

Walston & Co.

Inc
Members New York Stock Exchange
and Other Principal Stock and Commodity Exchanges
OVER 100 OFFICES COAST TO COAST AND OVERSEAS

TABELL'S MARKET LETTER

January 9, 1970

As regular readers are aware, this letter maintains a fully supervised recommended list. "Fully supervised" in this case means that the list is continuously maintained and no issues are added or deleted without notice being made of the fact in the letter. Thus, regular readers of the letter are able to make new purchases at the time of recommendation and retain those issues for as long as they remain in the list, if they desire to do so.

Readers will also be aware that we have, since December 31, 1964, maintained a continuous performance record for this list. The method used, while rather complex, meets, we believe, applicable standards, and is the fairest possible under the circumstances. For each issue recommended we tabulate the percentage change from the time of the original recommendation to the time of removal or, in the case of issues remaining on the list, to the time of publication. We then tabulate the percentage change on the Dow-Jones Industrial Average for the same time period. Then, for each segment of the list the percentage change in the individual issues, and the percentage changes in the Dow are averaged and a comparison is made.

As is our annual custom, a complete performance evaluation of the list over the past three years has been made as of the 1969 close, and will be available next week from your Walston & Co. Account Executive. It lists all issues on the list at the beginning of 1969, and all stocks recommended during the year. In addition, the performance record of stocks removed from the list from 1965 through 1968 is summarized.

The process, this year, is, frankly, a humbling experience -- albeit one that is shared with a great number of forecasters and money managers. It has, without doubt, been a difficult market to work in, and it is interesting to note that, of the stocks currently on the list, every recommendation was made at a time when the Dow was at higher levels. Losses in recommended issues, some substantial, are far more numerous this year, and profits sparser. Nonetheless, we feel the record, considering the market, is adequate.

As usual, the list is divided into three categories: Quality and Long-Term Growth, Price Appreciation, and Speculative-Price Appreciation. The overall performance of each of the categories is as follows: The Quality and Long-Term Growth list shows an average gain of 4% vs. an average loss of 4% in the Dow-Jones Industrials. The Price Appreciation list shows an average gain of 20% vs. an average of no change in the Dow, and the Speculative Price Appreciation section shows an average gain of 46% vs. no gain in the Dow. These summaries are, of course, not made to imply that such results will be obtained by purchase in the future. Commissions are, of course, not included.

When this compilation process began on December 31, 1964, the Dow was at 874.13, more than 75 points above its current level and during most of the period it has been trading above its present price. The Long-Term Growth list, as noted above, turned in an average 4% gain. This list had a total of 42 recommendations of which 23 have advanced and 19 have declined. Twenty-seven of the 42 issues outperformed the Dow-Jones Industrials. The largest established gain was a 65% profit in Continental Insurance in 1967-68 and, of issues currently on the list, both Reynolds Tobacco and International Paper show 19% profits. Conversely, Radio Corporation and Superior Oil of California, still on the list, show 39% losses.

The Price Appreciation section totaled 112 recommendations of which 31 remain on the list. Sixty-three issues have advanced and 49 declined, with 60 issues outperforming the Dow. Nine issues achieved a better than 100% profit during the period they were recommended of which one (Robertshaw Controls) remains on the list. Losses included a 60% drop in Stokely-Van Camp, still on the list, and a 41% established loss in E. J. Korvette in 1965-66.

In the Speculative Price Appreciation section, the performance varied widely, ranging from profits in excess of 200% to a loss of 57%. Eight profits of over 100% were recorded out of 43 recommendations, of which 27 advanced and 16 declined. Twenty-seven of the 43 issues outperformed the Dow in the period involved.

ANTHONY W. TABELL
WALSTON & CO. INC.

Dow-Jones Ind. 798.11
Dow-Jones Trans. 177.77

AWT:amb

This market letter is published for your convenience and information and is not an offer to sell or a solicitation to buy any securities discussed. The information was obtained from sources we believe to be reliable but we do not guarantee its accuracy. Walston & Co. Inc. and its officers, directors or employees may have an interest in or purchase and sell the securities referred to herein.