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TABELL'S MARKET LETTER

During the past week, neither the Dow-Jones industrials nor the rails were able to reach the July 1st highs of 276.25 and 103.42. Moderately lower levels prevailed during most of the period with the industrials declining to a low of 271.73 and the rails to 100.42. The Eisenhower victory and hope of a steel strike settlement lifted prices from the lows on Friday.

For the market to retain a sound technical pattern, any near term decline should halt in the 270-268 level. There is support at roughly 270 which is the area of the April high of 270.40 and the June high of 269.92. Secondly, a decline below 270 in the next four days would bring the short term indicator into oversold territory and, thirdly, the uptrend line from the May low of 254.70 now stands at about 268. Thus, any decline halting at roughly 270-268 would most likely be followed by another attempt to penetrate the 277.51 September peak. A successful breakthrough would indicate the probability of 285-295 over the intermediate term. However, a break below 268 would definitely put the market on the defensive and would have some rather ominous downside possibilities. It would imply the second failure to break through the overhead resistance and would create a triple top. It would also imply another test of the November and May lows of 254.91 and 254.70 but in this case, it would appear doubtful that 255-254 support level would again hold. A downside penetration would indicate 235 followed by a later 220-200. The 268 level should be watched closely. The comparable point on the rails is 98.

LONG TERM INVESTMENT: I continue to advise a 100% invested position in accounts concerned mainly with income and longer term appreciation. However, at this stage of the market pattern, would concentrate holdings in undervalued issues with defensive characteristics.

Listed below are twenty issues in my recommended list. These twenty stocks should now be considered as my entire Long Term Investment List. If held, I council retention. For new purchases would await periods of moderate price decline.

They are all issues of better to medium grade investment quality. The longer term technical pattern of these issues continues to suggest higher price levels. In the event of a general market decline, these issues should show above average market action:

	7/11/52 Price	1951 Earn.	1951 Div.-A	Yield	1951 - 1952 Range
Allis Chalmers	51	\$8.19	\$3.50	6.9%	54 - 40
American Radiator -	16	2.16	1.50	9.4%	17 - 12
Armstrong Cork -	51	5.35	3.10	6.1%	59 - 46
Blaw Knox	17	2.55	1.25	7.4%	20 - 15
Bucyrus Erie -	26	3.67	2.20	8.5%	27 - 19
Burroughs Add. Machine	17	1.52	.90	5.3%	18 - 13
Celanese	42	3.56	3.00	7.1%	58 - 36
Columbia Gas *	14	1.06	.90	6.4%	16 - 12
Hall Printing	16	2.47	1.22	7.7%	19 - 15
Joy Manufacturing	35	5.74	2.75	7.9%	38 - 29
Lone Star Cement -	28	3.00	1.50	5.4%	29 - 22
Montgomery Ward	63	8.14	4.00	6.4%	75 - 58
Owens Illinois	74	5.57	4.00	5.4%	89 - 73
Pacific Mills	34	.94	2.00	5.9%	49 - 28
Shamrock Oil	39	3.87	2.00	5.1%	40 - 29
Smith, A.O.	36	7.00	1.60	4.5%	39 - 32
Sylvania Electric	35	4.19	2.00	5.7%	39 - 23
Western Auto Supply	49	7.43	4.00	8.2%	54 - 40

A - Including Extras.

* - Prospectus available on request.

CAPITAL APPRECIATION: In risk accounts concerned mainly with capital appreciation over a six months period, I continue to advise a 50% to 75% liquid position. The market has built a technical pattern that could possibly indicate a sizable potential top. This by no means is certain but it places the market in a very vulnerable position in the event of unfavorable news developments. A list of recommended issues will be included in next week's letter.

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