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### TABELL'S MARKET LETTER

#### STANDARD STEEL SPRING COMPANY

Standard Steel Spring has had an outstanding record in recent years with sales and earnings in a pronounced up trend because of favorable trade conditions and an aggressive management which has obtained new accounts, expanded the scope of operations, and which has also been able to obtain a good steel supply. \*\*\* 1948 sales will show about 48% in bumper output, 38% in springs, 12% in universal joints, and the balance in miscellaneous items, such as, steel grating, treads, etc. The company is strongly situated in the industry and, although "the big three" account for the major percentage of output, this concentration is not considered an unfavorable factor. Sales for this year will be approximately \$48 million on which it is expected to show earnings close to \$3.58 a common share. This would compare with sales of \$35 million and earnings of \$2.28 for the previous year. It is understood that this company is the only one in the industry capable of turning out in a single piece bumpers the size used on some of the 1948 and 1949 cars. Prospects are that results for 1949 should be equal or better than this year from a sales and profit standpoint. \* \* \* The Company is on a \$.25 quarterly dividend basis and recently declared a \$.25 yearend extra payable on the 27th of this month. At current prices of about 14 1/2 the stock gives a yield of nearly 7%, exclusive of the extra dividend, and over 8 1/2% if figured on a \$1.25 annual basis. \* \* \* The stock has been in roughly - the 11-17 range ever since mid-1946. It has built up a sizeable potential base pattern with a long term objective of 27-29 if the area is penetrated upside. First resistance would be encountered in the 19-22 range. The stock appears very attractive.

#### WHITE SEWING MACHINE CORPORATION

White Sewing Machine is the second largest manufacturer of this type of equipment. Although it ranks well behind Singer in sales, it nevertheless occupies a well-established position in the household sewing machine field and accounts for approximately 30% of industry sales. \* \* \* Deferred demand for sewing machines is still far from satisfied and principal outlets of the company hold large backlogs of unfilled orders. Its past earnings record has been spotty and no common dividends were paid until November 1, 1948 with a payment of \$.25 per share on the common after clearing arrearages on the preferred. Earnings for this year have been trending upward, having shown \$1.83 per share on the common in the first quarter, \$2.36 in the second quarter, and \$3.00 in the third quarter for a total of \$7.18 for the nine months ended September 30th. This compares with earnings of \$1.70 in the like 1947 period. With preferred dividend arrearages out of the way the stock is now on an indicated \$1.00 basis and, at current levels of approximately 18 3/4, gives a yield of 5.3%. Quarterly payments of at least this rate are indicated. \* \* \* The stock has been in a relatively wide range during 1948. After reaching a low of 9 7/8 in February it rallied to 22 7/8 in June. This high almost equalled the 1946 high of 23 3/8. The November decline brought White back to the 16 area from which it has rallied. Both the 1946-1948 base areas and the May-November re-accumulation area indicates an eventual price objective of above 30. The stock appears to be an interesting speculation.

#### COOPER-BESSEMER CORP.

Cooper-Bessemer is considered the leading producer of gas engine-driven compressors, sixth largest in the heavy diesel engine field, fourth largest supplier of diesel engines for locomotives, and produce about one-half of gas-diesel engines made in this country. Products go mainly to the oil, gas, heavy chemical and marine fields, with exports normally running about 15% of total sales and parts business running about 22%. \* \* \* While this company had rather a mediocre earnings record pre-war and its dividend record has been spotty, nevertheless finances have been greatly improved in recent years and large profits have raised working capital as of September 30, 1948 to a new high. Incoming orders and prospects indicate capacity operations for the foreseeable future and unfilled orders, as of the third quarter of this year, were in excess of \$17 million. \* \* \* Earnings for the first nine months of the current year were equal to \$7.39 a common share compared with \$5.79 in the like 1947 period. The dividend rate was recently raised from \$.25 to \$.50 quarterly, putting the stock on an indicated \$2.00 basis. The present price of approximately 26 1/2 gives a yield of 7.55%. \* \* \* Cooper-Bessemer has been in a slow but gradual uptrend since the low of 13 in May, 1947. The mid-1948 high was 33. The distributional top built up during that period indicated a decline to 24 which was reached in November. A small base pattern has been built up in the 24-27 range and indicates a short term objective of 30-32. The longer term objective is higher.

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