



3-D Research Note on JBL

MARKET PLAY



Facts & Interpretations:

- program trading buy orders at 16.2 (Dec 4) and at 16.8-17 (Nov 20-30, Dec 6) most likely won't allow to drop further
- massive sell orders setups at 22 (Oct.10-18, Oct 30) indicate that large traders are trying to keep the price lower than 22 for a while
- fundamentals are still supportive and the latest upgrade provided breakup
- large traders are expected to push the stock higher in the year-end rally and has a lot of room to move higher (up to 21)
- negative news are already priced in and the stock looks attractive at current levels
- strong industry short-term bullish trend is in place
- the price drop below 16 looks unlikely since fundamentals remain very strong and large traders place buy orders at 16-17

BULLISH PLAY

Jabil Circuit Inc. (JBL)



Stock Symbol	JBL		
Industry	Electronic Instr. & Controls		
	JBL	Industry	Sector
Valuation Ratios			
P/E, Trailing (ttm)	50.25	21.08	27.78
Price/Sales (ttm)	0.30	2.15	5.10
Price/Book (mrq)	1.49	4.26	6.03
Dividends, %			
Dividend Yield	1.57	1.41	1.27
Div Yield - 5 Yr Avg	--	0.86	0.78
Growth Rates			
EPS - Next 5 Years	21.2%	14.8%	13.4%
PEG	0.57	1.33	1.36
Profitability Ratios, %			
Gross Margin	6.61	30.67	52.39
Profit Margin	0.59	6.56	14.49
Operating Margin	1.48	8.95	17.47
Management Effectiveness, %			
Return on Assets	1.25	6.70	11.47
Return on Equity	3.09	17.77	21.48

Support/Resistance Levels		
	Support	Resistance
Short-term	16-17	18.3
Intermediate-term	14	20-22

Stock & Sector Trends		
	JBL	Sector
Short-term, based on 10-Day SMA	Up	Up
Intermediate-term, based on 50-Day SMA	Down	Neutral

Bullish factors	break-out resistance lines, forming bottom, intermediate & short-term oversold, low PEG, P/E, P/S, P/B
Bearish factors	intermediate-term bearish trend, low profit & operating margins, low ROA & ROE, EPS revisions trend - down

"FIRST CHOICE" OPTION STRATEGIES:

BUY CALL

Stock Symbol	Last Stock Price	Expiration Month	Strike Price	Option Symbol	Recommended Entry Stock Price	Entry Call Option Price	Break-even	Max Profit (per one contract)	Sum Invested (per one contract)	Exit Price (Target Price)	Target Profit (per one contract)	Target Return
JBL	17.85	Jan-08	15.00	JBLAC	17.30	2.65	17.65	Unlimited	2.65	3.20	0.55	20.8%

BULLISH PUT SPREAD

Stock Symbol	Last Stock Price	Expiration Month	Lower Strike	Option Symbol	Higher Strike	Option Symbol	Recommended Entry Stock Price	Entry Credit	Break-even	Max Profit (per one contract)	Sum Invested (per one contract)	Exit Debit (Target Debit)	Target Profit (per one contract)	Target Return
JBL	17.85	Jan-08	15.00	JBLMC	17.50	JBLMT	17.30	0.80	16.70	0.80	1.70	0.50	0.30	17.6%

BULLISH CALL SPREAD

Stock Symbol	Last Stock Price	Expiration Month	Lower Strike	Option Symbol	Higher Strike	Option Symbol	Recommended Entry Stock Price	Entry Debit	Break-even	Max Profit (per one contract)	Sum Invested (per one contract)	Exit Credit (Target Credit)	Target Profit (per one contract)	Target Return
JBL	17.85	Jan-08	15.00	JBLAC	17.50	JBLAT	17.30	1.70	16.70	0.80	1.70	2.00	0.30	17.6%