## SHORT AND TO THE POINT:

● "The public have been exceptionally heavy stock buyers recently --- a very poor sign; the same is true for foreign buying," says Martin Zweig's The Zweig Forecast (PO Box 360, Bellmore, NY 11710, 17 issues, $245, hotline 11/13/89). "Our sentiment composite is mediocre, our tape indicators are negative, and the market is overvalued. Our intermediate-term trend indicator is bearish. Our short-term trend indicator is negative, but close to turning up. The gold model, however, is positive. In addition, our bond model remains bullish. Overall, the indicator situation as well as the outlook for the economy are not up to snuff. So I'd rather be conservative at the present time." Given his cautious stock market outlook, Zweig's equity model portfolio is currently in an 88% cash position. At the same time, he is 35% long in December Treasury bond futures with a stop at 95 1/2.

● "If I had to pick one industry group in which the trend towards takeovers and consolidation is most pronounced, it would be the retail jewelry industry," says Charles LaLoggia (Special Situation Report, PO Box 167, Rochester, NY 14601, 17 issues, $230, 11/3/89), who picks four takeover candidates in the sector. Two -- Barrys Jewelers (BARY 10 1/4 OTC) and Reeds Jewelers (REED 7 3/4 OTC) -- are both thinly-traded and have risen sharply in recent trading. Tiffany (TIF 48 7/8 NYSE) is also selected for its takeover potential. But the prime takeover candidate in the jewelry area, according to LaLoggia, is Kay Jewelers (KJI 15 1/2 NYSE), the largest public jewelry company, operating 488 stores in 33 states. "Kay's long-term chart shows a major technical breakout at 15-16. At current levels, the stock is trading for roughly 50% of what it might be worth in a takeover. We estimate that Kay has a takeover value of $25-30 a share. And, given recent takeover prices in the industry, Kay could be worth as much as $35 per share."

* ● "Walter Schloss, who studied and worked under the legendary Benjamin Graham, was called one of the 'super investors' by Warren Buffett; over the past 33 years, funds under management by Schloss have averaged 21.6% annual gains, compared with a 9.8% average return from the S&P 500," notes the Insiders Transactions Report (PO Box 1145, Costa Mesa, CA 92628, monthly, $190, 11/89). "Schloss looks for cheap stocks with very little risk. After not seeing a 13D filed by Schloss in some time, we were very interested in two recent filings. Schloss bought 789,000 shares of Scan-Optics (SOCR 2 3/8 OTC) between July and September at prices ranging from $2.23 to $2.95 a share. The firm makes optical character recognition equipment. The issue sells at a discount to its $4.83 per share book value. Schloss also bought 273,000 shares of Knogo (KNO 13 1/4 NYSE) during the same time period at prices ranging from $13.17 to $15.33 a share. The firm is a leading maker of anti-shoplifting systems for retailers. The company has no debt and sells for close to its $13.11 book value."

● "In spite of the generally bullish readings from our stoc market indicators -- which suggest that the trend of prices is sti up -- we urge equity investors to maintain a cautious posture says J. Anthony Boeckh's The Bank Credit Analyst (3463 Pe St., Montreal, Quebec, Canada H3A 1W7, monthly, $59 11/89). "Core stock market positions should be maintained bu only in high-quality, low-debt companies which have goo prospects in what we believe will probably be a disinflationa environment over the next two to three years. The stoc market is likely to generate mediocre returns at best over th next six to 12 months. However, when the credit and busine cycles have been completed and inflation has been reduce again, the stage should be set for another major advance stock prices lasting some years. Meanwhile, the bull market bonds still has further to go. Although we anticipate continuation of the current trading range in interest rates ov the near term, we believe that rates will fall significantly ov the next six to twelve months."

● "There's value in your garbage," says analyst Marc Sula of Kidder, Peabody. "We believe recycling will represent significant theme in the solid waste industry over the ne several years," Driven by both heightened environment concerns and the economic implications of rising solid was disposal costs, recycling is gaining momentum as an integ part of the waste industry. The stated goal of t Environmental Protection Agency is to recycle 25% of t municipal solid waste stream by 1992. Public acceptance source separation has been high, underscoring the publi willingness to recycle rather than change consumption patter Overall, we continue to believe that solid waste manageme companies will exhibit predictable, above-average earnin momentum. We remain positive on Waste Manageme (WMX 64 NYSE), Browning-Ferris (BFI 40 NYSE Chambers Development (CDVA 37 OTC), Laidlaw (LDM 21 OTC), and Attwoods (ATTWY 32 OTC)."

● "Investors have not succeeded during the past few ye with high technology stocks; however, we now feel that this v change," says James Fraser's (The Contrary Invest Burlington, VT 05401, 24 issues, $85, 11/1/89). "For the fi time since 1983, we are listing a package of technology iss which we believe offer the potential for long-term appreciati Which one of the four will be best, I know not. Therefore, recommend buying the package. Applied Magnetics (APM NYSE) is one of the world's leaders in magnetic he technology for reading information off of tape and disk driv Cipher Data Products (CIFR 4 3/4 OTC) is one of the entrants in the tape drive backup storage market. Spire (SP 5 3/8 OTC) produces high quality silicone materials and wafe Intermagnetics General (INMA 6 3/4 OTC) is a play semiconductors. Overall, this package is a good way participate in the increasing productivity of American indus over the coming decade. Our package consists of 300 share APM; 600 of CIFR; 500 shares of SPIR; and 400 of INMA.