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TABELL'S MARKET LETTER

January 24, 1958

The overhead supply at 450 and above on the Dow-Jones Industrial average has proved to be a difficult barrier to penetrate, but individual stocks have managed to reach new high territory as witness totals of 20 new highs on Monday, 28 on Tuesday, 40 on both Wednesday and Thursday and 39 on Friday. It is interesting to note the type of stocks that have been reaching new high territory. Among Thursday's 40 new highs were

Best Foods	Philip Morris
First National Stores	Pillsbury Mills
Indianapolis Pr. & Lt.	Potomac Electric
Lorillard	Standard Brands
Pacific Finance	U. S. Gypsum

All of these stocks are in the groups we have been mentioning since late August as the ones which would show the best relative market action. This still appears to be the pattern. Despite the fact that they have already had some fairly good percentage increases, the utilities, tobaccos, food chains, foods and finance companies continue to show above average relative strength. Certainly the investor who has concentrated on the light industry or consumer goods groups has fared much better than the holder of the heavy industry or capital goods groups. This action may continue until the heavy industry groups consolidate and gradually form new accumulation patterns. This may take considerable time. For example, it took Bethlehem Steel three years of basing out and reaccumulation between 1951 and 1954 in a price range equivalent to 45 and 60 on the old stock before it started the advance to almost 200 before the four-for-one split early in 1957. A lot of the leaders of the 1953-1957 advance may have to go through similar periods of reaccumulation and digestion before they are ready to take off again on a major advance. In the meantime, there are other opportunities that will gradually present themselves from time to time. However, opportunities may be lost if the seeker for capital gains confines himself to former favorites. In the type of market we anticipate over the next year or so, some rather unusual groups may show excellent market action while the balance of the market slowly consolidates.

In last week's letter, I mentioned the finance companies and their favorable technical patterns. I particularly mentioned PACIFIC FINANCE which has advanced to a new high. I am listing other issues below. They are all listed on the New York Stock Exchange. The following stocks are companies concerned principally with the small loan field.

	<u>Approx. Price</u>	<u>Dividend</u>	<u>Yield</u>
American Investment Co	17 1/2	\$ 1.00	5.7%
Beneficial Finance	20	1.00 (a)	5.0%
Family Finance	25 1/2	1.60	6.3%
Household Finance	29	1.20 (b)	4.2%
Seaboard Finance	19	1.00 (c)	5.2%

(a) Also 6/100ths of \$2.50 preferred in 1957.

(b) Also 5% in stock.

(c) Also 2% in stock.

The following five companies are larger in size but are mostly concerned with automobile and industrial financing, although they do have a certain amount of small loan business.

	<u>Approx. Price</u>	<u>Dividend</u>	<u>Yield</u>
Associates Investment	70	\$2.60	3.7%
C.I.T. Financial	48	2.40	5.0%
Commercial Credit	51	2.80	5.5%
General Finance	21	1.00	4.8%
Pacific Finance	46	2.40	5.2%

All of these ten issues have attractive technical patterns.

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