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TABELL'S MARKET LETTER

November 7, 1958

For the third time since the advance started in April, the Dow-Jones Industrials have broken out of a consolidation area on the upside. The 530-549 range in which the Industrials held since October 13th was decisively penetrated and an intra-day high of 559.43 was reached on Thursday. Friday's close was 554.26. The base formed in the 530-549 area was not particularly broad and the technical upside objective is only about 560. Probably a new trading range will develop around present levels. The longer term trend still appears upward, subject to the possibility of the usual technical corrections. At the risk of being tiresome, would again suggest ignoring the averages and concentrate on individual issues that appear to be in an uptrend.

Most of the stocks in my recommended list continue to show above average action. FLINTKOTE (54 3/4) moved up to a new high at 55 1/2 on the news of the three-for-two split. Would continue to hold it as well as NATIONAL GYPSUM (57), my other representative in the building industry. I still consider the oils and chemicals to be behind the market. My favorite in the chemical group is HERCULES POWDER (55), but I also like HOOVER (37 1/2) and MONSANTO (38 1/8). In the oils, GULF OIL (123 5/8) has definitely broken out of its long trading area and continues to indicate higher levels. I also like ROYAL DUTCH (49 1/2), SHELL TRANSPORT (22 5/8), and GETTY OIL (27 3/4).

In the electronics group I have advised taking profits on ZENITH (130 1/2) after its over 100% rise from my recommended level of a year ago. Would still continue to hold HOFFMAN (29 7/8) and MAGNAVOX (41 3/8). The airlines continue to show excellent price action, and while some consolidation may be needed, PAN AMERICAN (21 1/2) continues attractive. Four stocks on my recommended list are in the container group. They all show nice profits, but I would continue to hold AMERICAN CAN (48 3/4), ANCHOR HOCKING (63 3/4), CONTAINER CORP. (30) and LILY TULIP (92 1/4).

GIMBEL (37) has reached a new high at 38 1/8, but continued retention is advised. One of the slow stocks in our list is UNITED BISCUIT (28 1/8). While this stock may be retained for long term holding, I am advising switching into INTERNATIONAL MINERALS & CHEMICAL (29 1/2) for nearer term appreciation. This also has been a slow issue, but its eventual upside potential is much greater than United Biscuit. Two issues with a high yield and good appreciation prospects are FAMILY FINANCE (29 1/2) and PHILIP MORRIS (57 1/8). Both can be bought at current levels. My representatives in the food group are H.J. HEINZ (62), which was recommended in last week's letter, and WILSON & CO. (30). Despite its sharp rise of 100% from our original recommendation, I still counsel retention of Wilson & Co.

Low-priced stocks have been a feature of recent markets. Issues which have done very little marketwise for ten years or more are breaking out, or are about to break out of long potential base patterns. Listed below are ten low-priced speculative issues that are recommended as a package purchase. The basis for this recommendation is entirely technical. The upside potentials on these issues are very large percentage-wise. These upside potentials can be obtained from my Technical Analysis of 1,100 Common Stocks available for perusal in all Walston offices:

	Price 11/7/58	High 1937-1957	Low 1957-1958
Avco Corp.	9	14 3/8	4 7/8
Chemway	11 1/4	14 3/4	6 1/2
Curtis Publishing	15	26	7 3/4
Decca Records	18 1/2	37 5/8	13 3/8
Divco Wayne	17 1/8	28 5/8	9 5/8
Fruehauf Trailer	17 1/4	38 3/8	8 3/4
Pacific Petroleum	18 1/2	39	16 1/4
Publicker Industries	11 1/4	67	4 3/4
Rayonier	19 1/4	44 7/8	14
United Industrial	13	15 7/8	5

150 7/8

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