

# Walston & Co.

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## TABELL'S MARKET LETTER

December 31, 1954

Both averages moved ahead to new high territory during the past week. The industrials reached 404.20 and the rails were at 146.00. On Wednesday, transactions totaled 4,430,000 shares which was the largest volume in over four years. There is no change in my opinion. I continue to believe the market has enough momentum to move somewhat higher and to reach at least my projected goals of 425 on the industrials and 154-156 on the rails. I continue to think that secondary issues may move more rapidly than the higher grade issues in the next phase of the advance.

The following completes the review of my recommended list:

ST. JOSEPH LEAD (44) now has an upside objective of 51-56 and appears behind the market. Would buy at around present levels.

SERVEL (8) has been a very poor performer, but would continue to hold as a long term price speculation. Patience will be required.

SHAMROCK OIL (61) entered my list at 36-34. Recent high was 68. The upside objective is 65-75 so would advise profit-taking on strength. The stock will shortly go ex-dividend 50% so the comparable upside objective will be 44-50.

SIMMONS CO. (42) appears to be an attractive purchase. The nearer term indication is 47-52 and the long term indication is 70-80. There is support at 37-35.

SINCLAIR OIL (52) is a recent addition to the list at 46. Continue to hold. There is a potential 58-64 in the pattern.

SMITH, A.O. (40) has an irregular pattern but the upside potential is 60-70 over the longer term. Continue to hold.

STANDARD PACKAGING (27) was originally recommended at 13-14. The recent high was 31. Despite the sharp advance, would continue to hold. The eventual objective is 36-45.

SYLVANIA ELECTRIC (47) has moved up from the originally recommended level of 35, but the objective is higher. The intermediate term projection is 60-64 followed by a possible 75-80. Continue to hold.

TUNGSOL ELECTRIC (28) is a recent recommendation that has done little marketwise. Has been holding in the 27-30 area. The upside potential is 39. Would add to holdings.

UNION BAG & PAPER (70) recently reached a high of 75. The upside objective is 70-80 so would be inclined to take profits on strength.

UNION CARBIDE (87) is a long term growth issue. The entire pattern is one of a slowly rising trend punctuated by small trading plateaus. Would take advantage of minor declines to add to holdings.

UNION OIL (56) has a near term indication of 60-62 followed by a long term 75-85. There is support at 53-50. An excellent purchase on all minor declines.

UNITED FRUIT (55) is a slow moving issue but the long term indication is 70-75. A good investment type issue with a good yield.

UNITED MERCHANTS (19) is a recent recommendation. It has shown little price action until recently. The objective appears to be 29.

UNITED SHOE MACHINERY (51) is another recent recommendation. This stock appears to have reversed its long downtrend. The first objective is 55-65 followed by a long term 85. Continue to hold and buy on minor price declines.

U.S. GYPSUM (228) originally entered the recommended list in the 105-110 area. At the recent high of 233, the stock had almost reached the long term upside objective of 240. A lengthy consolidation period may be needed. Would transfer into situations with better near term appreciation prospects.

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U. S. STEEL (74) was recommended for purchase last Spring at 46. Has reached its long term upside objective and the small base at 67-71 indicates 74. Would take profits and transfer funds into recommended oil issues.

VANADIUM CORP. (40) has been a part of the list for a long time. Originally recommended at 20-19, it has reached new high territory at 40. Would continue to hold as the intermediate term objective appears to be 44-48.

VICK CHEMICAL (54) has advanced from a recommended level of 23-24 to the recent high of 57. It has now reached its upside objective. Would transfer into situations with better appreciation prospects.

VICTOR CHEMICAL (36) has an initial upside objective of 42-44 followed by a longer term 48-52. Would add to holdings in this better-grade issue on moderate price declines.

VISKING CORP. (68) has a long term indication of 95. Has held in the 62-71 area since early 1954. An upside penetration would indicate 85. Stock appears to be in a buying area.

WARREN PETROLEUM (51) has moved up from its recommended level of 28-25 to reach its intermediate term objective at the recent high of 52. Would continue to hold as the longer term objective is 70-75.

WESTERN AUTO SUPPLY (50) has done nothing marketwise, but is good holding-for-yield-and gradual appreciation.

WESTERN MARYLAND (34) has broken out of the 20-27 accumulation area and now indicates an intermediate objective of 42-46. The longer term objective is a possible 55-60.

WESTERN PACIFIC (65) has a very strong technical pattern. Some patience may be required, but the formation suggests 100 followed by even higher levels. Hold and buy on all minor price declines.

WESTERN UNION (76) has advanced sharply from. It was recommended not so long ago at 50. It reached its intermediate term objective at the recent high of 82, but it appears to be consolidating. Next object is 110. Continue to hold and buy on minor declines.

YALE & TOWNE (51) has a very favorable long term pattern. The intermediate term indication is 61-65 followed by a long term 80-90. Continue to hold.

ZENITH RADIO (91) also has a very favorable long term indication. Its objective is 130. Buy on all minor declines.

EDMUND W. TABELL  
WALSTON & CO.

A VERY HAPPY AND PROSPEROUS NEW YEAR TO ALL.