

# MARKET WATCH

A Sampling of Advisory Opinion • Edited by Kathryn M. Welling

## Wedgewood Partners' Investment Strategy Update

2909 Clayton Road, St. Louis, Mo. 63124

NOV. 8 • We believe an opportunity exists in oversold technology stocks. In our opinion, the most powerful trend in business today is the continued growth in the PC market. The specific trend in which we believe the most profitable investment opportunity lies is the growing semiconductor content within PCs. Due to predetermined price cuts, PC users continue to receive more bang for their buck. Faster processor chips, which run more advanced operating systems, along with multimedia applications, have increased the semiconductor content in PCs from 10% a few years ago to over 15% in 1995. Over the next few years, semiconductor content could grow to over 25%.

—DAN A. ROARS

## Insight Information

1156 W. 103rd St., Kansas City, Mo. 64114

NOV. 13 • Perhaps you have heard this analogy: Neurotics build castles in the air, and psychotics move in and live there. If your new capital commitments to this market are not limited to stocks reversing at support or breaking out above resistance on volume surges, then you may as well hold the mortgage on those castles.

—ROD DAVID

## Advent's Market Comment

We are basically constructive because the Fed is our friend, or at least not working at cross-purposes with the financial markets; the extended economic expansion will probably last through 1996, and the supply-demand balance still seems favorable for equities. We envision 30-year Treasury bonds trading in a range bordered by recent lows in yield and 12%, and the dollar appreciating 10%-15% within six to 12 months.

—ELIZABETH J. MACKAY

## The Liscio Report

19 Bellegrove Dr.  
Upper Montclair, N.J. 07043

NOV. 13 • Businesses are no longer just downsizing, they're engaged in the corporate equivalent of eating their young. Everyone from phone companies to car companies to computer manufacturers to the airlines is lowering prices as fast as they can in the hope that their competitors drop dead first. In an environment like this, margins and cash flow get hit hard, and pink slips mount. Perhaps you've noticed how jobless claims are starting to creep higher... If I were on the Fed, I would ease right now. Budget gridlock will only slow things more.

—JOHN LISCIO

## The Grandich Letter

P.O. Box 2180, Farmingdale, N.J. 07727

NOV. 8 • Is 6% a bargain? Only if you believe inflation is dead and governments

sudden air pockets in the former ruling leadership. Several high-tech been bombed lately for dismay unrealistic expectations.

—IAN J

## MCM Trade Watch

294 Washington St., Boston, Mass. 021

NOV. 13 • Commodity indexes are fated to rally for the rest of 1995. Cotton now passed to base and precious metals, energy and probal softs. All are in various periods of able seasonal patterns.

—FERRE McTEAGUS and JACK Mc

## Growth Stock Outlook

P.O. Box 15881, Chevy Chase, Md.

NOV. 15 • In 40 years, I have never seen so many warning flags pointing to market excess. Potential for a secular in both the stock market and the economy may be as ominous as anything we've seen since World War II... For decades to the 1990s, a 1% increase in profit produced a 1.1% increase in real wages. Now real wage increases run at 0.4%. If real wages remain flat, consumers cannot forever borrow to make the difference. Either real wages rise, or output falls sharply. Many will not buy that new car or new washing machine. This squeeze on wages is national unrest by citizens concerned about their financial future. The market probably will be measu

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