



Value Line®

PRODUCT GUIDE

TIMELINESS 2 Lowered 3/6/15	High: 55.5 72.4 92.1 107.8 88.3 56.6 76.0 80.6 77.8 142.0 144.6 158.8			
SAFETY 1 Raised 6/13/14	Low: 38.0 49.5 65.9 84.6 36.2 29.0 54.1 56.0 66.8 72.7 116.3 126.2			
TECHNICAL 3 Lowered 1/16/15	LEGENDS — 12.0 x "Cash Flow" p/sh ... Relative Price Strength Options: Yes Shaded area indicates recession			
BETA 1.05 (1.00 = Market)				
2018-20 PROJECTIONS				
	Ann'l Total			
Price	Return			
High 205	Gain (+30%) 10%			
Low 165	Gain (+5%) 4%			
Insider Decisions				
	A M J J A S O N D			
to Buy	0 0 0 0 0 0 0 0 0			
Options	2 3 0 0 0 0 2 1 0			
to Sell	3 4 0 0 0 0 3 1 0			
Institutional Decisions				
	2Q2014 3Q2014 4Q2014			
to Buy	537 513 624			
to Sell	508 560 504			
Hld's(000)	536182 526973 528828			
1999	2000	2001	2002	2003
66.60	61.36	72.94	67.61	67.61
4.22	4.77	5.10	4.72	4.72
2.19	2.84	2.79	2.82	2.82
.56	.59	.68	.68	.68
1.42	1.11	1.34	1.25	1.25
13.16	13.18	13.57	9.62	9.62
870.82	836.33	797.89	799.66	799.66
18.6	17.1	18.6	14.7	14.7
1.06	1.11	.95	.7	.7
1.4%	1.2%	1.3%	1.7	1.7

The Value Line Investment Survey

Part 2

ISSUE 1
Pages 1557-1558

Value Line®

August 16, 2019

SELECTION & OPINION

ECONOMIC AND STOCK MARKET COMMENTARY

The waters have turned choppy on Wall Street, with international storms brewing that may continue to affect our economy and financial markets. Thus, our market, which had set one record after another, has come under pressure recently.

There are reasons for the reversals. First, there's the Federal Reserve, which had reduced interest rates—even though it sought future rate action. Investors had sought assurances there would be a steady stream of reductions going forward, but there is the possibility of a rate hike.

There also are reasons not to overreact. To wit, our economy is still enjoying modest, low-inflationary growth, and that should persist, despite these headwinds, with the strength in consumer confidence and healthy levels of household spending being key catalysts. Also, there is the Fed, which despite its hesitations, continues to provide a steady stream of liquidity.

The Value Line Investment Survey® — Selection & Opinion

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PART 1 – QUICK OVERVIEW

Selection & Opinion (S&O) brings you Value Line's latest weekly economic and stock market commentary, along with a host of additional information that can prove invaluable in overseeing your investments. More specifically, the product includes economic data and forecasts, four actively-managed Model Portfolios, stock screens, stock highlights, and special features. If you spend time with the S&O each week, you will receive unique investment ideas and insights.

PART 2 – ECONOMIC MATERIALS

Each week, *Selection & Opinion* includes Value Line's Economic and Stock Market Commentary, which is composed by Harvey S. Katz, CFA. Mr. Katz is our Chief Economist and Managing Editor, and has been with Value Line for more than four decades. The economic commentary provides readers with the latest hard facts on the state of the domestic and global economy, as well as our thoughts on the stock market's current and future prospects. Recent

and upcoming economic and corporate earnings reports are also discussed in this section.

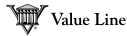
Beneath the Economic and Stock Market Commentary are the Closing Stock Market Averages as of Press Time. This table displays the recent prices (current and week ago) and percent changes (one week and 12 months) of the major market indexes, including the Dow Jones Industrial Average, Standard & Poor's 500 Index, and NASDAQ. Value Line's two indexes, the Geometric (VALUG) and Arithmetic (VALUA) are also showcased.

Further on in the S&O, Value Line provides the Selected Yields of a variety of fixed-income securities. For instance, we provide data on Bank CDs, U.S. Treasuries, Corporate Bonds, and other taxable securities. On the tax-exempt front, information on Bond Buyer Indexes and General Obligation Bonds, among other statistics are displayed. Lower down, Federal Reserve Data, such as Bank Reserves and the Money Supply can be found.

Tracking The Economy consists of a number of important

The Value Line Investment Survey

ISSUE 1
Pages 1557-1568



Part 2 in magazine order the Selection & Opinion Index SELECTION & OPINION August 16, 2019

Dear Subscribers,
As part of our ongoing efforts to keep The Value Line Investment Survey the most valuable investment resource for our subscribers, all updated Ranks are now being released on the Value Line-Web Site by 8:00 A.M. Eastern Time on Mondays. You can access all the Ranks each week at www.valueline.com by entering your user name and password. We look forward to continuing to provide you with accurate and timely investment research. Thank you.

The Value Line View

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In Three Parts: Part 1 is the Summary & Index. This is Part 2, Selection & Opinion. Part 3 is Rating & Report. Volume LXV, Number 1.
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ECONOMIC AND STOCK MARKET COMMENTARY
The waters have turned choppy on Wall Street, with international storms brewing that may continue to affect our economy and financial markets. Thus, our market, which had set one record after another, has come under pressure recently.

There are reasons for the reversals. First, there's the Federal Reserve, which had reduced interest rates in July—even though it moved investors in July—even though it reduced interest rates—by voicing indecision about future rate action. Investors had sought assurances there would be a steady stream of reductions going forward. Then, there is the economy, which is giving off mixed signals, with strong consumer confidence and steady income gains, offset by slower manufacturing growth and uneven employment trends.

But the biggest thorn in Wall Street's side is trade, with the President announcing plans to impose tariffs on virtually all of China's exports. Such a move figures to depress investment spending and put added pressure on GDP. China, meantime, is retaliating, by allowing its currency to fall in order to stimulate exports. This tit-for-tat showed no signs of abating as we went to press. Also unerving were added declines in U.S. Treasury note and global bond yields, with these returns adding

on news that Germany's industrial output had fallen sharply.
There also are reasons not to overreact. To wit, our economy is still enjoying modest, low-inflationary growth, and that should persist, despite these headwinds, with the strength in consumer confidence and healthy levels of household spending being key catalysts. Also, there is the Fed, which despite its hesitation, is likely to continue cutting interest rates, especially if the new tariffs put downward pressure on global growth as seems likely. Finally, there is earnings season, which is ending on a decent note and should continue to be a modest counterweight as things stand now.

All in all, there is still a bullish case to be made, which suggests that the latest selling may be more of a short-term adjustment than a longer-term correction—unless global woes worsen significantly.

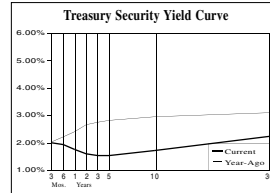
Conclusion: For now, we consider Wall Street's recent stumbles to be an opportunity to get into stocks at more attractive levels. Please refer to the inside back cover of *Selection & Opinion* for our statistically-based Asset Allocation Model's current reading. ■

CLOSING STOCK MARKET AVERAGES AS OF PRESSTIME

	7/31/2019	8/7/2019	%Change 1 week	%Change 12 months
Dow Jones Industrial Average	29884.27	29007.07	-2.9%	+15%
Standard & Poor's 500	2300.39	2261.98	-1.7%	+21%
N.Y. Stock Exchange Composite	13066.60	12822.96	-1.9%	+2%
NASDAQ Composite	8175.42	7862.83	-3.8%	+3%
NASDAQ 100	7660.79	7551.98	-1.3%	+12%
Amex Major Market Index	2539.64	2413.74	-4.8%	+3%
Value Line (Geometric)	534.33	508.02	-4.9%	+13.1%
Value Line (Arithmetic)	6274.03	5981.15	-4.7%	+8.1%
London FTSE 100	7088.79	7190.70	+1.4%	+3.7%
Tokyo Nikkei	21621.53	20518.96	-4.7%	+9.9%
Russell 2000	1574.61	1500.89	-4.7%	+11.1%

Selected Yields

TAXABLE	Recent (8/7/19)	3 Months Ago (6/6/19)	Year Ago (8/8/18)	TAXABLE	Recent (8/7/19)	3 Months Ago (6/6/19)	Year Ago (8/8/18)
Market Rates				Corporate Bonds			
Discount Rate	2.75	3.00	2.50	Financial (10-year) A	2.64	3.39	3.99
Federal Funds	2.00-2.25	2.25-2.50	1.75-2.00	Industrial (20-year) A	4.01	4.81	4.26
Prime Rate	5.25	5.50	5.00	Utility (25-year) A	3.38	4.06	4.28
30-day CP (AT 1P)	2.18	2.43	2.02	Utility (25-year) Baa/BBB	3.73	4.40	4.61
3-month LIBOR	2.19	2.56	2.34	S&P 500 High Yield Conv. Bond Index	4.41	4.79	5.11
U.S. Treasury Securities				Foreign Bonds (10-Year)			
3-month	2.01	2.42	2.05	Canada	1.24	1.71	2.36
6-month	1.95	2.44	2.13	Germany	-0.56	-0.04	0.43
1-year	1.77	2.38	2.42	Japan	-0.19	-0.05	0.11
5-year	1.55	2.29	2.83	United Kingdom	0.49	1.14	1.31
10-year	1.72	2.48	2.95	Mortgage-Backed Securities			
15-year (floatation-protected)	0.18	0.05	0.88	GNMA 5.5%	3.57	3.94	3.44
30-year	2.25	2.89	3.11	FHLMC 5.5% (Gold)	3.06	3.54	3.78
30-year Zero	2.30	2.95	3.12	FNMA 5.5%	3.00	3.52	3.98
Common Stocks				Preferred Stock			
VL Stocks (Median)	3.30	2.20	2.00	Utility	6.03	6.02	6.04
DJ Industrials (12 Mos. est.)	2.90	2.50	2.30	Financial BBB	5.99	6.00	5.92
VL Utilities	3.30	3.30	3.40	Financial Adjustable A	5.50	5.50	5.50



Federal Reserve Data

	BANK RESERVES (Two-Week Period; in Millions, Not Seasonally Adjusted)			
	Recent Levels	Change	%Change	Average Level Over the Last...
	7/31/19	7/17/19		12 Wks. 28 Wks. 52 Wks.
Excess Reserves	1384926	1381020	3886	1382303 1441969 1508826
Borrowed Reserves	127	118	9	62 52 112
Net Free Borrowed Reserves	1384799	1380892	3887	1382220 1441846 1508614
	MONEY SUPPLY (One-Week Period; in Billions, Seasonally Adjusted)			
	Recent Levels	Change	%Change	Annual Growth Rates Over the Last...
	7/22/19	7/15/19		3 Mos. 6 Mos. 12 Mos.
M1 (Currency+Demand deposits)	3622.1	3616.2	5.9	8.9% 8.9% 4.3%
M2 (M1+ Savings+Small Time deposits)	14881.7	14827.2	54.5	10.5% 6.3% 5.1%

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The front page of Selection & Opinion

Selected Yields

charts that showcase the current state of the domestic economy. Included in this section, for example, are visual representations of the Trade Deficit, New Home Sales, and Manufacturing Index. We also include information on Major Insider Transactions, where investors can view the recent stock trades (purchases and sales) of officers and/or directors of the issuers of the approximately 1,700 equities that are tracked in The Value Line Investment Survey.

The Market Monitor page provides key pertinent statistics about the universe of equities our analysts cover, such as the median P/E ratio and average dividend yield. Data pertaining to important domestic yields, like the Prime Rate and Federal Funds Rate can be found here, as well.

Just below these statistics is the Value Line Asset Allocation Model. This feature is maintained by senior staff, and represents Value Line's view of the proper investment allocation in the current market. Value Line's opinion, for this model, is based only on economic and financial

factors. Before considering this allocation, it is important for investors to evaluate their individual goals, investment time horizon, risk preferences, and view of the emotional element, or current "sentiment" in the market.

To the right of the Allocation Model, S&O provides a list of the best and worst performing industries over the past six weeks. The industries are derived from *The Value Line Investment Survey*, which tracks approximately 1,700 stocks across nearly 100 industries. Also in this area of the page is a list of any Financial Strength changes that occurred over the course of the past week. Financial Strength is one of Value Line's key proprietary ratings, and is a measure of the company's financial condition. It is reported on a scale of A++ (Highest) to C (Lowest), in nine increments.

In sum, Value Line's *Selection & Opinion* contains numerous data points and information that enable readers to gain a firm understanding of the current state, and future prospects, of the economy and stock market. These metrics can help investors make sound financial decisions.

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Tracking the Economy

Merchandise Trade Deficit
(Monthly Average (in Billions))

ISM - Manufacturing Index
(Seasonally Adjusted)

Nonagricultural Employment
(in Millions - Seasonally Adjusted)

ISM - Nonmanufacturing Index
(Seasonally Adjusted)

Major Insider Transactions†

PURCHASES						
Latest Full-Page Report	Company	Insider's Title	Date	Shares Traded	Shares Held	Recent Price
1607	Abbvie Inc.	H. G. Goodrich, EVP	7/22/2019	30,000	75,763	\$97.26
1607	Abbvie Inc.	R. S. Austin, Dir.	7/26/2019	10,000	62,114	\$96.35
1616	Bristol Myers Squibb	R. B. Bertolini, Dir.	7/31/2019	11,000	11,387	\$44.72
526	Cabot Oil & Gas 'A'	P. B. Delaney, Dir.	7/26/2019	9,200	23,725	\$19.28-\$19.33
795	Centene Corp.	J. L. Blume, Dir.	7/26/2019	2,850	10,000	\$52.99
522	ConocoPhillips Co.	H. A. Lee, Pres.	8/1/2019	4,000	98,391	\$89.84
110	Telex, Inc.	R. M. Berthoff, Dir.	7/25/2019	1,000	1,000	\$232.72

SALES						
Latest Full-Page Report	Company	Insider's Title	Date	Shares Traded	Shares Held	Recent Price
2120	AutoNation, Inc.	E. S. Lampert*	7/25/2019	156,819	10,241,337	\$48.57
435	CoStar Group	A. C. Flanagan, Pres.	7/26/2019	24,210	96,288	\$203.64
2630	Marathon Assoc.	E. Capel, Pres.	7/23/2019	40,000	281,357	\$87.48
720	Raytheon Co.	D. C. Weigand, Officer	7/25/2019	60,000	112,636	\$160.00
2653	Snap Inc.	E. Spitzer†	7/25/19-7/26/19	2,760,306	67,223,248	\$18.00-\$18.01
110	Telex, Inc.	J. B. Sraebel, Officer	7/25/2019	15,000	276,388	\$236.86-\$238.00
446	TransUnion	C. A. Cartwright, Pres.	7/25/2019	44,640	195,978	\$83.30

* Beneficial owner of more than 10% of common stock
† Includes only large transactions in U.S.-traded stocks; excludes shares held in the form of limited partnerships, excludes options & family trusts

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Tracking the Economy

AUGUST 16, 2019 VALUE LINE SELECTION & OPINION 1567

Market Monitor

Valuations and Yields	8/7	7/29	13-week range	50-week range	Last market top (7-26-2019)	Last market bottom (5-9-2009)
Median price-earnings ratio of VL stocks	16.7	17.3	16.2-17.3	14.1-16.5	17.3	10.3
P/E using 12 mo. est'd EPS of DJ Industrials	15.7	17.0	15.4-17.3	14.1-17.3	17.0	17.3
Median dividend yield of VL stocks	2.2%	2.2%	2.2-2.3%	2.0-2.2%	2.2%	4.0%
Div yield 12 mo. est'd of DJ Industrials	2.3%	2.5%	2.4-2.6%	2.2-2.7%	2.5%	4.0%
Prime Rate	5.3%	5.3%	5.3-5.5%	5.0-5.5%	5.3%	3.3%
Fed Funds	2.1%	2.4%	2.1-2.4%	1.9-2.5%	2.4%	0.2%
91-day Fed rate	2.0%	2.1%	2.0-2.4%	2.0-2.5%	2.1%	0.3%
AAA Corporate bond yield	3.2%	3.2%	3.2-3.7%	3.2-4.2%	3.3%	5.5%
30-year Treasury bond yield	2.3%	2.5%	2.3-2.6%	2.3-3.4%	2.5%	3.7%
Bond yield minus average earnings yield	-3.0%	-2.5%	-3.0-2.2%	-3.0-1.4%	-2.5%	-4.3%

Short interest/avg. daily volume (5 weeks) 17.6 17.6 15.5-17.6 11.8-19.1 17.6 8.6
 Short interest/avg. daily volume (5 weeks) 1.16 .88 .82-1.16 .67-1.41 .88 .63

VALUE LINE ASSET ALLOCATION MODEL (Based only on economic and financial factors)

	Current (last adjusted at market open 4/5/19)	Previous (before 4/5/19)
Common Stocks	60%-70%	55%-65%
Cash and Treasury Issues	40%-30%	45%-35%

INDUSTRY PRICE PERFORMANCE LAST SIX WEEKS ENDING 8/6/2019

7 Best Performing Industries	%
Precious Metals	+15.9%
Office Equip/Supplies	+15.2%
Homebuilding	+9.9%
Publishing	+8.4%
Trucking	+8.2%
Semiconductor	+6.8%
Semiconductor Equip	+5.5%

7 Worst Performing Industries	%
Natural Gas (Dr)	-20.0%
Oilfield Serv/Equip	-15.0%
Engineering & Const	-11.7%
Metal Fabrication	-11.0%
Petroleum (Production)	-10.9%
Paper/Forest Products	-8.9%
Chemical (Specialty)	-8.4%

INTEREST RATES

	Previous Week	Recent Week
Prime Rate	5.3%	5.3%
30-Yr Treasury	2.3%	2.5%
Fed Funds	2.1%	2.4%

VALUE LINE UNIVERSE

	Previous Week	Recent Week
Advances	247	1085
Declines	1464	621
Issues Covered	1705	1710
Market Value (\$ Billions)	35,824	37,650

The corresponding change in the Value Line Arithmetic Average* is -1.6%

CHANGES IN FINANCIAL STRENGTH RATINGS

Company	Prior Rating	New Rating	Reprints & Reports Page
Colmet, Inc.	A	B+	117
Keylight Techn.	B+	A	123

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Market Monitor and Value Line Asset Allocation Model

PART 3 — MODEL PORTFOLIOS

For those individuals that want more direct guidance in regard to stock selections, our S&O contains four Model Portfolios, each one with a specific investment objective. The portfolios are actively managed, updated each week, and always contain 20 equities each.

Portfolio I, Stocks with Above-Average Year-Ahead Price Potential, is oriented to expected price performance approximately six to 12 months ahead. It is primarily suitable for investors who wish to take more risk in hopes of greater returns than might be afforded in Portfolios II or III. To qualify for purchase, stocks have to be ranked 1 (Highest) or 2 (Above Average) for Timeliness. To reduce portfolio turnover (and recognizing the fact that many good growth stocks go up and down in price along the way), a stock may be held until it drops to 3 (Average) for Timeliness, and then it must be sold. We attempt to diversify the holdings as much as possible, but note that the Timeliness Rank tends to favor high earnings growth issues that may cluster in a few industries; they can also be more volatile than average.

Portfolio II, Stocks for Income and Potential Price Appreciation, combines an investment objective for above-average income with a limitation on risk. This portfolio is suitable for more-conservative investors. To qualify for purchase, a stock's yield (the estimated annual dividend for the next 12 months divided by the recent stock price) must be higher than the median yield for all approximately 1,700 stocks Value Line follows. The stock must also have a Safety rank of 3 or better. The higher-than-average yields provide support to the shares in down markets. This portfolio tends to be less volatile because the companies, as a whole, are more likely to be mature and predictable.

PORTFOLIO I: STOCKS WITH ABOVE-AVERAGE YEAR-AHEAD PRICE POTENTIAL										
Primarily suitable for more aggressive investors										
Ratings & Reports Page	Ticker	Company	Recent Price	Timeliness	Safety	P/E	Yield%	Beta	Financial Strength	Industry Name
2639	GOOG	Alphabet Inc.	1169.95	2	1	21.0	Nil	1.05	A++	Internet
2541	AXP	Amer. Express	122.55	2	1	14.6	1.4	1.05	A++	Financial Svcs. (Div.)
2544	AON	Aon plc	187.39	1	1	19.6	0.9	0.95	A+	Financial Svcs. (Div.)
1967	BFB	Brown-Forman 'B'	54.19	2	1	29.0	1.2	0.80	A	Beverage
356	CBRL	Cracker Barrel	167.49	2	2	17.3	3.1	0.70	A	Restaurant
388	G	Genpact Limited	38.02	2	2	18.8	0.9	0.80	B++	Industrial Services
1139	HD	Home Depot	208.80	2	1	20.5	2.6	1.05	A++	Retail Building Supply
1919	HRL	Hormel Foods	40.52	2	2	21.6	2.2	0.65	A	Food Processing
440	INFO	IHS Markit	63.12	1	3	24.3	Nil	1.05	B++	Information Services
806	IQV	IQVIA Holdings	154.45	1	3	23.4	Nil	0.95	B+	Medical Services
1012	EL	Lauder (Estee)	179.56	1	2	30.6	1.0	0.90	A	Toiletries/Cosmetics
2127	LAD	Lithia Motors	128.77	1	3	11.7	0.9	1.20	B++	Retail Automotive
184	MDT	Metricorp plc	101.24	1	1	18.4	2.1	0.85	A++	Med Supp Invasive
957	MSI	Motorola Solutions	171.58	1	2	21.9	1.3	0.95	B++	Telecom. Equipment
1980	PEP	PepsiCo, Inc.	126.45	2	1	20.0	3.0	0.75	A++	Beverage
444	SPGI	S&P Global	245.82	2	2	26.5	0.9	1.10	A	Information Services
2151	TGT	Target Corp.	82.77	2	3	13.7	3.2	0.90	A	Retail Store
774	TRV	Travelers Cos.	145.96	2	1	14.2	2.2	0.85	A++	Insurance (Prop/Cas.)
790	USB	U.S. Bancorp	53.56	2	1	12.3	2.9	1.00	A	Bank (Midwest)
819	UHS	Universal Health 'B'	146.39	2	3	14.3	0.5	0.95	B++	Medical Services

To qualify for purchase in the above portfolio, a stock must have a Timeliness Rank of 1 or 2 and a Financial Strength Rating of at least B+. If a stock's Timeliness rank falls to 3, or lower, it will be automatically removed. Stocks in the above portfolio are selected and monitored by Michael F. Napoli, Senior Analyst.

Portfolio I: Stocks with Above-Average Year-Ahead Price Potential

PORTFOLIO II: STOCKS FOR INCOME AND POTENTIAL PRICE APPRECIATION										
Primarily suitable for more conservative investors										
Ratings & Reports Page	Ticker	Company	Recent Price	Timeliness	Safety	P/E	Yield%	Beta	Financial Strength	Industry Name
917	T	AT&T Inc.	33.96	1	1	9.4	6.1	0.75	A++	Telecom. Services
1583	ARLP	Alliance Resource	16.46	2	3	6.9	13.1	1.20	B+	Metals & Mining (Div.)
2510	CM.TO	Can. Imperial Bank	99.83	3	1	8.2	5.8	0.85	A+	Bank
505	CVX	Chevron Corp.	119.38	3	1	15.9	4.0	1.20	A++	Petroleum (Integrated)
356	CBRL	Cracker Barrel	167.49	2	2	17.3	3.1	0.70	A	Restaurant
307	DAL	Delta Air Lines	58.79	3	3	8.2	2.7	1.15	B+	Air Transport
1974	DEO	Diageo plc	163.74	3	1	24.8	2.1	0.90	A+	Beverage
628	EPD	Enterprise Products	28.97	3	3	14.4	6.1	1.30	B++	Pipeline MLPs
575	IFF	Int'l Flavors & Frag.	118.91	1	1	17.8	2.6	0.85	A+	Chemical (Specialty)
214	JNJ	Johnson & Johnson	130.77	3	1	18.0	2.9	0.85	A++	Med Supp Non-Invasive
613	KMI	Kinder Morgan Inc.	20.03	3	3	19.8	5.0	1.45	B	Oil/Gas Distribution
716	LMT	Lockheed Martin	366.78	2	1	25.3	2.5	0.80	A++	Aerospace/Defense
1140	LOW	Lowe's Cos.	97.92	3	2	16.7	2.2	1.10	A+	Retail Building Supply
1930	MDLZ	Mondelez Int'l	52.83	3	2	20.8	2.2	0.95	A	Food Processing
959	NOK	Nokia Corp. ADR	5.35	3	3	15.7	4.1	0.90	B+	Telecom. Equipment
1637	PFE	Pfizer, Inc.	36.95	NR	1	18.8	3.9	0.90	A++	Drug
1542	O	Realty Income Corp.	69.87	3	2	51.4	4.1	0.65	A	R.E.I.T.
2319	RCL	Royal Caribbean	107.06	2	3	10.6	2.6	1.15	B++	Recreation
315	UPS	United Parcel Serv.	115.00	3	1	14.8	3.3	0.95	A	Air Transport
417	WM	Waste Management	116.10	1	1	26.6	1.8	0.75	A	Environmental

To qualify for purchase in the above portfolio, a stock must have a yield that is in the top half of the Value Line universe and a Safety Rank of 3 or better. Stocks are selected and monitored by Wayne Nef, Senior Analyst.

Portfolio II: Stocks for Income and Potential Price Appreciation

Portfolio III, Stocks with Long-Term Price Growth Potential, is based on the fundamental research of our staff of research analysts. This portfolio is suitable for investors with a 3- to 5-year horizon; in terms of risk, it falls somewhere between Portfolios I and II. This portfolio tends to be the most flexible, allowing purchases of a broader array of companies. It is constructed under the principles of modern portfolio theory, which state that the risk of a portfolio should be viewed within the context of the portfolio as a whole, rather than judging the portfolio according to the average rankings of individual securities it holds. To that end, this portfolio is generally well diversified, comprising stocks in a variety of different non-related industries.

Portfolio IV focuses on stocks with above-average dividend yields. Investors seeking current income are likely to find interest here. Stocks selected for the portfolio must have a yield at least 1% above the median of all dividend-paying stocks tracked in *The Value Line Investment Survey*, and a Financial Strength rating of at least a B+ (average) at the time of purchase. Although the senior analyst managing Portfolio IV may sell a holding at any time, replacing it with a new stock with better prospects, any stock whose Timeliness rank falls below 4 is automatically replaced. Despite the focus on current income, stocks are typically selected from a broad range of industries, providing a meaningful degree of diversification. The portfolio's risk profile will likely be less than the broader market, given the typical concentration of low-Beta stocks.

PORTFOLIO III: STOCKS WITH LONG-TERM PRICE GROWTH POTENTIAL										
Primarily suitable for investors with a 3- to 5-year horizon										
Ratings & Reports Page	Ticker	Company	Recent Price	Timeliness	Safety	P/E	Yield%	Beta	3- to 5-Yr. Apprec. Potential	Industry Name
2589	ADBE	Adobe Inc.	286.21	3	2	47.4	Nil	1.15	30-75%	Computer Software
756	ALL	Allstate Corp.	103.87	3	1	11.3	1.9	0.85	55-95	Insurance (Prop/Cas.)
1990	MO	Altria Group	46.16	3	2	10.8	6.9	0.70	60-115	Tobacco
1396	AAPL	Apple Inc.	197.00	3	2	16.3	1.6	1.05	30-75	Computers/Peripherals
2120	AN	AutoNation, Inc.	47.81	3	3	10.7	Nil	1.10	45-120	Retail Automotive
2508	BK	Bank of NY Mellon	45.45	3	2	11.5	2.7	1.10	75-140	Bank
435	CSGP	CoStar Group	594.74	2	3	55.2	Nil	1.10	0-50	Information Services
2330	DIS	Disney (Walt)	141.87	2	1	18.0	1.2	0.95	15-35	Entertainment
2010	EA	Electronic Arts	90.10	3	3	23.8	Nil	1.00	40-105	Entertainment Tech
2647	FB	Facebook Inc.	184.51	2	3	21.4	Nil	1.10	80-175	Internet
308	FDX	FedEx Corp.	161.19	4	1	10.9	1.8	1.25	90-135	Air Transport
1919	HRL	Hormel Foods	40.52	2	2	21.6	2.2	0.65	25-60	Food Processing
1360	INTC	Intel Corp.	46.96	4	1	10.6	2.7	1.05	90-125	Semiconductor
1164	IP	Int'l Paper	39.97	3	3	10.2	5.0	1.25	115-215	Paper/Forest Products
2112	PVH	PVH Corp.	77.86	3	3	7.4	0.2	1.20	120-220	Apparel
412	RSG	Republic Services	88.03	2	2	26.4	1.8	0.75	0-35	Environmental
312	LUV	Southwest Airlines	49.71	3	3	10.1	1.4	1.20	70-150	Air Transport
371	SBUX	Starbucks Corp.	95.34	1	1	32.4	1.7	0.95	5-30	Restaurant
818	UNH	UnitedHealth Group	248.28	2	1	16.1	1.7	1.00	25-55	Medical Services
2582	V	Visa Inc.	172.48	2	1	29.3	0.6	1.00	30-55	Financial Svcs. (Div.)

To qualify for purchase in the above portfolio, a stock must have above-average 3- to 5-year price-appreciation potential. As the price of a stock in this Portfolio rises, the computed appreciation potential may fall; it may still be held. This portfolio is most appropriate for investors focused on long-term capital gains. Stocks in the above portfolio are selected and monitored by Justin Hellman, Editorial Analyst.

Portfolio III: Stocks with Long-Term Price Growth Potential

PORTFOLIO IV: STOCKS WITH ABOVE-AVERAGE DIVIDEND YIELDS										
Primarily suitable for investors interested in current income										
Ratings & Reports Page	Ticker	Company	Recent Price	Timeliness	Safety	P/E	Yield%	Beta	Financial Strength	Industry Name
917	T	AT&T Inc.	33.96	1	1	9.4	6.1	0.75	A++	Telecom. Services
903	LNT	Alliant Energy	50.44	1	2	22.0	2.8	0.60	A	Electric Util. (Central)
2453	BX	Blackstone Group	45.81	NR	3	16.1	4.2	1.25	B++	Public/Private Equity
706	BA	Boeing	332.45	3	2	18.5	2.6	1.15	A++	Aerospace/Defense
1991	BTI	Brit. Am. Tobacco ADR	36.27	4	2	8.2	7.5	0.95	B++	Tobacco
152	CAT	Caterpillar Inc.	122.08	4	2	10.3	3.4	1.30	A+	Heavy Truck & Equip
1968	KO	Coca-Cola	52.27	2	1	24.7	3.1	0.65	A++	Beverage
137	ED	Consol. Edison	86.63	3	1	20.9	3.5	0.45	A+	Electric Utility (East)
984	ETN	Eaton Corp. plc	78.89	2	2	13.2	3.6	1.20	A+	Auto Parts
1360	INTC	Intel Corp.	46.96	4	1	10.6	2.7	1.05	A++	Semiconductor
1193	KMB	Kimberly-Clark	134.52	3	1	19.8	3.1	0.75	A+	Household Products
579	LYB	LyondellBasell Inds.	75.80	3	3	7.0	5.5	1.40	A	Chemical (Specialty)
365	MCD	McDonald's Corp.	214.08	3	1	26.2	2.2	0.80	A++	Restaurant
1629	MRK	Merck & Co.	84.35	1	1	17.5	2.6	0.95	A++	Drug
2632	PAYX	Paychex, Inc.	82.27	1	1	27.1	3.2	0.95	A	IT Services
1637	PFE	Pfizer, Inc.	36.95	NR	1	18.8	3.9	0.90	A++	Drug
1563	PRU	Prudential Fin'l	86.23	3	3	6.6	4.6	1.30	B++	Insurance (Life)
146	SO	Southern Co.	56.94	3	2	18.0	4.4	0.50	A	Electric Utility (East)
315	UPS	United Parcel Serv.	115.00	3	1	14.8	3.3	0.95	A	Air Transport
417	WM	Waste Management	116.10	1	1	26.6	1.8	0.75	A	Environmental

To qualify for purchase in the above portfolio, a stock must have a yield that is at least 1% above the median for the *Value Line* universe, and a Financial Strength Rating of at least B+. Stocks are selected and monitored by Adam Rosner, Editorial Analyst.

Portfolio IV: Stocks with Above-Average Dividend Yields

PART 4 — SCREENS AND STOCK SELECTIONS

Most weeks, the S&O contains at least one stock screen that can provide readers with additional investment ideas. These screens are usually derived from one or more of Value Line's proprietary systems, and full reports on the particular stocks mentioned can be found in *The Value Line Investment Survey*. Some of the screens that commonly appear in the S&O are listed below.

- Stocks for Dividend Growth with Low Risk
- Stocks with High Expected Appreciation in the Next Eighteen Months
- Stocks for Long-Term Gains
- Income Stocks with Worthwhile Total Return Potential

Stock Highlights are also frequently published in the *Selection & Opinion*. When an equity appears to hold significant investor appeal, an experienced Value Line analyst will often create a detailed and thorough review of the company and provide the particular investment merits of the issue.

PART 5 — SPECIAL FEATURES

A selection of special articles and analyses are also found in S&O each quarter. Among these are the "Quarterly Economic Review", an in-depth look at the domestic economy complete with forecasts for a broad range of economic statistics, and the "Stock Market Review", an analysis of the market's twists and turns in the most recent quarter. In "Sector Analysis", S&O takes a broad view of the stocks in the *Investment Survey*, focusing on the relative performance of 10 market sectors. "The 30 Largest Market Capitalizations" is also found quarterly, featuring a review and table of 30 of the largest market cap stocks found in *The Value Line Investment Survey*.

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