

Walston & Co.

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TABELL'S MARKET LETTER

November 22, 1963

The following wire was sent to the Walston offices on Friday afternoon.

"The tragic happening of today has, of course, distorted the normal trend of the market. There are a number of uncertainties such as the effect on foreign markets and the possibility of forced liquidation that make it difficult to project the extent of any further decline until Monday. However, it must be remembered that the market, from a technical viewpoint, had indicated a loss of momentum and an intermediate downtrend before this unfortunate event occurred. The immediate effect will be an acceleration of the downtrend from a timing viewpoint, rather than a lowering of the ultimate downside objective.

"Last week's letter suggested a downside potential of 720-710 for the near term. This was reached at today's intra-day low of 710.83. It is doubtful whether this point will hold. Our ultimate downside objective for the averages was a one-third to one-half retracement from the 1962 low. This would bring the averages down to 685-645. We see no reason to change this objective. It is entirely possible that the averages themselves will not go that low. We would be inclined to consider the 700-650 level as a buying area and in blue chip individual stocks we would consider a one-third to one-half retracement as a buying level."

There is not much more that can be said at the moment. The main thought we are trying to convey is that a further decline to the levels mentioned above would, in our opinion, present a long term buying opportunity.

EDMUND W. TABELL
WALSTON & CO. INC.

Dow-Jones Ind. 711.49
Dow-Jones Rails 166.41