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OFFICES COAST TO COAST AND OVERSEAS

TABELL'S MARKET LETTER

March 11, 1960

The Dow-Jones Industrial Average continued to slide this week with rallies on Wednesday and Friday failing to erase earlier losses, which carried the average to a new low. More encouraging was the action of the rails which finished the week above last Friday's close and which actually advanced on Thursday despite a decline in most of the rest of the market.

Basically, there is little or no change in the investment policy outlined by this letter for the past two months. Stocks should be bought either because they are at a low level or the trend appears upward. Either the market will continue to slide off, in which case selected stocks will appear to be cheap from a level point of view, or breadth and vitality will improve, in which case the trend will have changed from downward to upward. Until one of these two phenomena takes place, it appears wise to postpone aggressive stock purchases.

A decline such as the recent one offers an excellent chance to test the relative strength of individual issues, especially when their prices at the low point of the decline are compared with prices at a previous low. The table below does exactly this with Standard & Poor's group indexes, showing each index's percentage change from its September low to its February low. As can be seen, despite the fact that the February bottom was somewhat lower than the one posted 5 months earlier, 18 out of the 62 group indexes were higher last month, and 29, or almost half, had shown better action than the index as a whole. As we have often pointed out, in recent markets it has been far more important to own the right stocks than to guess the action of the averages. The individual investor can and probably should scrutinize his own holdings very carefully, comparing their current prices to those at the September bottom. He then had best make sure that there is ample reason for continuing to hold those stocks which have shown poor relative strength.

Electronics	+17.5	Sugar	- 3.1
Radio-TV	+14.8	Fertilizer	- 3.2
Electrical Equipment	+12.2	Containers(Metal-Glass)	-3.3
Household Appliance	+12.0	Natural Gas Pipelines	- 3.4
Steel Alloy	+ 8.8	Apparel	- 3.5
Telephone	+ 8.8	Chemicals	- 3.5
Printing	+6.7	Small Loan	- 4.0
Auto Trucks	+ 5.5	Railroads	- 4.3
Publishing	+ 4.6	Coal	- 4.4
Office Equipment	+ 4.0	Machinery	- 4.4
Metal Fabricating	+ 3.9	Lead & Zinc	- 4.7
Soaps	+ 3.9	Textiles	- 5.6
Soft Drinks	+ 3.7	Tires	- 5.7
Food	+ 3.1	Distillers	- 5.7
Broadcasting	+ 3.1	Finance Companies	- 6.1
Cigarettes	+ 3.0	Sulphur	- 6.3
Electric Utilities	+ 2.8	Machine Tool	- 6.9
Carpets	+ 1.2	Containers-Paper	- 7.4
Shoes	Unchanged	Cigars	- 7.8
Drugs	- 0.3	Papers	- 8.0
Mining & Smelting	- 0.4	Oils	- 8.3
Gold	- 0.5	Rayon	- 8.8
Rail Equipment	- 0.5	Vegetable Oil	- 9.0
Natural Gas Distrib.	- 1.1	Agricultural Machinery	-10.7
Ship Building	- 1.2	Aluminum	-11.4
Confectionery	- 1.3	Coppers	-11.9
Aircraft	- 1.5	Automobile	-12.7
Motion Pictures	- 1.5	Brewers	-13.3
Retail	- 1.5	Steel	-15.4
COMPOSITE	- 1.8	Shipping	-15.9
Auto Parts	- 1.9	Air Transport	-20.0
Building Materials	- 2.3		

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