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## TABELL'S MARKET LETTER

The market continues the process of building a new technical pattern. The decline from the September high of 277.51 on the Dow-Jones industrials reached a low of 254.91 this week as compared with last week's low of 256.39. Between present levels and the June low of 240.72, there are several support levels. The first is around 255 followed by 250 then by 245 and finally the June low. It must be remembered that the general market, regardless of spectacular moves in individual issues, has held in comparatively narrow range since the first of the year. The low was reached the first day of the year at around 236 but, with the exception of four or five trading days, the market has held in the 240-277 area for the entire year. This range of about 16% is comparatively moderate and is one of the narrowest percentage trading ranges in the past fifty years. Only time will tell whether or not this comparatively narrow trading area is a period of distribution or a period of re-accumulation prior to a further rise. The situation is uncertain enough to warrant a continued cautious attitude in intermediate term trading accounts concerned mainly with capital appreciation over a six-month period. I continue to advise a 25% invested position and 75% of funds as a buying reserve.

From a nearer term point of view, the market appears to be wedged in between a support level at 255-240 in the Dow-Jones industrials, and a heavy overhead supply at 270-277. It may take considerable time before either of these levels are penetrated. The short term indicator became oversold this week and gave a short term buy signal at the close on November 8th. The intermediate term indicator is entering oversold territory and could give a buy signal in the next ten or twelve trading days. This might result in a rally to the overhead resistance at 270.

The decline from the September highs has resulted in bringing a number of issues down to what appears to be interesting levels for long-term appreciation. Several of these issues are reviewed below. They are part of my recommended list and should be purchased on weakness provided accounts still have a sufficient buying reserve after purchase. They are also interesting switch possibilities from issues in vulnerable groups.

**CARRIER CORP.** (22 1/4) is the largest independent manufacturer of air-conditioning equipment. 40% of volume is in smaller units and another 40% is large, heavy equipment for industrial plants. The company has a strong growth potential. Sales have increased from 4.8 million in 1930 to 13.0 million in 1940 and 62.4 million in 1950. The stock has a very strong technical pattern with a long term objective of more than double its present price. There is strong support not far below present levels. The low of the past eight years has been 12 1/8 and the high has been 34. Should be bought on all price declines for long term patient holding.

**PHILCO CORP.** (24 1/2). This company also has tremendous growth possibilities as a participant in the electronics and television field. 1950 sales were more than six times the 1939-1940 level. Net worth has more than quadrupled in the same period. The company is one of the largest producers of television sets with a capacity of over a million annually. In addition, the company manufactures radio receivers, radio-phonographs, refrigerators, freezers, air-conditioning equipment, electric ranges, radio and television tubes, micro-wave relays and computers. The technical pattern is good with a long term potential of over 40.

**SYLVANIA ELECTRIC** (33) was originally recommended in the low twenties. A high of 39 was reached earlier this year and the stock appears to be an attractive purchase near current levels. There is very strong support at 30-28. Earnings, despite a dip in the third quarter, are expected to show up well against the 1950 total of \$5.37 a share. Company is one of the leaders in the electronics field and, as such, has excellent growth possibilities. Company is one of largest manufacturers of radio receiving tubes. In 1950 it made 20% of fluorescent lamps and 10% of incandescent lamps. Sales of television tubes were about one-sixth of the industry total. Dividends have been paid each year since 1931. The stock has an excellent long term technical pattern and should be bought in the 32-28 area.

November 9, 1951

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