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TABELL'S MARKET LETTER

July 23, 1954

The market, as measured by the averages, moved over a wide range during the past week. However, it must be plain to almost every investor that the action of the averages means little or nothing except as a very broad measuring rod. There are many issues that indicate considerably higher levels over the longer term and there are also a large number of issues that appear to be high enough. These indicated moves will undoubtedly take place regardless of whether the averages move up or down ten points over the next two weeks. Attention should be concentrated on the action of individual stocks and not on the more or less meaningless moves of an average.

Below is the completion of the review of the issues in my recommended list including a few that were inadvertently left out of alphabetical rotation. Also included is a new recommendation, Pan-American World Airways. I have mentioned this issue before in some of my wires and am now adding it to the recommended list due to its recent excellent technical action.

GULF, MOBILE & OHIO (33) was originally recommended in late May at around the 30 level. It has broken out of the long 27-31 range and has an upside objective of 40-45. This may take considerable time as there is heavy supply at 33-37 that must be penetrated first. Continue to hold and buy on minor dips.

INDUSTRIAL RAYON (48) has broken out of the 39-45 accumulation base to reach 49. The upside objective is 53 followed by a later 60-65. Continue to hold and buy on minor price dips.

LOWENSTEIN (M) SONS (39) has been on my list for a long time. It was originally recommended in the 28-30 area and has moved up to a high of 40. Would continue to hold as the objective is 45 followed by a long term 55-60.

MISSOURI-KANSAS-TEXAS, PFD. (65) has held in the 58-70 range since mid-1952. The pattern suggests an ultimate upside breakout with a potential of 90-100.

PAN-AMERICAN WORLD AIRWAYS (14) has broken out of the seven-year old 8-13 trading range. The first upside objective is 17-19 followed by a long term 27-30. A very interesting long term purchase.

PARKE, DAVIS & CO. (31) has done little marketwise. It may be building a base in the 31-37 range. It has an upside potential of 40-45 and downside support at 30-25. Action may be slow.

PENN DIXIE CEMENT (55) has advanced over 100% since its original recommendation. It has reached its intermediate term objective, but the long term indication is 73-80. Would continue to hold and buy on minor dips.

PENNSYLVANIA SALT (49) is a long term growth investment. The 1951 high was 71. Has recently broken out of the 41-47 area to reach 50. The upside potential is 57-65.

PFIZER (CHAS.) (32) appears to be forming a slow base pattern and purchases are suggested for patient holding.

PITTSBURGH COKE & CHEMICAL (19) is an interesting low-priced speculation in the chemical field. The stock sold at 39 in 1951. Appears to be forming a new base but patience may be required.

PUBLIC SERVICE OF COLORADO (39) has moved up nicely and has reached its first upside objective but the long term indication is 46-48. Hold and buy on minor declines.

PULLMAN COMPANY (54) has a long term objective of 70-75 but there is some supply that may slow action. Continue to hold and buy on minor declines. There is support at 50-48.

RADIO CORP. (34 3/4) has moved into new high territory but still continues to indicate higher levels over the longer term. The first upside objective is 35-36 followed by a later 43.

REPUBLIC STEEL (61) was originally recommended at around 52 in April. It has reached a high of 61 1/2. The longer term objective is 72-78 so would continue holding and buy on minor price declines.

ROBERTSHAW FULTON (26) was recommended at 21 in May. It has broken out of the long 17-23 area in which it had held since 1950. A high of 27 has been reached. The upside objective is 35-40. Hold and buy on minor price declines.

ST. JOSEPH LEAD (38) has a good support area at 37-35 and the upside potential appears to be 47-50. Buy on dips.

SHAMROCK OIL (46) has reacted from a high of 51. There is good support at 44-42. Long term upside potential is 65-75. Would add to holdings on minor dips.

SIMMONS CO. (36) has built up a potentially strong base pattern. The upside penetration of the 28-35 range indicates an intermediate term 47-52 with a much higher long term objective. There is some supply at 37-40 that may temporarily slow action.

SYLVANIA ELECTRIC (37) recently reached a new high for the move at 40. The next hurdle is the 1952 high of 41. Continue to hold and buy on minor corrections. The upside potential is 60-64 followed by higher levels later.

UNION BAG & PAPER (58) appears to be behind the other paper issues. The recent upside penetration of the 38-50 range indicates a long term 70-80. Buy on minor price dips.

UNION CARBIDE (83) Despite the fact that the stock has moved from a recommended level of 63 to 89, still consider it an outstanding growth stock. May need some consolidation but would continue to hold and buy on minor price dips.

UNION OIL (45) was at a very strong support level at the recent low of 43. Consider the stock outstandingly attractive. The long term potential is 60-62 followed by a possible 70-75.

UNITED FRUIT (50) appears to be building a very strong potential base pattern and should be an interesting long term holding for price appreciation and income. Hold and buy on minor price declines.

U. S. STEEL (55) was recommended at the 45-46 level in May. Its upside objective is 60-65. Would continue to hold and buy on minor price declines.

VICTOR CHEMICAL (34) has an excellent long term growth pattern. Has broken out of the long 24-32 range to reach a high of 35. The first objective is 42-44 followed by a possible 48-52.

WESTERN AUTO SUPPLY (52) is an excellent holding for yield and gradual price appreciation. The 1946 high was 90. There is strong support around 45.

YALE & TOWNE (47) has a most interesting long term pattern. Recently reached a high of 49. There is some supply at around present levels that may slow action, but there is strong support not far below the market. Buy on all minor dips. The long term potential is 65 followed by a possible 90.

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I am leaving on a short vacation so there will be no letter next week. Publication will be resumed on August 6th.

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