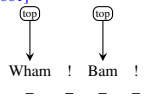
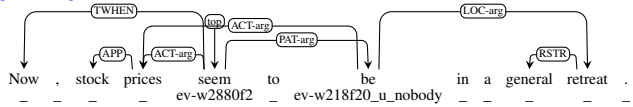


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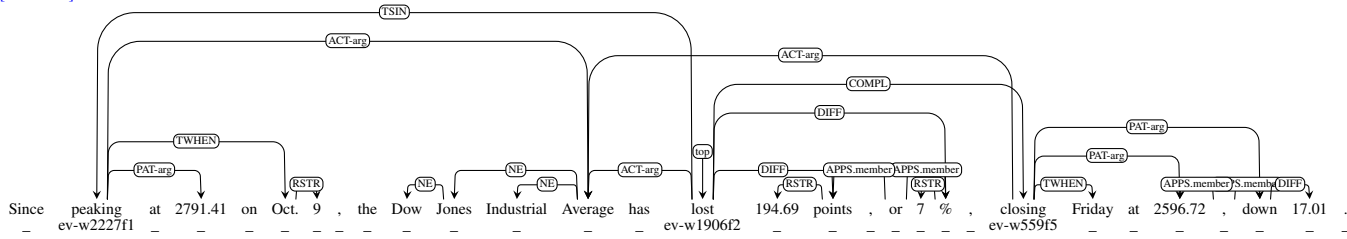
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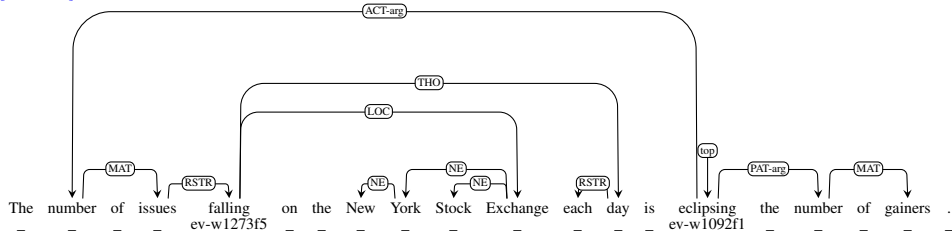
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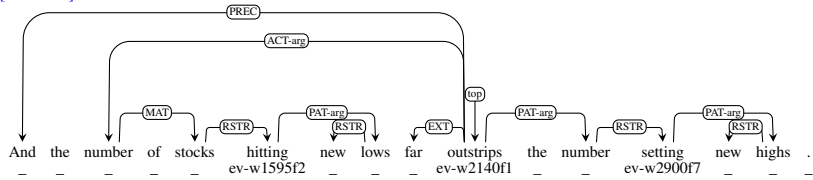
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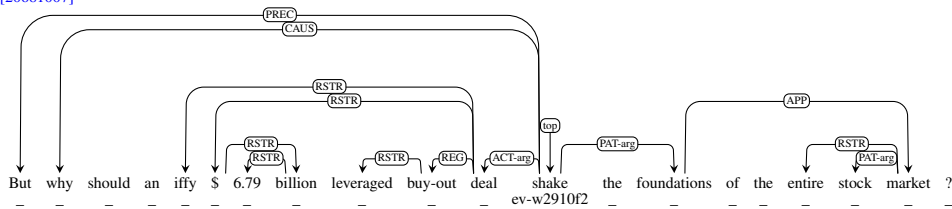
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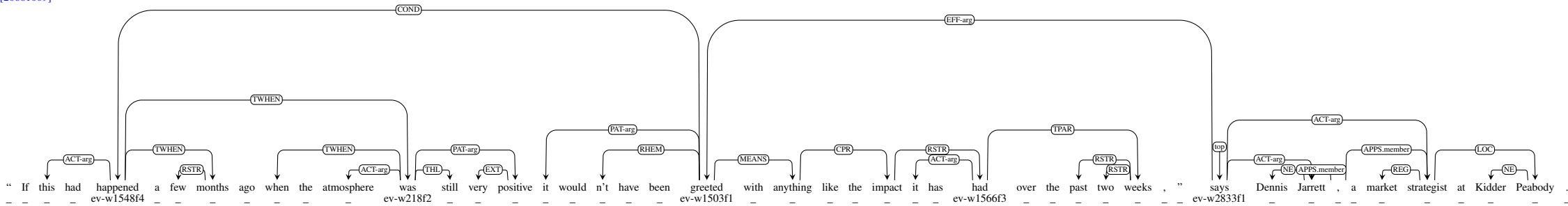
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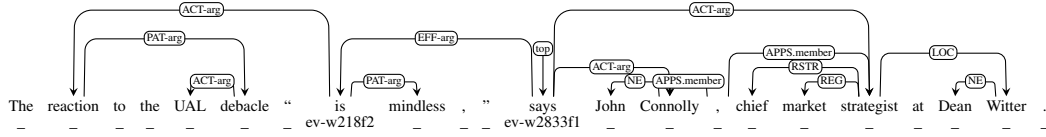
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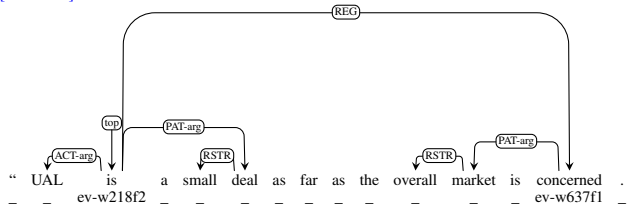
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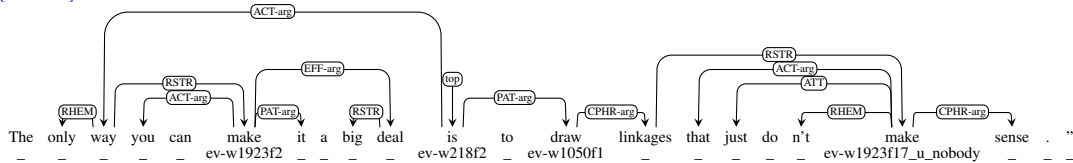
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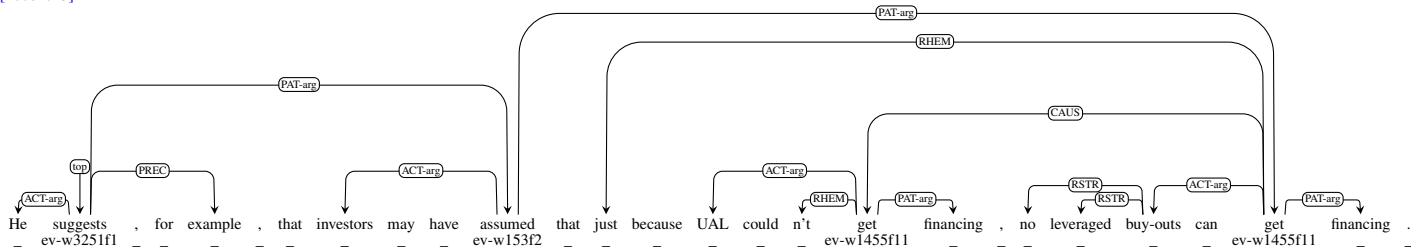
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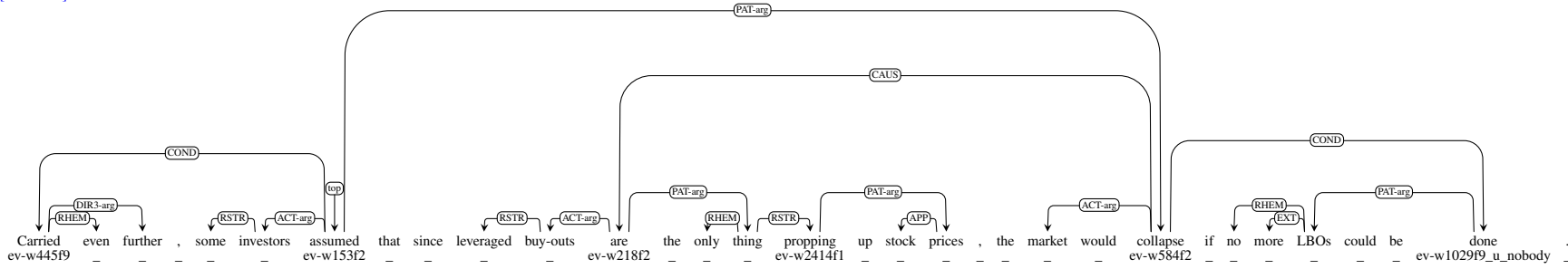
[20681014]



[20681015]



[20681016]



[20681017]

“ There will still be deals , ” argues Mr. Connolly .

[20681018]

“ There may not be as many and the buyers may not get away with some of the things they’ve done in the past , but deals wo n’t disappear . ”

[20681019]

He forecasts that the emphasis in mergers and acquisitions may soon return to what he calls “ strategic deals , in which somebody is taking over a company not to milk the cash flow , but because it’s a good fit . ”

[20681020]

And even without deals , Mr. Connolly figures the market would remain healthy .

[20681021]

He notes , for instance , that there has n’t been a merger or acquisition among the 30 stocks in the Dow Jones Industrial Average since 1986 , yet that average only three weeks ago hit a record high .

[20681022]

“ Those stocks are up because their earnings are up and their dividends are up , ” he says .

[20681023]

Even the volatility created by stock index arbitrage and other computer-driven trading strategies is n’t entirely bad , in Mr. Connolly’s view .

[20681024]

For the long-term investor who picks stocks carefully , the price volatility can provide welcome buying opportunities as short-term players scramble frantically to sell stocks in a matter of minutes .

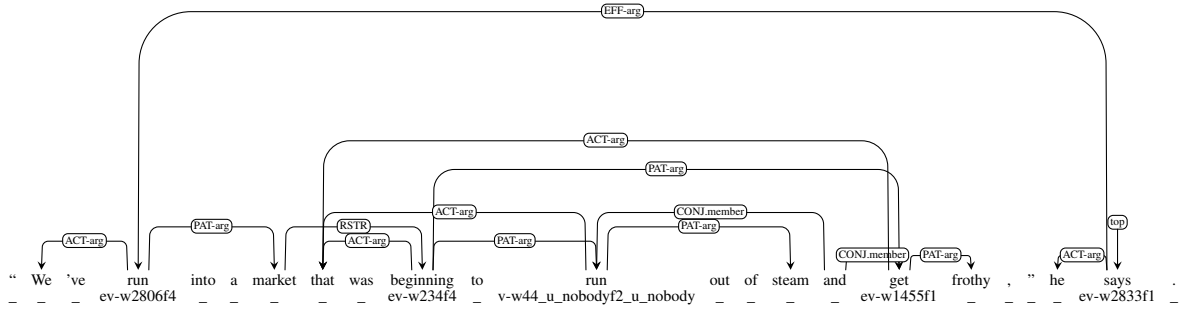
[20681026]

“ What on earth does the UAL deal have to do with the price of Walmart , which I was able to buy on Oct. 16 at a very attractive price ? ”

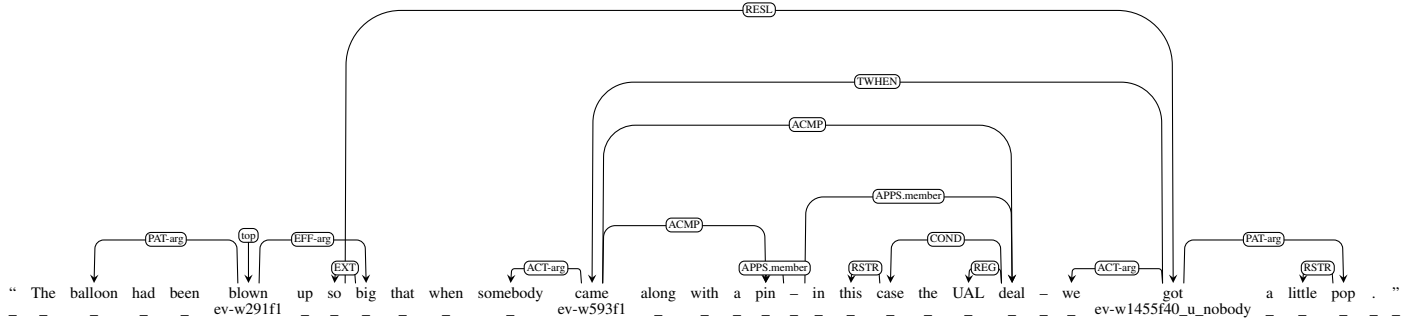
[20681027]

Kidder Peabody’s Mr. Jarrett also sees some benefits to the stock market’s recent drop .

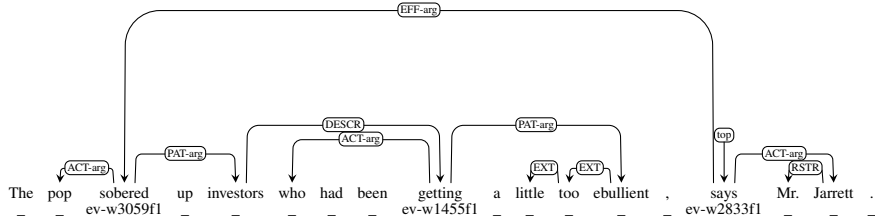
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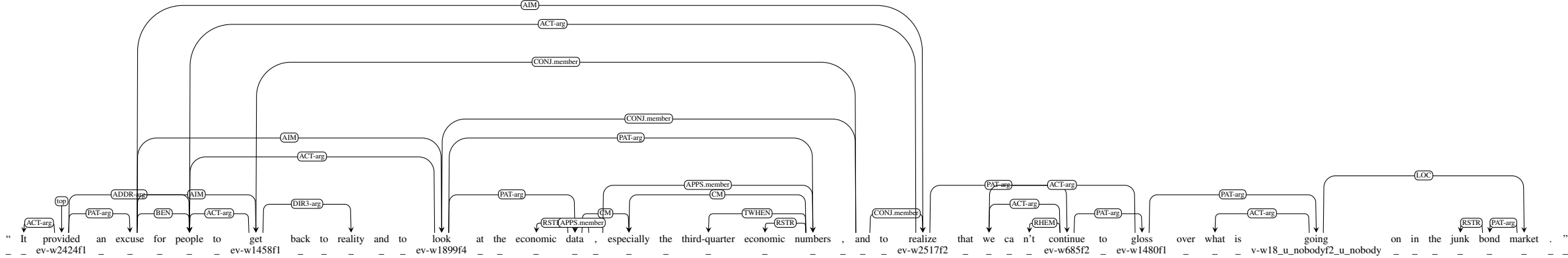
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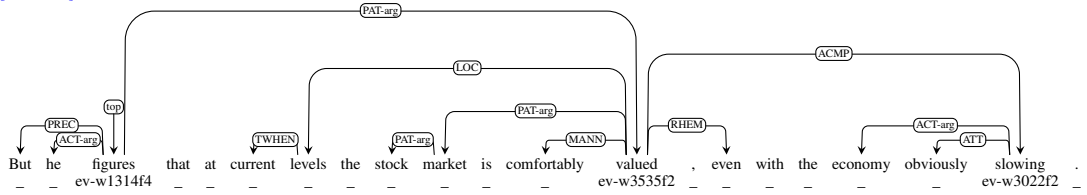
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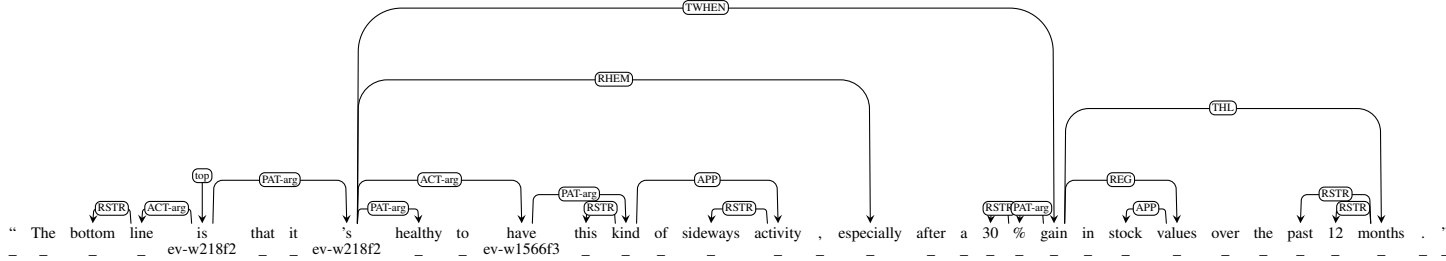
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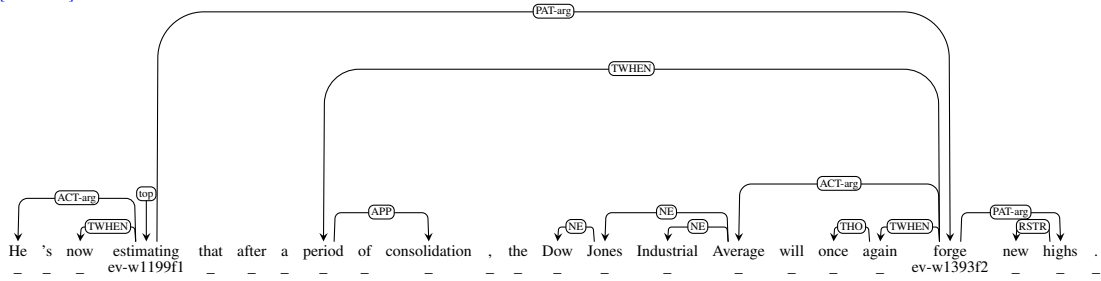
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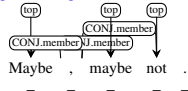
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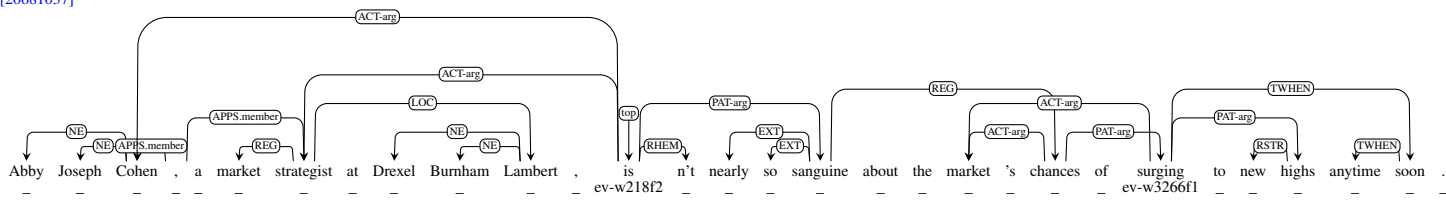
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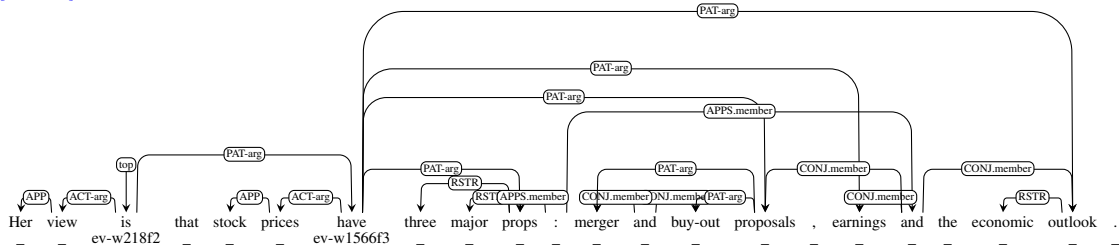
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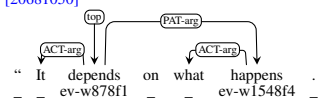
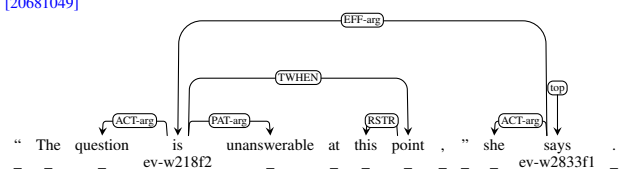
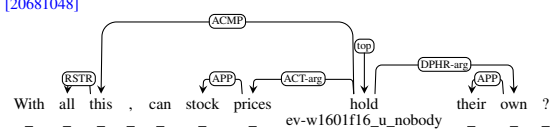
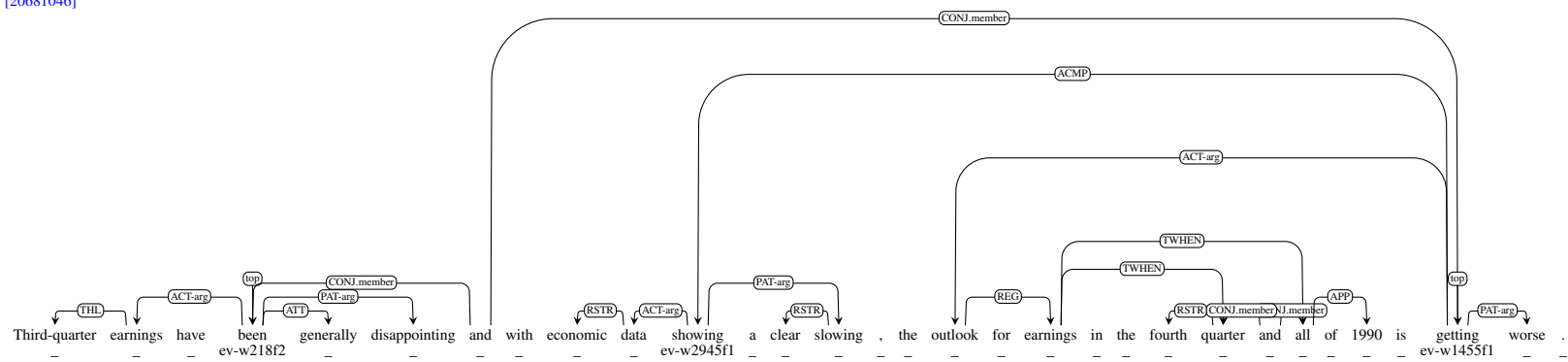
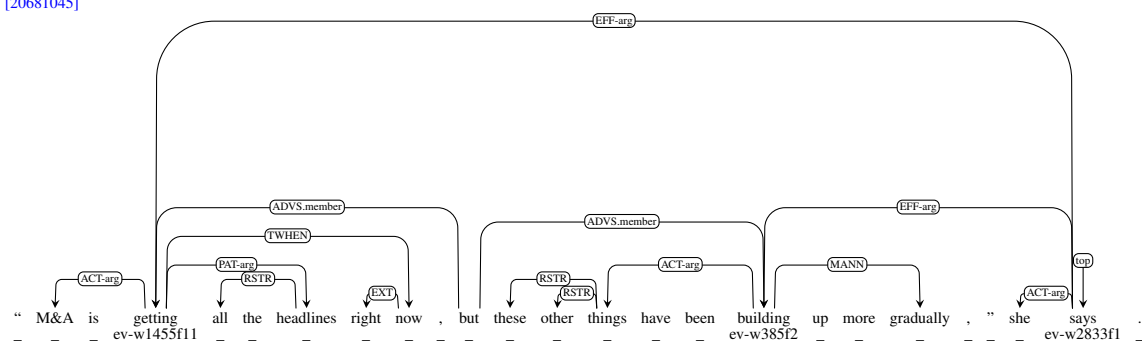
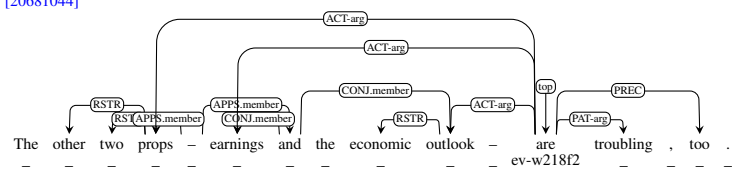
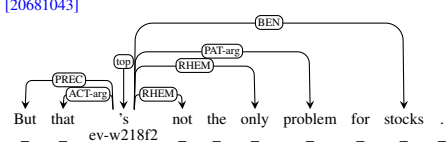
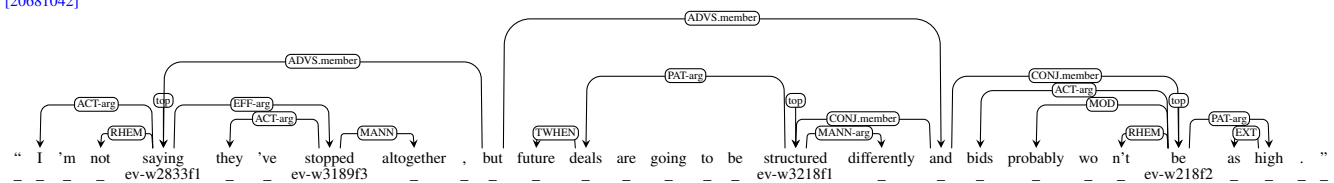
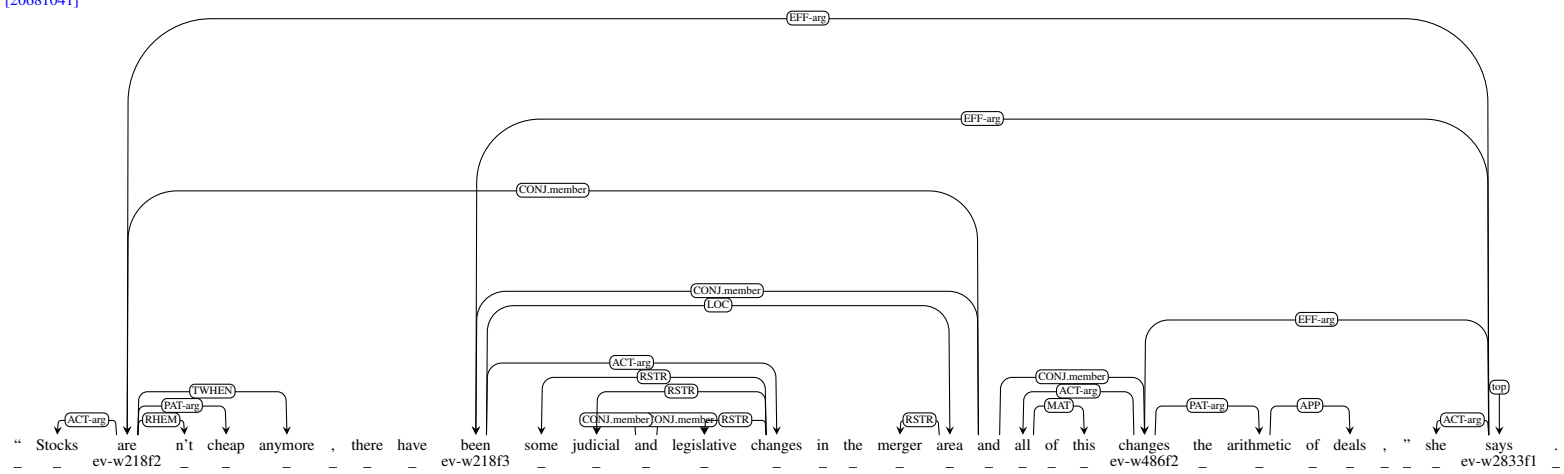
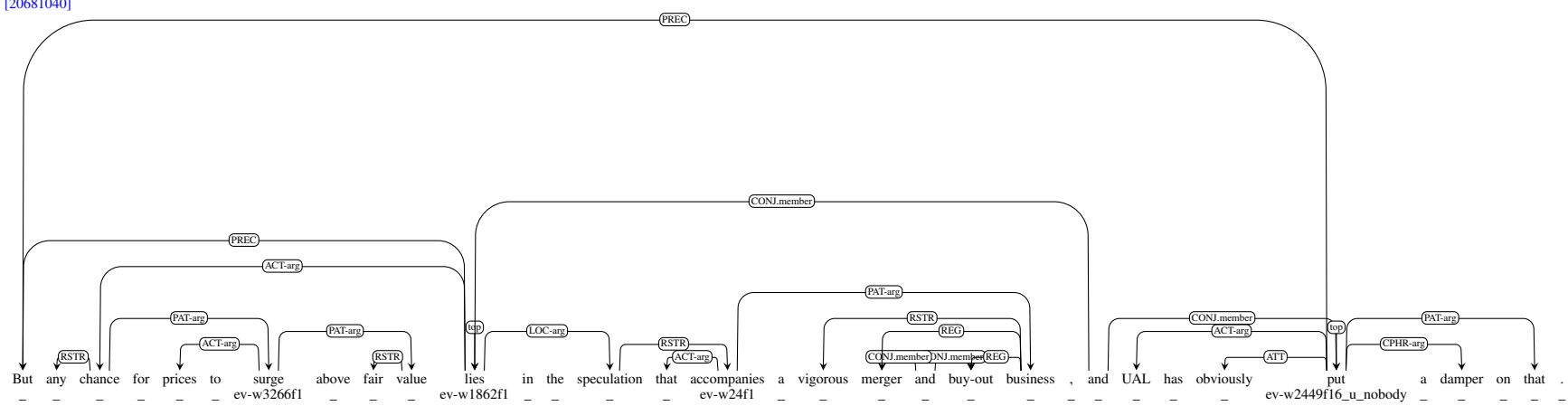
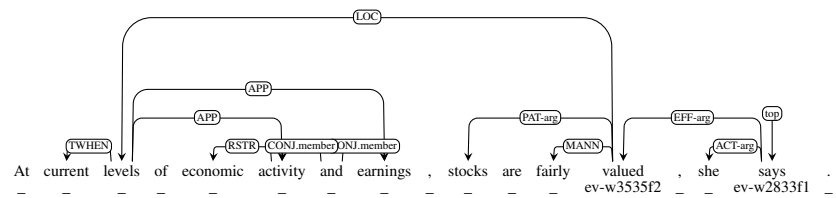
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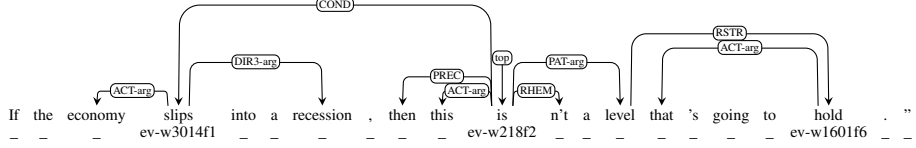
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[20681039]



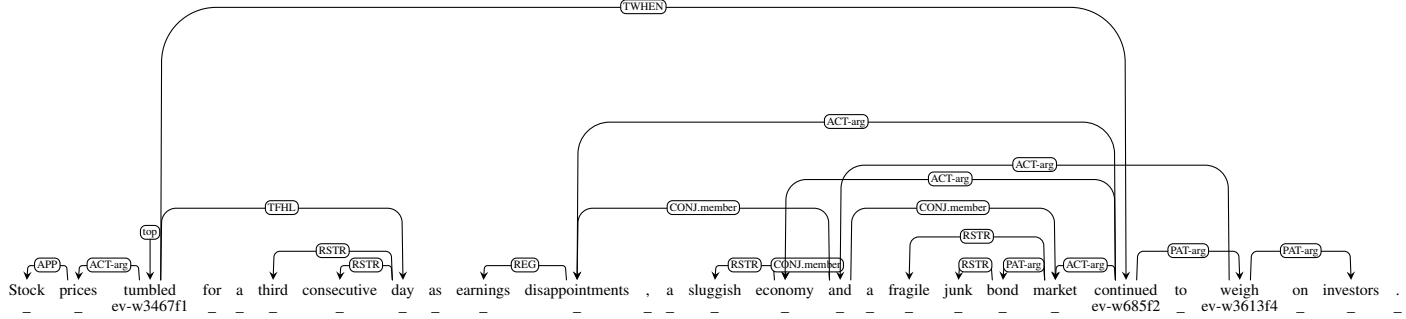
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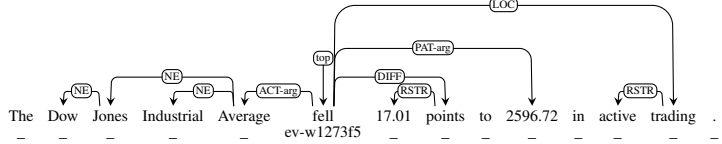
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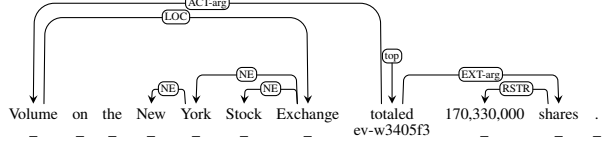
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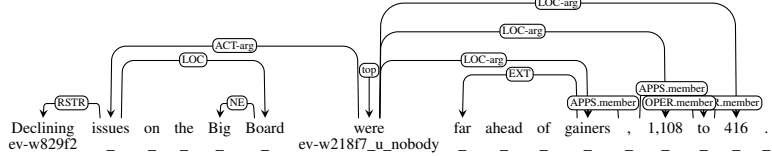
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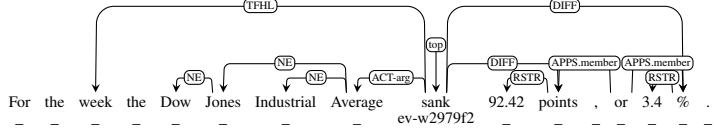
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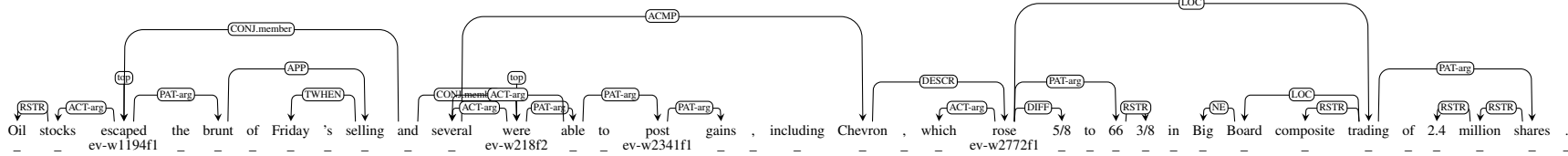
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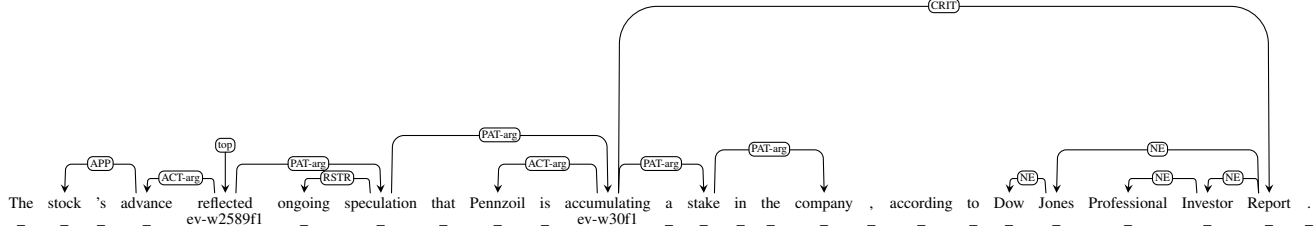
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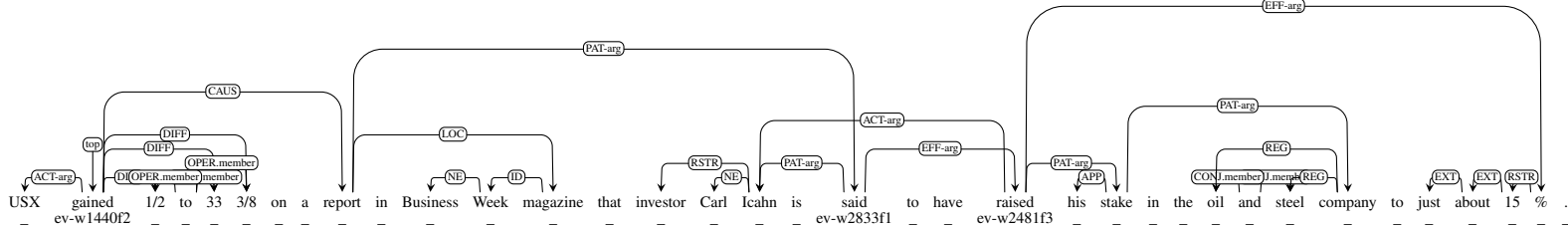
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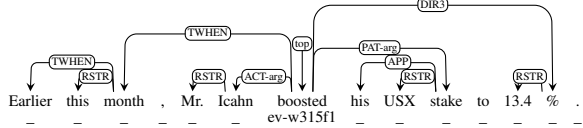
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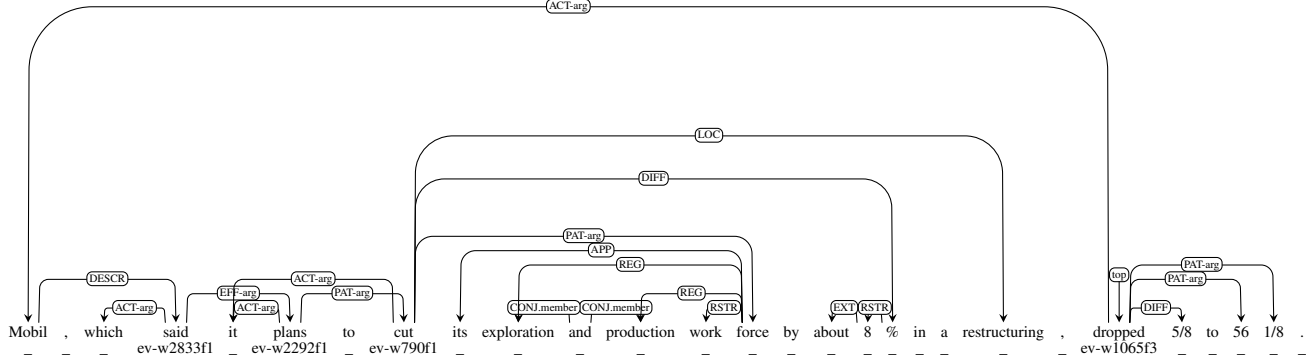
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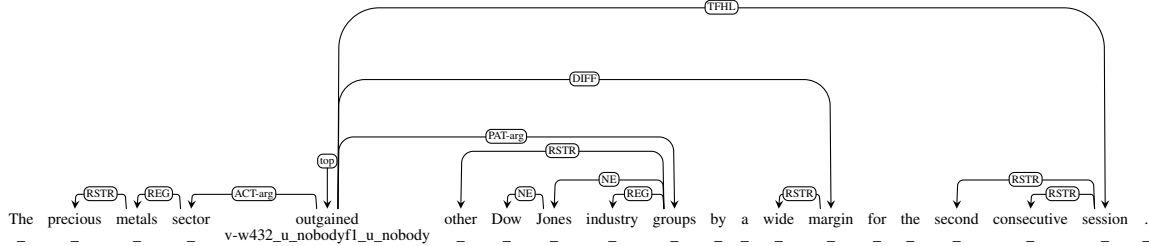
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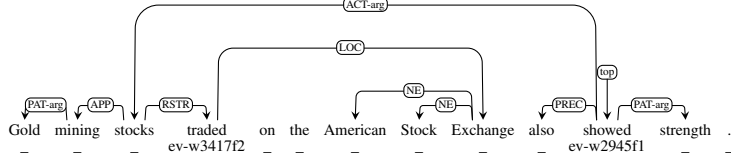
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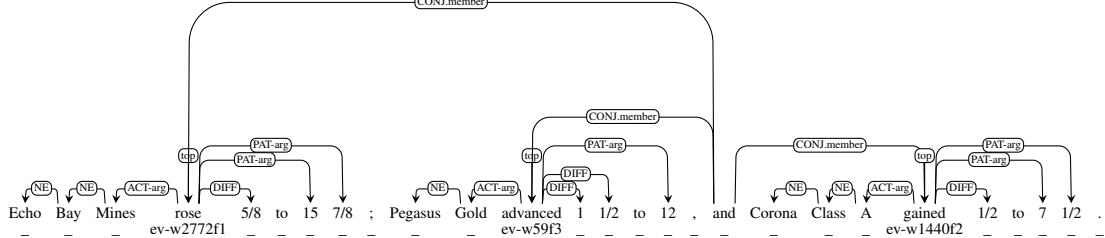
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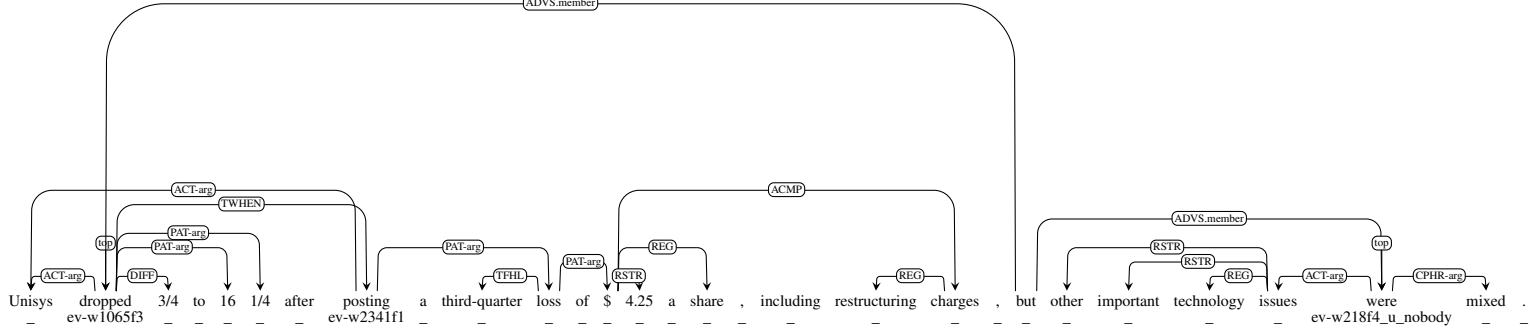
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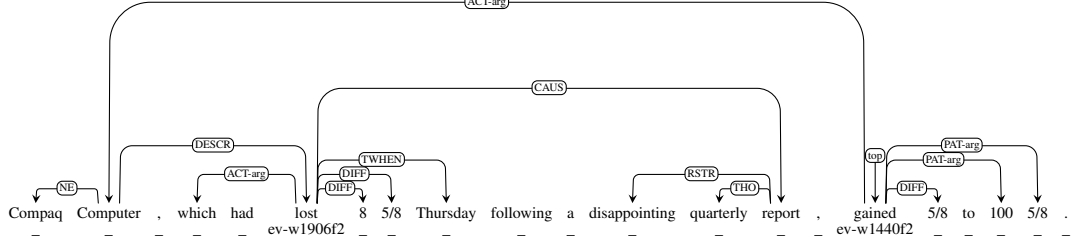
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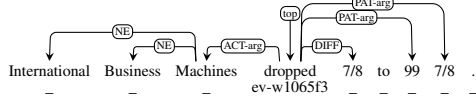
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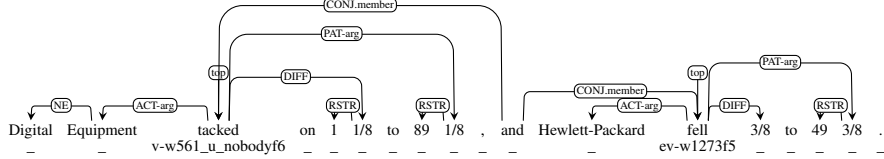
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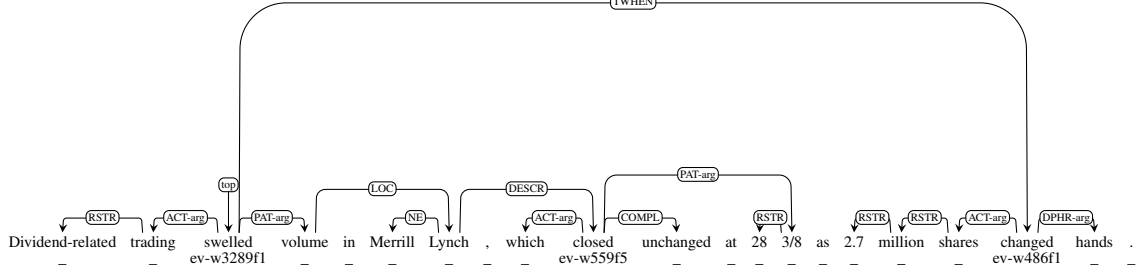
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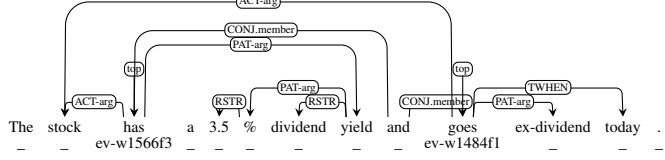
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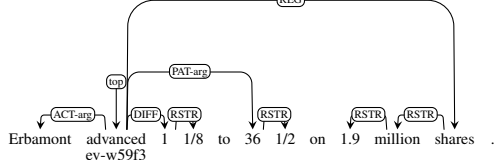
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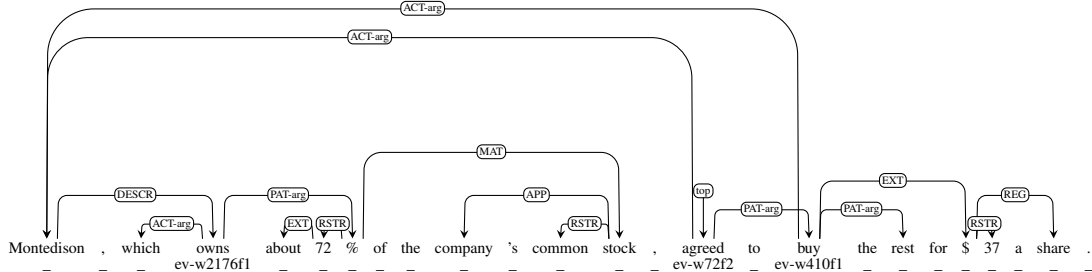
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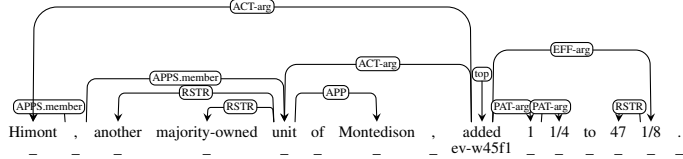
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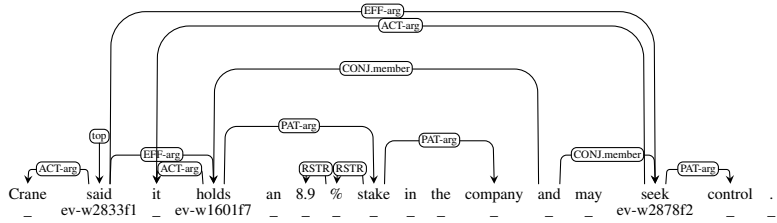
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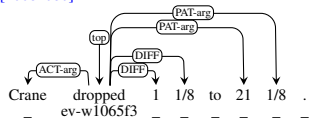
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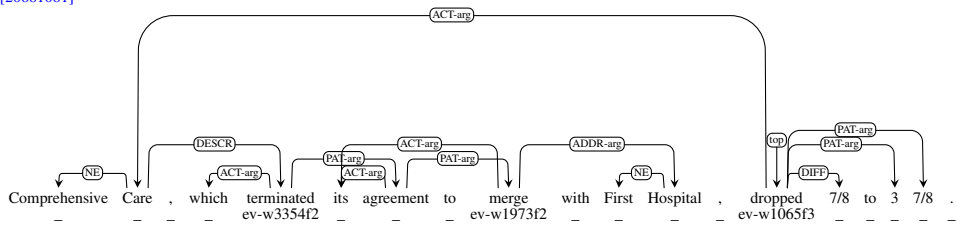
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[20681080]



[20681081]



[20681082]

