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TABELL'S MARKET LETTER

April 12, 1957

With volume of trading increasing, the general market made additional upside progress during the past week. Standard & Poor's 500-Stock Index, at Friday's close of 45.04 had recovered approximately 60% of the decline from the January 4th high of 46.66 to the February 12th low of 42.39. From here on, the going may be a bit tougher as there is considerable overhead supply in the 45-47 area. However, my intermediate term technical gauge, which gave a buy signal on February 13th at 43.04, is still quite a distance away from entering overbought territory. This Index would have to reach the 46½-47 area in the near future to become technically vulnerable. Would expect the advance to carry somewhat further, but still believe the Index will remain within the confines of the 49.74-40.80 range in which it has held for the past twenty-two months.

NORTHERN PACIFIC sold off sharply on the announcement of a U.S. Supreme Court decision concerning land grant rights of way. The Court's ruling was confined only to the right of way - a 400-foot strip - and did not affect other land grants. I believe current weakness in Northern Pacific offers a buying opportunity for substantial long term appreciation. Earnings record is better than in most roads and oil, gas and lumber provide additional growth potentials.

TIMKEN ROLLER BEARING broke out on the upside of the 88-94 trading area in which it had been holding for the past two months and reached a new 1957 high at 101½. Both the intermediate term and long term potentials on this issue are extremely interesting from a capital appreciation viewpoint. Earnings could be around the \$12 level for 1957. Continued retention of Timken is advised.

FANSTEEL METALLURGICAL, another issue on our recommended list, reached new high territory at 57 3/8. This producer and refiner of rare metals, principally tantalum and columbium, has excellent long term possibilities due to probable substantial growth in the use of these metals. Despite its low yield, the issue still looks attractive and a projection of its technical price action still indicates higher levels.

CHAMPLIN OIL & REFINING continues to hover around the all-time high of 29½. This issue has a very constructive technical pattern with an ultimate price objective considerably above present levels. It is backed by some \$26 a share of oil and gas reserves. With earnings in an uptrend and with an active exploration program, Champlin should continue to advance into new high territory.

While most growth stocks are selling on a very low yield basis, there are still many other issues that have interesting long term prospects and are available at prices to show an above average yield. This letter has a recommended list of issues of this type to which issues from our regular recommended list are occasionally transferred. I have called this list Income and Long Term Appreciation recommendations. All the twenty issues have about the same characteristics of (1) an above average yield when quality is considered, (2) defensive patterns with a seemingly relatively small downside potential, and (3) attractive long term appreciation prospects although patience may be required over the intermediate term as no immediate move of importance is indicated.

	Price	Yield		Price	Yield
Allied Stores	44	6.8%	*Kansas City South	70	5.7%
American Can	44	4.5	*Masonite	29	5.9
American Chain	51	4.9	Montana Dakota Util.	25	4.0
Associated Dry Goods	31	6.4	Norfolk & Western	69	5.4
Butler Bros.	25	6.4	Raybestos-Manhattan	54	6.2
Coca-Cola	102	4.9	*Rayonier	28	5.0
Colgate Palmolive	45	6.7	*Richfield Oil	67	5.2
*Columbian Carbon	45	5.3	Simmons Co	46	6.7
Cornell Dubilier	23	5.2	United Fruit	47	6.3
Hall Printing	21	6.7	Western Auto Supply	16	6.3

* Transferred from recommended list for Capital Appreciation.

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