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TABELL'S MARKET LETTER

There is little new to be said about the technical action of the market. Both averages continue to hold in narrow trading shelves and the volume of trading is at the lowest pace for the past six months. Until the volume increases, there is little indication of the direction of the next near term move. So far, it appears the lowered volume is due mainly to drying up of the buying urge. As yet, there has been little increase in selling pressure. If that current uncertainty causes increased liquidation, would expect the Dow-Jones industrial average to react to the 240-236 support level.

Such a correction, if it occurs, might result in a good buying level for issues in favorable groups. As has been stated many times before in this letter, the airlines have extremely favorable technical patterns. This continues to be true despite the fact that this group has advanced sharply since my original recommendation.

There is ample justification for the favorable technical implication of this group. It is the one group that appears fairly certain to show increased earnings over 1950 despite higher taxes. The first quarter of the year is usually the worst earnings period for most airlines and the result is quite often a loss for this period. January-February earnings this year are in the black for many companies in contrast to losses in 1950. Continuance of the sharp increase in passenger traffic and load factors should accentuate this upward trend.

Despite the advance in the group, individual issues are still selling considerably below their 1946 highs as noted in the table below. Would buy the issues in our recommended list during periods of market recession:

	<u>Price Now</u>	<u>1945-1946 High</u>
Alaska Airlines	10	16 1/2
American Airlines	15 1/2	19 7/8
American Air., pfd.	84	98 1/4
Braniff Airways	13 1/2	37 1/2
Capital Airlines	16	49 3/4
Chicago & Southern	12	35
Colonial Airlines	10	45
Continental Air	9 1/2	29 1/2
Delta Airlines	23	69 1/2
Eastern Airlines	22	33 1/2
Mid-Continent Air	11	21
National Airlines	15	34 1/4
National Aviation	20	32 7/8
Northeast Air	6	25 1/4
Northwest Air	14	63 1/2
Northwest Air, pfd.	21	--
Pan-American	11	29
T-W-A	25	79
United Airlines	28	62 1/2
United Air. pfd	117	--
Western Airlines	14	40 1/2

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Closing Averages

Dow-Jones Industrials 252.75
Dow-Jones Rails 84.85