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TABELL'S MARKET LETTER

October 31, 1969

After reaching a new high at 868 in the Dow-Jones Industrial Average last Friday, the market was subject to profit taking most of the week and moved back to an intra-day low of 839.82 on Thursday before strength on Thursday afternoon and Friday erased half of the week's losses. Considering the overbought condition mentioned in last week's letter, the most probable outlook for the foreseeable future is a series of extended swings back and forth -- probably centering around the 860 area. During this period, individual issues will pursue their own patterns, and periods of weakness should be used for accumulation. One stock suitable for such accumulation is reviewed below.

THE NATIONAL CASH REGISTER COMPANY

Current Price	145 1/8
Current Dividend	\$1.20
Current Yield	0.8%
Long Term Debt	\$319,600,268
Common Stock	10,330,675 shs.
Sales-1969 Est.	\$1.245 billion
Sales-1968	\$1.102 billion
Earns. Per Sh. 1969-E	\$4.20 - \$4.35
Earns. Per Sh. 1968	\$3.74
Mkt. Range 1969-1968	154 1/4 - 99 1/2

It would appear that few companies have as much going for them as National Cash Register has going for it. After IBM, NCR is the largest and most important factor in the office equipment field. It has held the major share of the cash register market for a long time and now seems about to expand its already large overseas market in this area as switching over to the decimal system takes place throughout the United Kingdom.

In addition, NCR stands to benefit from its increasingly strong industry position in the accounting machine field, an area expected to show unusually large production gains during the 1970's. Supplies and services connected with the cash register and accounting machine areas also account for a considerable portion of revenues, which is fully expected to parallel machine sales growth in the years ahead.

Only a few years ago, NCR decided to throw its hat into the computer ring. It introduced its latest line in March of 1966. Since then, operations in the electronic data processing area have risen sharply with computers and computer-related products now accounting for between 15% and 20% of total revenues. Trade sources have suggested that NCR has the potential to double its share of the EDP market within the next four years. The company has been highly selective in its approach to the computer and EDP markets in general and has sought to concentrate on developing business in the financial and retailing industries, where it already had long-standing favorable relations with customers.

Earnings have been in an erratic trend in recent years, largely due to costs related to the computer business. Heavy initial depreciation charges on recent computer placements and the still high introductory costs are expected to keep results under some pressure. However, 1969 earnings results are expected to witness the first breakout from the \$2.50 to \$4.00 earnings plateau that has been maintained for ten years. Current estimates call for earnings to rise to between \$4.20 and \$4.35 a share, from the \$3.74 reported for last year. One leading advisory service has gone on record as projecting NCR's earnings for the 1972-1974 period to above the \$7.00 a share level.

Technically, there is substantiation for the fundamental enthusiasm in this situation. When NCR moved above the 140 level in September, it broke out of a trading range that kept the stock confined to an area between 140 and 110 for more than a year. This base area not only now creates a formidable support zone limiting downside potential, but it also enables the projection of a price goal at 175 initially. Recently added to the Quality and Long-Term Growth section of our Recommended List when it temporarily dipped slightly below the 140 level in late September, the shares of National Cash Register Company again are recommended for purchase at prevailing market...

ANTHONY W. TABELL-HARRY W. LAUBSCHER
WALSTON & CO. INC.

Dow-Jones Ind. 855.99
Dow-Jones Rails 200.20

AWT:HWL:amb

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