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TABELL'S MARKET LETTER

January 17, 1969

The December-January market slide was, at least temporarily, reversed last week with impressive gains being posted on Tuesday, Wednesday and Thursday. A weak start on Monday, plus profit-taking toward the end of the Friday session, pared the week's gain to a modest amount in the popular averages, however.

Certainly the rally was hardly surprising. It began from a point where the market was deeply oversold on a short-term basis and where most averages had reached downside objectives. A number of questions, however, remain unanswered. These center, by and large, on the eventual shape of the base for the next advance. One possibility would be a continued drift in the 920-940 area, perhaps even involving modestly lower lows for the averages. Another possibility would be a move back to around the 950 level and extension of the base at that point. In either case, we feel the present level constitutes an attractive buying zone and are, accordingly, adding a number of stocks to our Recommended List. They will be reviewed in more detail in subsequent letters. The following issues are being added to our Quality & Long-Term Growth section -

BOSTON EDISON (44 3/8)... BSE has undergone a sharp improvement in earning power in recent years, and with the outlook bright for a continuation of this trend, the shares are considered attractive for income and appreciation over the longer-term.

JEWEL COMPANIES (46 1/2) Located throughout the Far West, New England and the Central states, JWL is a leading supermarket chain. In addition, it operates chains of drug stores, bakery-ice cream shops and home service food routes. Projections call for impressive earnings gain in fiscal year ending January 1970.

WINN-DIXIE (36) Another leading supermarket chain, WINN also is expected to post a better-than-average earnings gain as it increases its representation and distributing operations in the fast-growing southland.

JOHNS-MANVILLE (85) .. Shares of JM should benefit from the anticipated housing boom that economists project for the coming decade. Near-term prospects also appear favorable as earnings continue their uptrend accompanied by increasing dividend payments.

NEVADA POWER (42 1/2) Supplying power for Las Vegas and vicinity, NVP's longer-term outlook would appear highly promising. Earnings for the next few years are expected to outperform the majority of electric power companies, rising close to 10% annually.

Added to the Price Appreciation section are the following issues:

AIR PRODUCTS (44 1/2) .. A leading factor in industrial gases, APD is expected to be a leading beneficiary of continued resurgence in both the steel and chemical industries.

AMERICAN DISTILLING (42 1/2) .. The leader in the production of "light whiskey," ADC is likely to benefit from steadily increasing consumer demand for light spirits.

CENCO INSTRUMENTS (55 3/8) .. In the midst of a major expansion into hospital and nursing home construction, CNC's future earnings performance could be highly favorable.

DAN RIVER MILLS (25 3/8) .. Progress toward diversification and a more balanced product mix is expected to account for an earnings resurgence in 1969.

GENERAL CIGAR (32 1/8) .. Continued acquisitions and an increase in cigar consumption could have major impact on future earnings. Meanwhile, new income peak due this year.

INGERSOLL-RAND (50 3/4) .. After several years on plateau, IR earnings expected to record new peak this year helped by recent merger with Torrington Company

SUBURBAN PROPANE GAS (36-1/4) .. Profit-margins to be helped by declining gas costs, SPG seems to offer investors above-average growth and income prospects.

The following volatile relatively high-risk issues are being added to the Speculative Price Appreciation section of our Recommended List:

AUTOMATIC DATA PROCESSING (69 3/4) .. Outstanding earnings growth of last five years to be extended this year.

COMPUTER SCIENCES (56 1/2) .. Demand for CSZ computer services rising as reflected by impressive earnings gain in recent years and favorable outlook for 1969.

KYSOR INDUSTRIAL (35) .. Prospective increase in air-conditioning sales to trucking industry suggests attractive sales and earnings increases for KZ.

MESA PETROLEUM (38 1/8) .. Interest in medium-sized oil companies and rapidly rising earnings suggest attractive potential for MSA.

Dow-Jones Ind. 935.54
Dow-Jones Rails 267.82

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