithm. It has consistently ranked among the highest of all Healthcare stocks across the board in its Outlook, Value, Growth, and Momentum scores.

UTILITIES:

The Utilities sector should hold up well in any market climate, so we have included a strong yielder as an important component to a diversified portfolio.

9. Suburban Propane Partners, L.P. (NYSE: SPH), through its subsidiaries, engages in the retail marketing and distribution of propane, fuel oil, and refined fuels, and the marketing of natural gas and electricity in the United States. The company's Propane segment involves in the retail distribution of propane to residential, commercial, industrial, and agricultural customers, as well as wholesale distribution to large industrial end users. Its Fuel Oil and Refined Fuels segment engages in the retail distribution of fuel oil, diesel, kerosene, and gasoline to residential and commercial customers for use primarily as a source of heat in homes and buildings. The company's Natural Gas and Electricity segment markets natural gas and electricity to residential and commercial customers in the deregulated energy markets of New York and Pennsylvania. Suburban Propane Partners, L.P. also sells, installs, and services various whole-house heating products, air cleaners, humidifiers, hearth products, and space heaters to the customers of propane, fuel oil, natural gas, and electricity products. As of September 26, 2009, it served approximately 850,000 residential, commercial, industrial, and agricultural customers through approximately 300 locations in 30 states located primarily in the east and west coast regions of the United States, including Alaska. Suburban Energy Services Group LLC serves as the general partner to Suburban Propane Partners, L.P. The company was founded in 1945 and is based in Whippany, New Jersey.

We categorize SPH as a natural gas utility. It is rated a *Strong Buy* in the Sabrient Ratings Algorithm, sports a particularly high Outlook score, and offers a healthy dividend yield of nearly 7%. It also is a bit under the radar of many Wall Street analysts and has fairly low daily trading volume compared to some of the larger electric utilities that score highly in our system, such as MIR or NRG. Likely because of its attractive dividend, the Value score is moderate and hence somewhat vulnerable to a price decline should earnings falter or the dividend cut. For similar reasons we believe that the expected decline in 2010 earnings is already discounted by the market.

TELECOMMUNICATIONS:

An expanding economy with technological innovation provides fertile ground for the large telecom companies. Still, many of the largest U.S. players will likely have a difficult time growing quickly. So, we look overseas for the best investment opportunities.

10. Telecom Argentina S.A. (NYSE: TEO), together with its subsidiaries, provides telephone services to residential and corporate customers in Argentina. It operates in two segments, Voice, Data, and Internet Services; and Wireless Telecommunication Services. The Voice, Data, and Internet Services segment provides fixed telephone services; international telecommunications services, including voice and data services, and international point-to-point leased circuits; data transmission and Internet services, such as private networks, dedicated lines, broadcasting signal transport, and videoconferencing services, as well as dial-up and broadband Internet connectivity services; and call forwarding, call waiting, calling cards, voice mail, and itemized billing services. The Wireless Telecommunication Services segment offers wireless telephone services via cellular and PCS networks. This segment also engages in the sale of wireless handsets to customers, agents, and various third-party distributors. As of December 31, 2008, the company served approximately 4.3 million fixed lines, 1.1 million broadband and Internet connections, and 14.4 million cellular subscribers. Telecom Argentina was formerly known as Telecom Argentina STET-France Telecom S.A. and changed its name to Telecom Argentina S.A. in February 2004. The company was founded in 1990 and is based in Buenos Aires, Argentina. Telecom Argentina S.A. is a subsidiary of Nortel Inversora S.A.

TEO carries a *Strong Buy* rating from the Sabrient Ratings Algorithm. It should provide strong year-over-year growth, and it sports a perfect 100 in its Company Outlook Score.

CONSUMER DISCRETIONARY:

There are many interesting picks in the Consumer Discretionary sector that are worth consideration, even though the sector is highly dependent on a strengthening economy.

11. America's Car-Mart (Nasdaq: CRMT) America's Car-Mart, Inc., through its subsidiaries, operates as an automotive retailer in the United States. The company focuses on the buy here/pay here segment of the used car market. It primarily sells older model used cars, as well as various trucks and sport utility vehicles; and provides financing for its customers. As of May 4, 2009, the company operated 94 stores located primarily in small cities in the south-central United States. It purchases vehicles principally through wholesalers, new car dealers, individuals, and from auctions. The company was founded in 1981 and is based in Bentonville, Arkansas.

CRMT is rated a *Buy* in the Sabrient Ratings Algorithm. It sports a strong Outlook score and impressive projected growth prospects. We chose CRMT over diverse names like JOSB and COCO.

CONSUMER STAPLES:

Consumer Staples is a traditionally defensive sector that has been scoring near the top of our SectorCast model after the big stock market recovery and run-up. So, we are making sure to include one player in this space, plus another as a bonus pick.

12. Core-Mark Holding Company (Nasdaq: CORE) operates as a wholesale distributor of packaged consumer products to the convenience retail industry. It distributes approximately 42,000 stock keeping units of packaged consumable goods, including cigarettes, tobacco products, candy, snacks, fast food, fresh products, groceries, dairy, non-alcoholic beverages, general merchandise, and health and beauty care products. The company serves traditional convenience stores, grocery stores, drug stores, liquor stores, and other stores that carry convenience products. As of December 31, 2008, it operated a network of 26 distribution centers in the United States and Canada. The company was founded in 1888 and is headquartered in South San Francisco, California.

CORE is rated *Strong Buy* in the Sabrient Ratings Algorithm. Although growth might tail off a bit this year before turning back to a strong growth track, the stock continues to score well in our Company Outlook Rank, and hence properly discounts expectations for the current year.

It also displays excellent relative valuation and momentum. Other strong choices in this space include SENEA and LANC.

INFORMATION TECHNOLOGY:

The InfoTech sector encompasses software, hardware, and semiconductors. No matter what the economy is doing, entrepreneurs will continue to push the technological boundaries. You can't publish a growth-oriented stock list without including at least one InfoTech stock.

13. STEC, Inc. (Nasdaq: STEC) designs, develops, manufactures, and markets custom memory solutions based on flash memory and dynamic random access memory (DRAM) technologies. Its solid-state drive products include ZeusIOPS solid state drives that provide enterprise-class data storage solutions; MACH8IOPS solid state drives, which are small form factor storage solution for mission-critical systems in various industries; ATA PC cards for equipment requiring standard form factors and moderate capacities, such as data recorders, avionics systems, and telecommunication applications; CompactFlash products that provide interoperability with systems based on the PC Card ATA standard by using passive adapter; flash modules; secure digital memory cards; USB flash drive; and single chip drives. The company also offers DRAM products. STEC sells its products through direct sales force, manufacturers' representatives, and original equipment manufacturer distributors in the United States and internationally. The company was founded in 1990 and is headquartered in Santa Ana, California.

STEC carries a *Strong Buy* rating from the Sabrient Ratings Algorithm. This coupled with its high Outlook and Growth scores, superb forward earnings growth estimates, and a recent technical price correction giving it a terrific Value score convinced us we just had to include it.

BONUS STOCKS:

So, those are the Sabrient "Baker's Dozen" Stocks for 2010. They are 13 diverse stocks that we believe are positioned to outperform no matter what this year has in store for us. Beyond these, we thought we'd toss in some extra picks that our scoring system consistently likes. They may be a bit more speculative than the others, so we offer them separately. Last year, we only offered two speculative picks (and one—TTES—was up over 170%, making it the best performer of the entire list). But this year, we just couldn't decide among a variety of exciting themes, so we allowed ourselves to expand the list and settled on these five:

IAMGOLD Corp. (NYSE: IAG), together with its subsidiaries, engages in the exploration for, and the development and production of, mineral resource properties worldwide. It primarily explores for gold, silver, zinc, niobium, diamonds, precious metals, and copper. The company holds interest in seven operating gold mines, a niobium producer, a diamond royalty, and exploration and development projects located in Africa and the Americas. Its exploration and development projects include the Westwood project in Canada, the Quimsacocha project in Ecuador, and the Camp Caiman project in French Guiana. The company was formerly known as IAMGOLD International African Mining Gold Corporation and changed its name to IAMGOLD Corporation in June 1997. IAMGOLD Corporation was founded in 1990 and is based in Toronto, Canada.

Although few stocks from the Materials sector are scoring well in our robust Company Outlook Score, if the world economic recovery continues, inflation rears its head, and the dollar stays weak—as many observers predict—then the price of gold, and gold stocks, should continue to rise. Another wildcard is whether countries like India and China continue their heavy buying. Although all gold stocks should prosper in such an environment, IAG sports strong scores and appears to be well-positioned relative to its peers. (Note that a low Value score is common among gold stocks.) It carries a *Buy* rating from the Sabrient Ratings Algorithm.

Hatteras Financial Corp. (NYSE: HTS) operates as an externally-managed mortgage real estate investment trust (REIT). It invests in adjustable-rate and hybrid adjustable-rate single-family residential mortgage pass-through securities guaranteed or issued by the United States Government agency, or by the United States Government-sponsored entity. The company has elected to be taxed as a REIT and would not be subject to federal corporate income tax if it distributes at least 100% of its taxable income to its stockholders. Hatteras Financial Corp. was founded in 2007 and is based in Winston Salem, North Carolina.

HTS sports an eye-popping 17% yield in the risky world of mortgage financing. It is rated a *Strong Buy* in the Sabrient Ratings Algorithm.

Lannet (NYSE: LCI) Lannett Company, Inc. develops, manufactures, markets, and distributes generic versions of pharmaceutical products in the United States. The company manufactures and/or sells various prescription products. The company sells its pharmaceutical products to generic pharmaceutical distributors, drug wholesalers, chain drug retailers, private label distributors, mail-order pharmacies, other pharmaceutical manufacturers, managed care organizations, hospital buying groups, governmental entities, and health maintenance organizations. Lannett Company, Inc. was founded in 1942 and is based in Philadelphia, Pennsylvania.

LCI carries a *Buy* rating from the Sabrient Ratings Algorithm. Because the Healthcare sector scores so highly in our SectorCast model, and because LCI offers such impressive forward growth numbers, we felt we had to include it as a “sleeper” pick.

Fuqi International (Nasdaq: FUQI), through its subsidiaries, engages in designing, developing, promoting, and selling precious metal jewelry in the People's Republic of China. The company offers basic gold jewelry, as well as a range of products, including rings, bracelets, necklaces, earrings, and pendants made from precious metals, such as platinum, gold, palladium, and karat gold. It also manufactures jewelry with diamond and other precious stone inlays, as well as gold coins and gold bars. Fuqi International sells its products primarily to the national and provincial distributors. The company was founded in 2001 and is headquartered in Shenzhen, the People's Republic of China.

FUQI has been a Sabrient favorite for the past year and continues to sport a *Buy* rating from the Sabrient Ratings Algorithm. We identified it back in April as one of four stock ideas in our weekly newsletter, and then picked it again in May, and it gained as much as 281% the first time and 154% the second time. It has excellent scores across the board, terrific growth projections from the analysts, and adds more China flavor to the portfolio.

Zhongpin, Inc. (Nasdaq: HOGS), through its subsidiaries, engages in the processing and distribution of meat and food products primarily in the People's Republic of China. It offers pork and pork products, such as chilled pork, frozen pork, pig by-products and various meats, and prepared meats; processed chicken and beef products; and fruits and vegetables, which include white asparagus, green asparagus, green cauliflowers, sweet corn, yellow peaches, broccoli, carrots, mushrooms, lima beans, strawberries, capsicum, and shepherd's purse. The company supplies its products to fast food companies, processing factories, school cafeterias, factory canteens, and army posts and national departments, as well as to retail outlets, including supermarkets in the People's Republic of China. Zhongpin, Inc. also exports its products to the European Union, Eastern Europe, the Russian Federation, Hong Kong, Japan, and South Korea. As of December 31, 2008, it had approximately 132 showcase stores; 961 network stores; and 1,968 supermarket counter locations. The company is based in Changge City, the People's Republic of China.

HOGS has been near the top of our Outlook Rank many times during 2009 and continues to carry a *Buy* rating from the Sabrient Ratings Algorithm. Because the Consumer Staples sector scores so highly in our SectorCast model, and because HOGS offers such impressive forward growth projections from the analysts, we felt compelled to include it as another “sleeper” pick. Plus, it adds even more China exposure to the portfolio.

Happy New Year…and Happy Investing. We at Sabrient wish you all the best of personal and investment success in 2010 and beyond!

To learn more about Sabrient’s methodology, performance, products and services, please visit our web site at:

http://www.Sabrient.com

Sabrient "Baker's Dozen" Top Stocks for 2010

	Ticker	Name	Sector	Industry	12/31/09 Price	SOS	SVS	SGS	SMS	5-yr Proj Gr	1-yr Proj Gr
1	**JRCC**	James River Coal	Energy	Coal	$18.49	97	82	78	66	10%	302%
2	**SNP**	China Petroleum & Chemical	Energy	Oil, Gas & Consumable Fuels	$88.07	100	100	54	61	32%	0%
3	**ANW**	Aegean Marine Petroleum Network	Industrials	Transportation Infrastructure	$27.48	83	59	75	91	54%	78%
4	**JOYG**	Joy Global	Industrials	Machinery	$51.57	98	69	100	93	14%	-29%
5	**ALK**	Alaska Air Group	Industrials	Airlines	$34.56	79	77	69	98	14%	502%
6	**CACC**	Credit Acceptance Corp.	Financials	Consumer Finance	$42.10	n/a	66	90	100	n/a	25%
7	**TRH**	Transatlantic Holdings	Financials	Insurance	$52.11	99	95	53	38	15%	31%
8	**HUM**	Humana	Healthcare	Healthcare Providers	$43.89	99	93	97	97	10%	-7%
9	**SPH**	Suburban Propane Partners	Utilities	Gas Utilities	$47.08	96	60	44	58	7%	-21%
10	**TEO**	Telecom Argentina S.A.	Telecom	Diversified Telecom Services	$16.82	100	89	29	30	9%	66%
11	**CRMT**	America's Car-Mart	Consumer Discretionary	Specialty Retail	$26.33	98	78	84	53	15%	29%
12	**CORE**	Core-Mark Holding	Consumer Staples	Food & Staples Retailing	$32.96	98	97	76	93	16%	-32%
13	**STEC**	STEC, Inc.	Information Technology	Computers & Peripherals	$16.34	97	97	98	67	23%	107%
Plus 5 speculative bonus picks:											
14	**IAG**	IAMGOLD Corp.	Materials	Metals & Mining	$15.64	32	2	89	90	3%	407%
15	**HTS**	Hatteras Financial	Financials	Real Estate Investment Trusts	$27.96	99	89	75	46	5%	19%
16	**LCI**	Lannet	Healthcare	Pharmaceuticals	$5.91	n/a	89	92	53	37%	36%
17	**FUQI**	Fuqi International	Consumer Discretionary	Textiles, Apparel & Luxury Goods	$17.95	89	90	97	77	26%	9%
18	**HOGS**	Zhongpin, Inc.	Consumer Staples	Food Products	$15.61	87	89	89	51	37%	34%

SOS = Sabrient Company Outlook Score, a forward-looking composite of several fundamental factors, including accounting practices
SVS = Sabrient Value Score, a composite of several value-oriented proprietary multi-factor filters
SGS = Sabrient Growth Score, a composite of several growth-oriented proprietary multi-factor filters
SMS = Sabrient Momentum Score, a composite of several momentum-oriented proprietary multi-factor filters
5-yr Proj Gr = Annualized projected earnings growth for the next 5 years, from analyst consensus
1-yr Proj Gr = Next year's projected year-over-year earnings growth, from analyst consensus