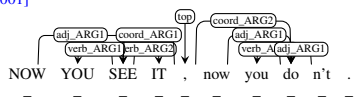
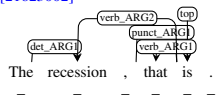


Document 1623

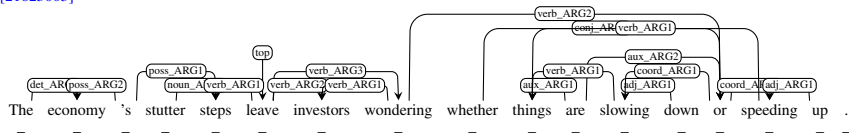
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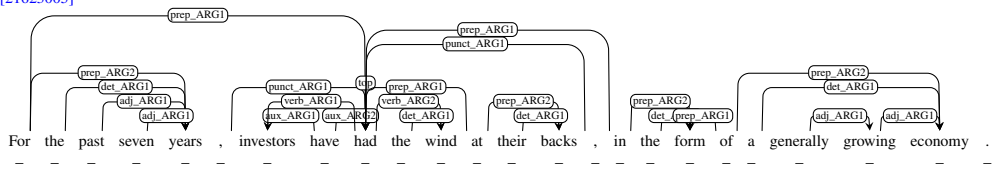
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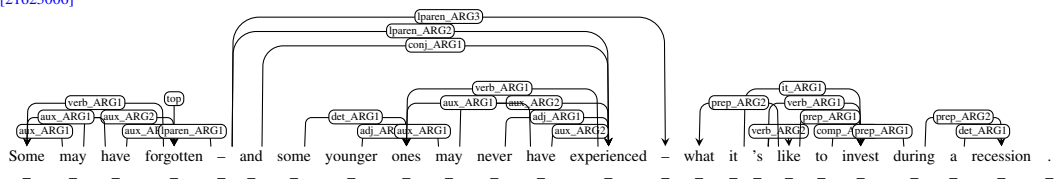
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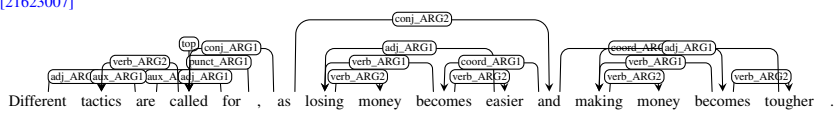
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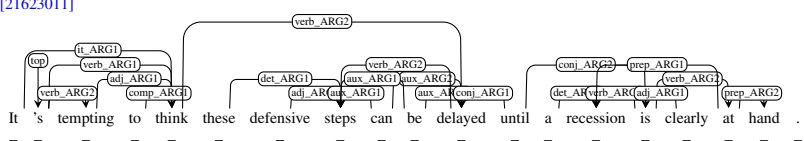
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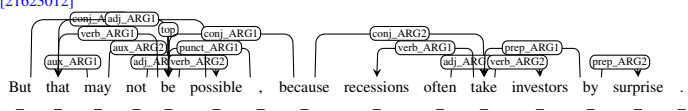
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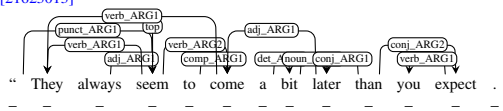
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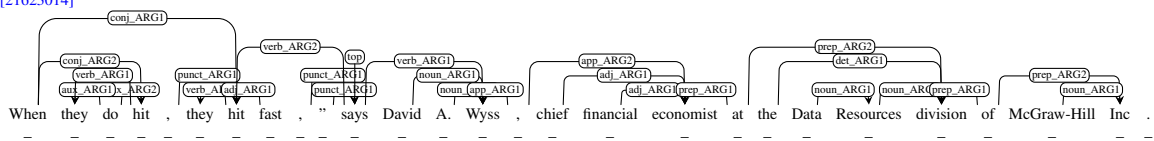
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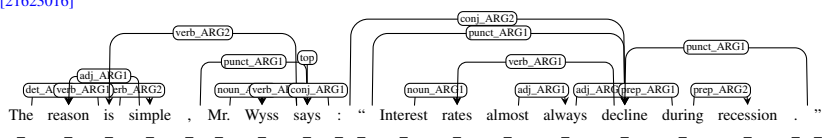
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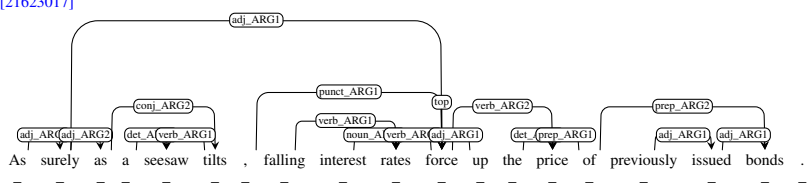
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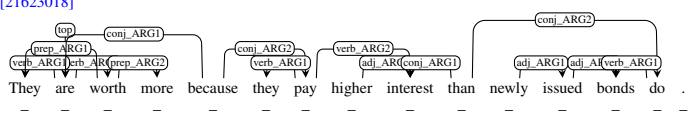
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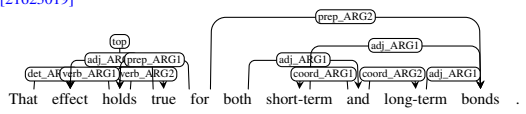
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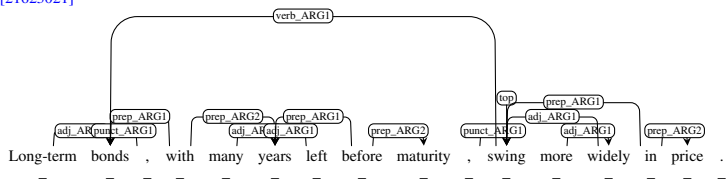
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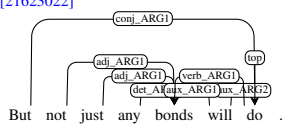
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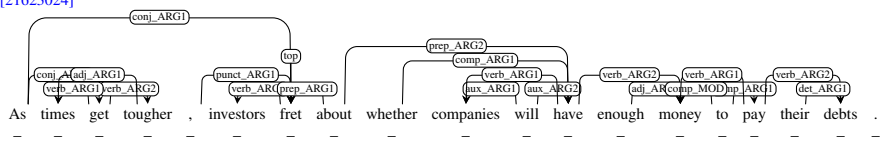
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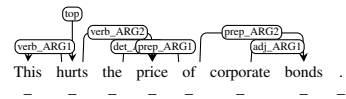
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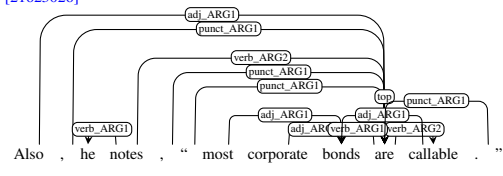
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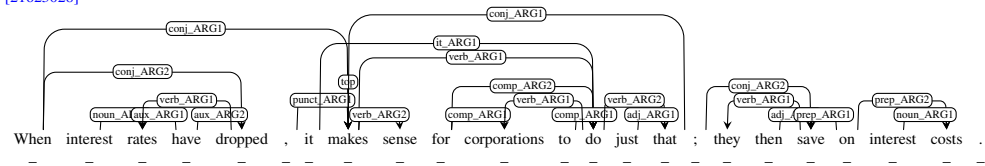
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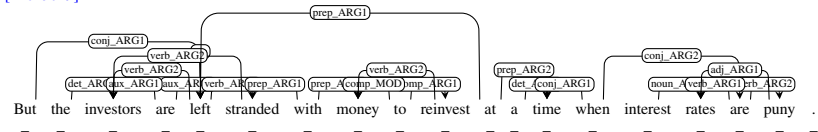
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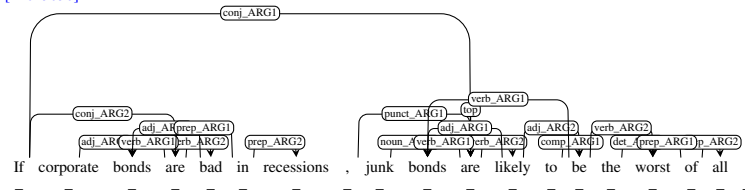
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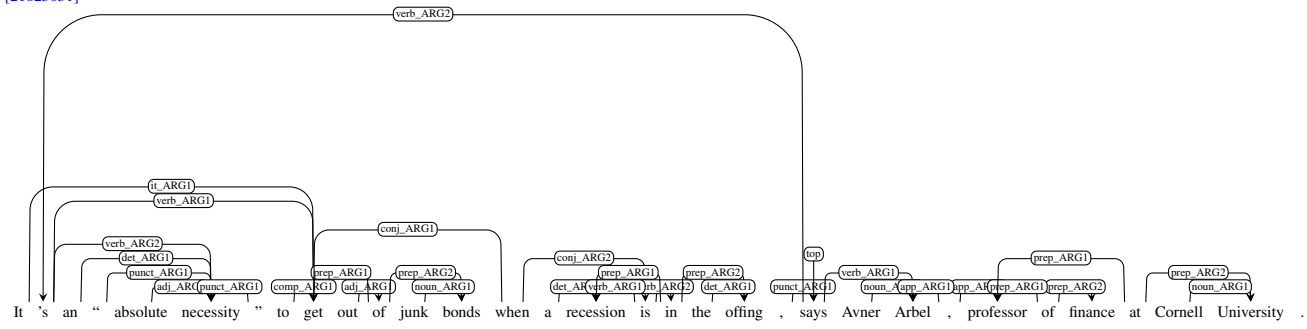
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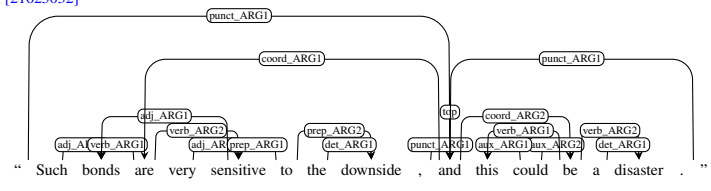
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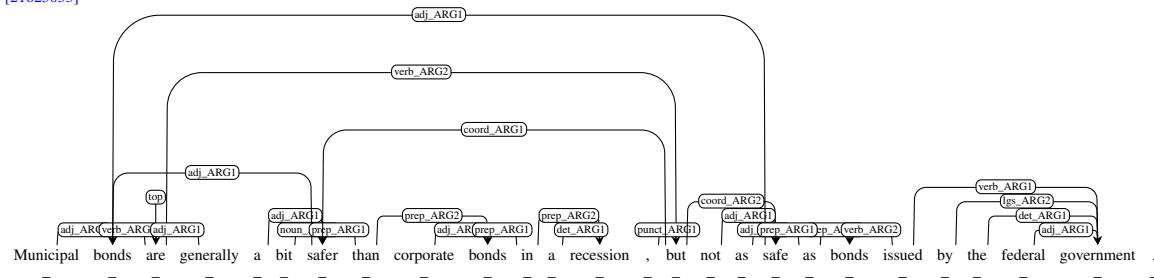
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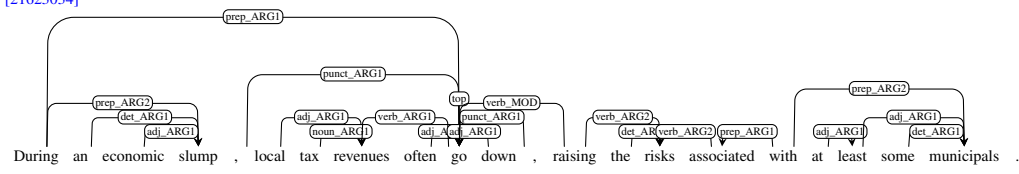
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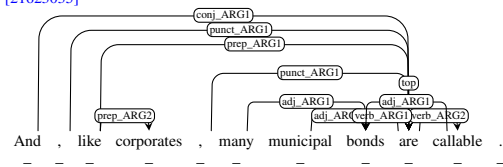
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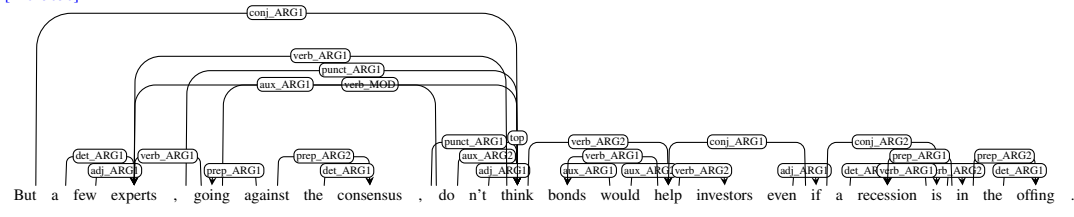
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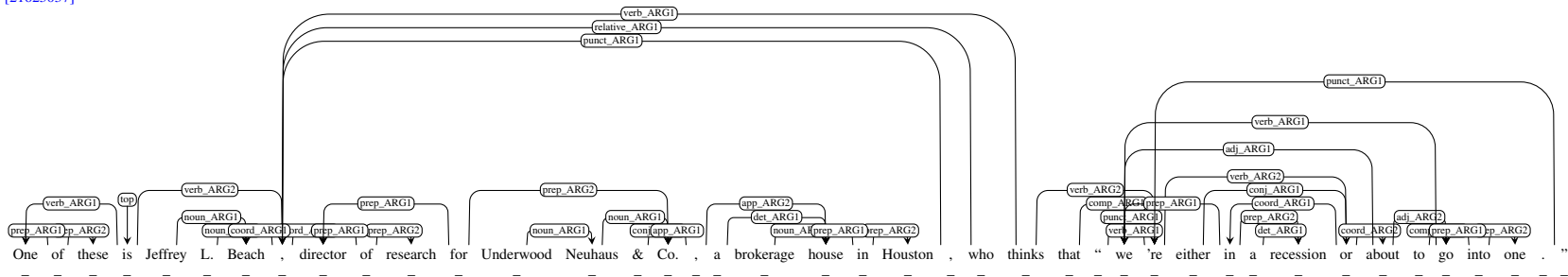
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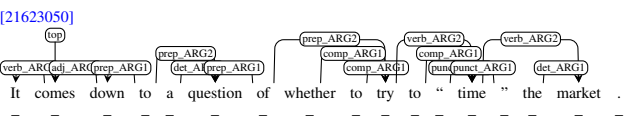
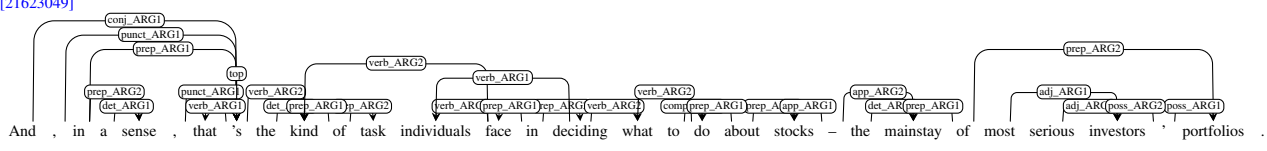
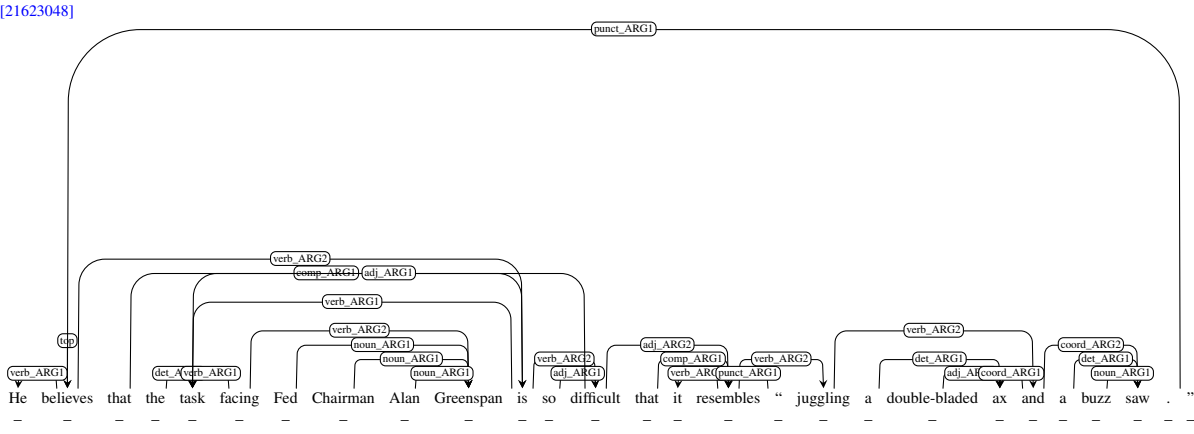
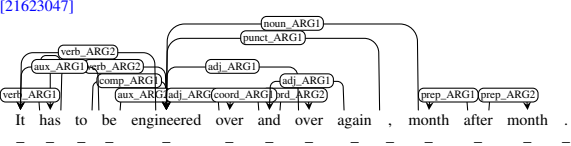
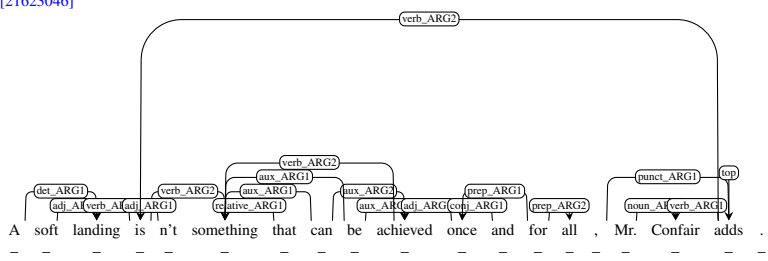
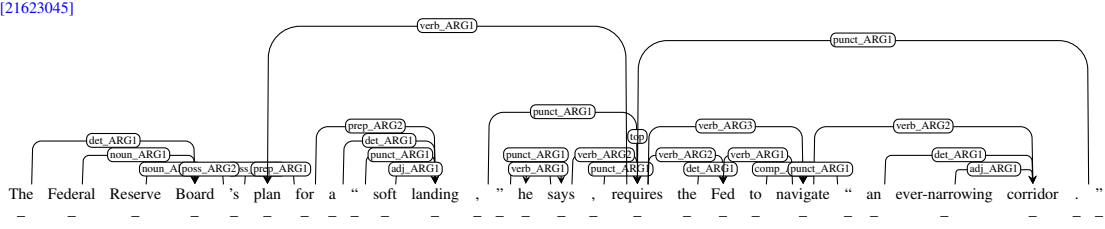
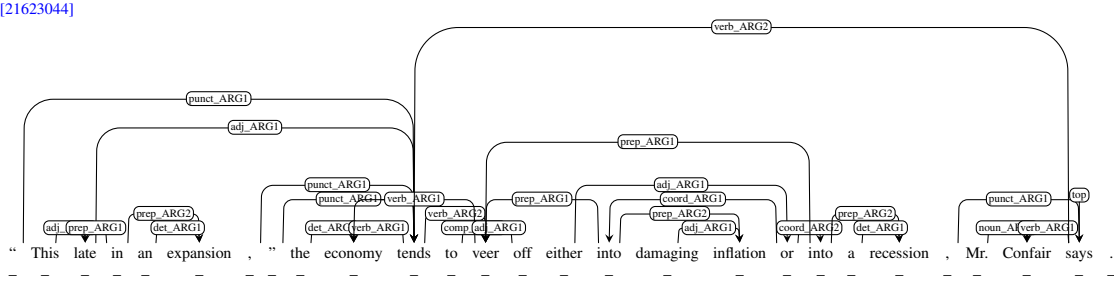
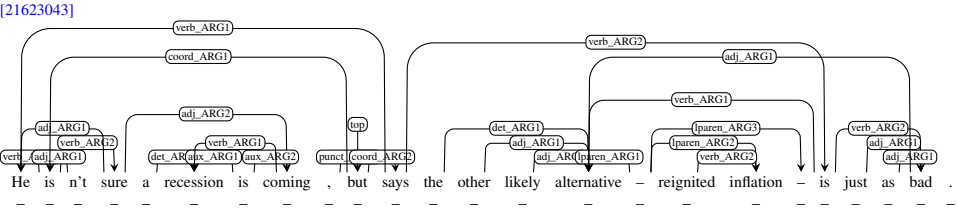
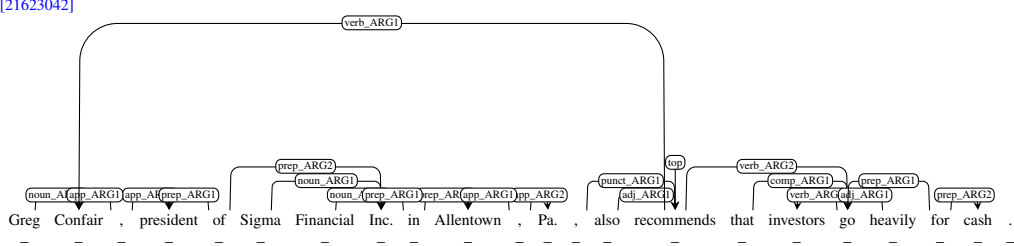
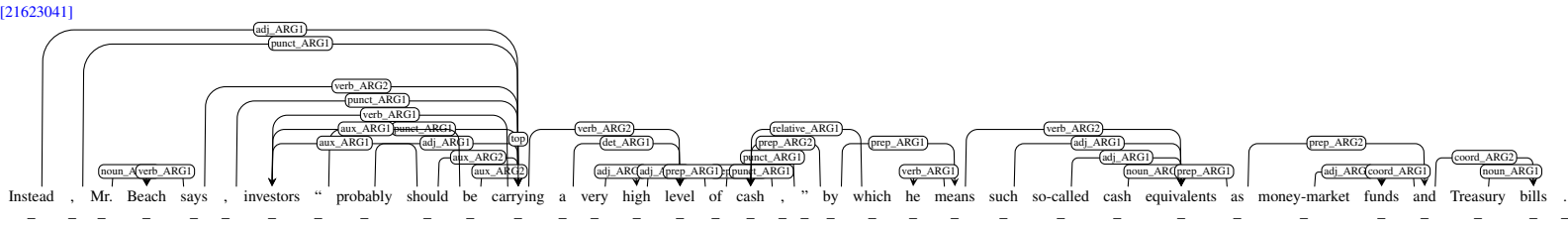
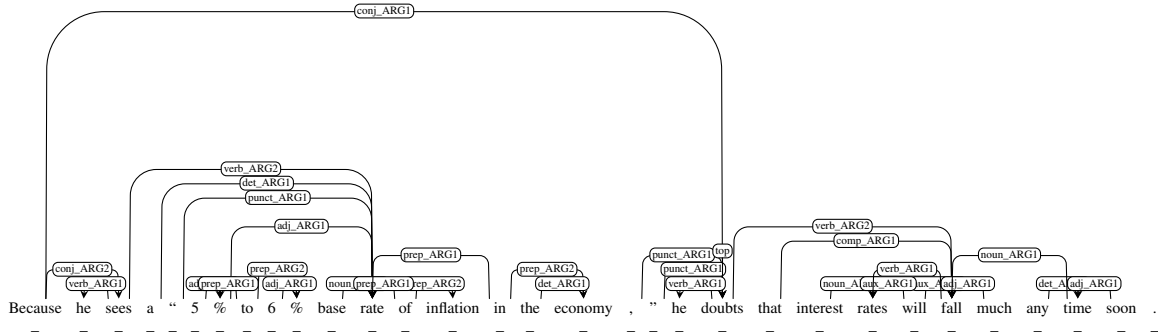
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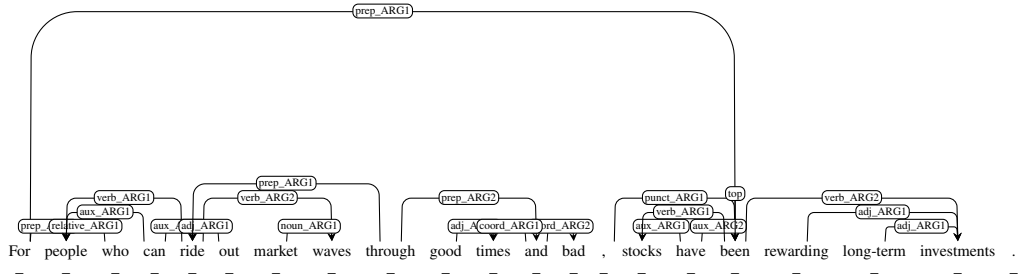
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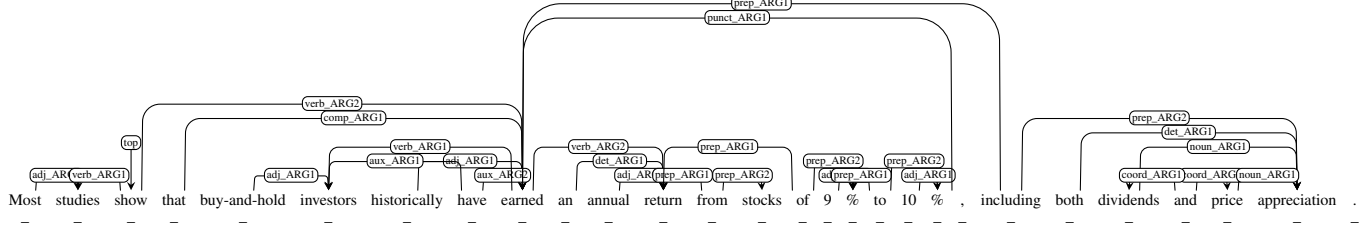
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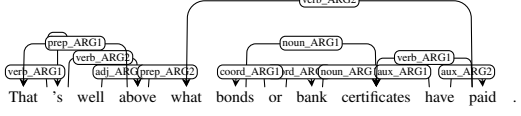
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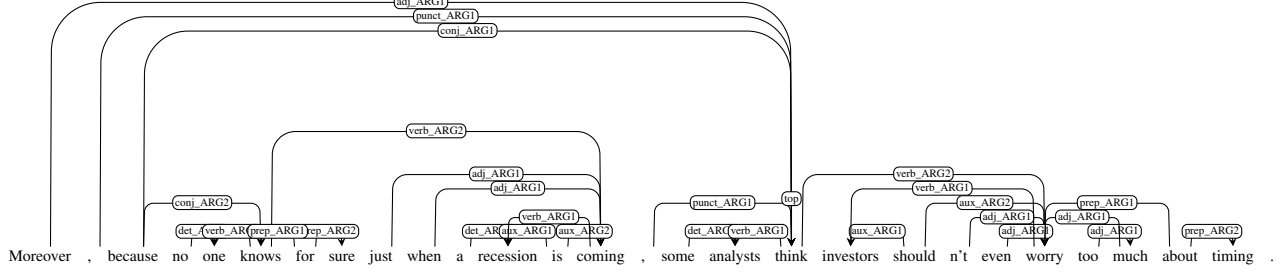
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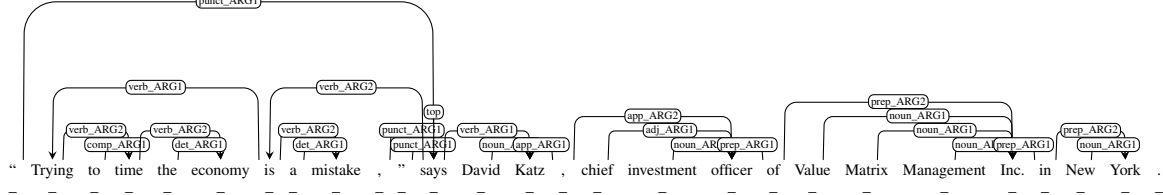
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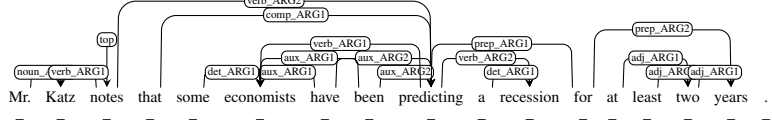
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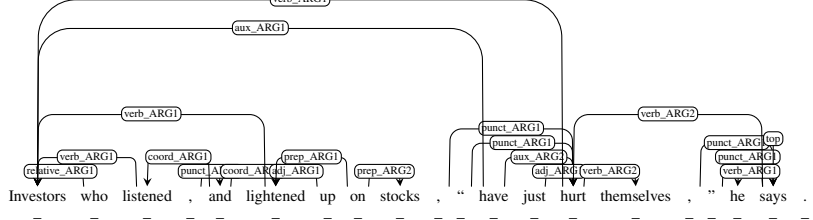
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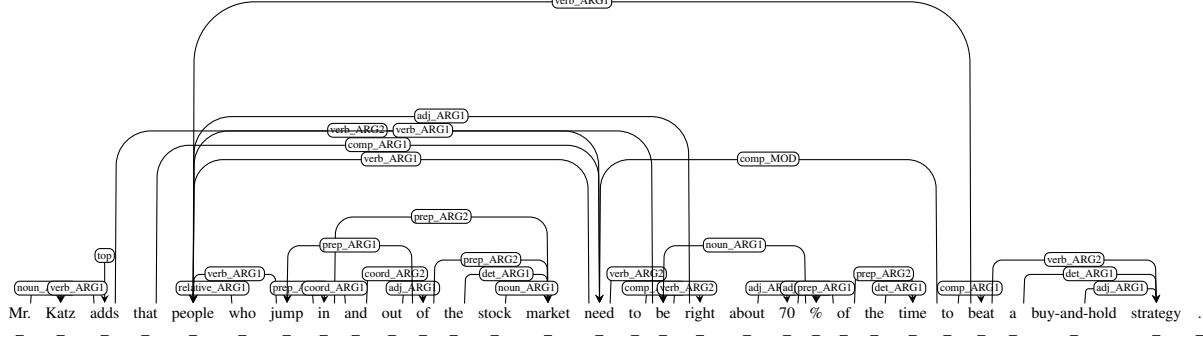
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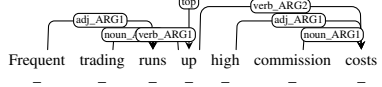
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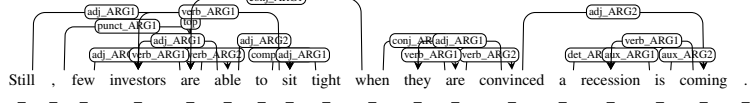
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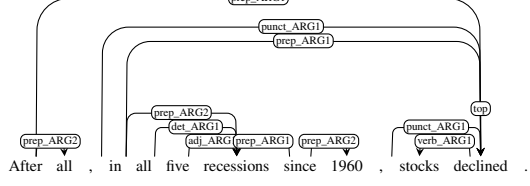
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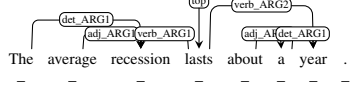
[21623061]



[21623062]



[21623066]



[21623067]

Unfortunately , though , recessions vary enough in length so that the average ca n't reliably be used to guide investors in timing stock sales or purchases .

[21623069]

For the portion of an investor 's portfolio that stays in stocks , professionals have a number of suggestions .

[21623070]

Mr. Katz advocates issues with low price-earnings ratios - that is , low prices in relation to the company 's earnings per share .

[21623071]

" Low P-E " stocks , he says , vastly outperform others " during a recession or bear market . "

[21623072]

In good times , he says , they lag a bit , but overall they provide superior performance .

[21623073]

Prof. Arbel urges investors to discard stocks in small companies .

[21623074]

Small-company shares typically fall more than big-company stocks in a recession , he says .

[21623075]

And in any case , he argues , stocks of small companies are " almost as overpriced as they were Sept. 30 , 1987 , just before the crash . "

[21623076]

For example , Mr. Arbel says , stocks of small companies are selling for about 19 times cash flow .

[21623077]

(Cash flow , basically earnings plus depreciation , is one common gauge of a company 's financial health .)

[21623078]

That ratio is dangerously close to the ratio of 19.7 that prevailed before the 1987 stock-market crash , Mr. Arbel says .

[21623079]

And it 's way above the ratio (7.5 times cash flow) that bigger companies are selling for .

[21623080]

