

Intrinsic Value Weekly

Volume 2, No. 14

Published Weekly by Intrinsic Value Associates, LLC

April 5, 1999

ECONOMIC SECTOR VALUATION

<u>SECTORS</u>	<u>S&P 500</u>	<u>S&P MIDCAP</u>	<u>S&P SMALL CAP</u>
BASIC INDUSTRY	8.1%	(26.6%)	(16.9%)
CONSUMER CYCLICALS	2.2%	(8.8%)	(12.4%)
CONSUMER STAPLES	4.1%	(15.3%)	(4.7%)
HEALTH	(9.8%)	(20.4%)	(22.4%)
ENERGY	3.5%	(0.1%)	(23.9%)
FINANCIAL	4.8%	(11.7%)	(22.8%)
CAPITAL GOODS	10.6%	(13.4%)	(11.4%)
TECHNOLOGY	18.4%	2.2%	(0.9%)
COMMUNICATIONS	21.9%	4.4%	(35.3%) *
UTILITY	(16.9%)	(21.1%)	(7.8%)
TRANSPORTATION	(6.2%)	(3.0%)	(30.9%)
Weighted Total	6.7%	(10.7%)	(13.1%)

Black - Overvalued

Red - (Undervalued)

WEEKLY PRICE CHANGE

<u>SECTORS</u>	<u>S&P 500</u>		<u>S&P MIDCAP</u>		<u>S&P SMALL CAP</u>	
	Weight	Price	Weight	Price	Weight	Price
prices as of 4/1/99	% of Total	% Change	% of Total	% Change	% of Total	% Change
BASIC INDUSTRY	3.1%	1.1%	5.3%	0.5%	4.5%	0.6%
CONSUMER CYCLICALS	9.2%	0.1%	17.6%	2.8%	20.1%	1.8%
CONSUMER STAPLES	13.5%	(3.8%)	7.7%	1.2%	9.4%	1.4%
HEALTH	12.1%	1.4%	9.2%	1.2%	11.1%	2.5%
ENERGY	5.6%	(0.7%)	3.9%	(4.8%)	3.1%	(2.6%)
FINANCIAL	15.6%	(0.3%)	14.5%	(1.3%)	14.6%	(0.5%)
CAPITAL GOODS	8.1%	1.9%	8.5%	(0.1%)	12.7%	2.2%
TECHNOLOGY	21.0%	(4.1%)	19.0%	6.5%	17.1%	1.3%
COMMUNICATIONS	8.2%	0.1%	1.3%	(21.6%)	0.2%	(0.4%) *
UTILITY	2.7%	(2.3%)	10.9%	(2.3%)	4.6%	0.9%
TRANSPORTATION	0.9%	0.8%	2.2%	0.6%	2.6%	1.9%
Weighted Total:		0.9%		1.0%		1.2%

* Sector contains only 2 companies

Weekly prices changes may not match prior issues due to changes in composition of sectors.

Sector Comments The Utility Sector continues under-priced and suffering from a distant relative: the bond market. Today's utility is morphing into an energy company, another under-performing sector. But the rationalization of utility plant and equipment will ultimately raise the return on capital in the utility sector. The political process has spread this process over several years, so the benefits are delayed and the danger of political reversal is increased. Nevertheless, for investors suffering acrophobia, the sector offers generous yields and rising returns for years to come. A recap of the principal value drivers for the sector components appears on Page 3.

The drop in Coca-Cola drove the decline in Large Consumer Staples; this sector is approaching fair value and deserves a look. Concerns are principally lagging growth in revenues and currency devaluations.

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Intrinsic Value Portfolio

Current Data on stocks with Current Intrinsic Value Reports

Symbol	Name	Price 4/1/99	Intrinsic Value	+/- %	Q Ratio	Weekly Price Change
ALD	AlliedSignal Inc.	\$ 50.250	\$50.08	0%	1.9	(0.2%)
CTL	Century Telephone Ent.	\$ 46.000	\$42.51	8%	1.8	(0.4%)
DAL	Delta Air Lines, Inc.	\$ 68.625	\$66.79	3%	1.0	1.2%
G	Gillette Company	\$ 59.250	\$52.66	13%	5.0	(6.8%)
HD	Home Depot	\$ 61.563	\$53.65	15%	7.2	(3.4%)
INTC	Intel Corporation	\$ 120.875	\$118.34	2%	7.7	3.6%
LOW	Lowe's Companies	\$ 61.313	\$52.28	17%	4.9	(3.9%)
MLHR	Herman Miller, Inc.	\$ 17.750	\$37.95	(53%)	2.8	2.2%
NYT	New York Times Co.	\$ 28.188	\$48.21	(42%)	2.3	(3.8%)
NUE	Nucor Corporation	\$ 46.688	\$57.99	(19%)	1.5	2.6%
SLB	Schlumberger Limited	\$ 58.000	\$51.09	14%	1.6	(2.5%)
WEN	Wendy's International	\$ 28.000	\$29.86	(6%)	1.8	(2.0%)
		Average:		(4.1%)	Average:	(1.1%)
				S&P 500		0.9%

Value Drivers

Standard Market Statistics

	Sales Growth		EBIT Margin %	ROC	Leverage at Market	Yield	PE Last 12M	Price/Book	Price/Sales
	Last 12M								
ALD	4.5%	13.0%	14.9%	20.0%	1.4%	17.5	4.4	1.5	
CTL	74.9%	30.4%	10.9%	29.3%	0.4%	24.7	3.7	3.6	
DAL	3.2%	12.0%	14.2%	57.3%	0.1%	8.4	2.3	0.6	
G	-1.7%	23.1%	20.4%	0.0%	0.9%	56.2	11.7	6.0	
HD	25.1%	8.3%	11.8%	5.9%	0.2%	54.3	12.3	2.9	
INTC	4.8%	32.5%	37.5%	2.8%	0.1%	32.9	9.2	7.6	
LOW	20.8%	6.2%	10.4%	7.9%	0.2%	43.3	8.0	1.7	
MLHR	8.1%	12.1%	24.0%	19.4%	0.8%	10.4	6.4	0.9	
NYT	2.5%	17.5%	18.6%	20.2%	1.3%	20.4	3.7	2.0	
NUE	-0.8%	9.9%	12.6%	6.7%	1.0%	14.9	1.9	0.9	
SLB	2.4%	14.7%	12.3%	0.0%	1.3%	26.0	3.6	2.2	
WEN	-4.4%	14.9%	11.9%	22.0%	0.9%	24.9	2.3	1.6	

Notes on Intrinsic Value Portfolio The drop in the value of the portfolio last week was forecast last issue: The under-priced were 2 up, 1 down; the over-priced were all five down; and the fairly priced were 2 up, 2 down. There's no guarantee that weekly changes are anything but random, but this anecdotal point is certainly suggestive. We continue to focus our attention on those out of favor names, **MLHR**, **NYT** and **NUE**.

The portfolio rose by more than 3.5% better than an equivalent amount invested in the Standard & Poors 500 Index in the first quarter. That connection between valuation at year-end and subsequent performance seems strong.

Name	First Quarter Performance (thru 4/1/99)	Valuation at Year-end	
AlliedSignal	14.00%	(9.00%)	
Century Telephone	2.30%	8.00%	
Delta Airlines	32.60%	(30.00%)	
Gillette	23.90%	(1.00%)	
Home Depot	1.80%	14.00%	
Intel	2.00%	6.00%	
Lowe's Cos.	20.10%	(2.10%)	
Nucor	8.50%	(37.00%)	
Schlumberger	26.30%	(16.00%)	
Wendy's	29.40%	(14.00%)	
	Performance since recommendation	Valuation at time of recommendation	
New York Times	(13.60%)	(30.00%)	Black - Overvalued
Herman Miller	10.70%	(57.80%)	Red - (Undervalued)

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Utility Sector - S&P 500 Index

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Company Name	Ticker	Market Value Equity	Last 12MM Sales Growth	ROE	NOPAT Margin	PE Ratio	Price/ Book Ratio	Price/ Cash Flow	Return on Capital	Dividend Yield
AES CORP	AES	\$ 6,761	70.0%	12.7	25.6	21.5	4.4	13.0	6.1	0.00%
AMEREN CORP	AEE	\$ 5,025	-0.3%	12.6	25.3	13.2	1.7	6.8	9.9	6.94%
AMERICAN ELECTRIC POWER	AEP	\$ 7,781	157.9%	11.1	8.6	14.8	@NA	3.9	3.1	5.92%
BALTIMORE GAS & ELECTRIC	BGE	\$ 3,824	1.5%	10.3	22.2	12.4	1.3	5.4	8.6	6.56%
CAROLINA POWER & LIGHT	CPL	\$ 5,864	3.5%	13.4	29.0	14.5	@NA	6.8	11.8	5.16%
CENTRAL & SOUTH WEST COR	CSR	\$ 5,023	4.1%	12.1	19.5	12.0	1.5	5.4	8.5	7.37%
CINERGY CORP	CIN	\$ 4,472	33.9%	10.3	10.5	17.7	1.8	7.8	7.4	6.39%
COASTAL CORP	CGP	\$ 7,286	-24.1%	13.7	6.6	14.4	@NA	7.4	4.1	0.73%
COLUMBIA ENERGY GROUP	CG	\$ 4,426	30.0%	13.4	8.2	15.6	@NA	8.4	9.0	1.51%
CONSOLIDATED EDISON INC	ED	\$ 10,579	-1.4%	11.8	20.8	15.4	@NA	8.7	10.7	4.71%
CONSOLIDATED NATURAL GAS	CNG	\$ 4,665	-13.1%	12.0	18.1	18.1	2.2	8.5	8.8	3.97%
DOMINION RESOURCES INC	D	\$ 7,197	@AF	10.1	17.5	14.0	1.4	@AF	6.2	6.97%
DTE ENERGY CO	DTE	\$ 5,685	12.1%	12.0	22.2	13.0	1.6	5.2	8.5	5.26%
DUKE ENERGY CORP	DUK	\$ 20,215	8.0%	15.2	13.3	16.6	2.5	9.5	10.7	3.95%
EASTERN ENTERPRISES	EFU	\$ 821	-7.7%	9.3	12.0	17.0	1.6	@SF	7.8	4.61%
EDISON INTERNATIONAL	EIX	\$ 8,085	10.5%	13.1	18.5	13.7	1.8	3.8	8.5	4.51%
ENRON CORP	ENE	\$ 21,321	54.2%	9.9	2.2	30.4	@NA	14.1	2.8	1.55%
ENERGY CORP	ETR	\$ 6,844	20.5%	10.4	13.2	9.4	0.9	3.9	6.5	4.32%
FIRSTENERGY CORP	FE	\$ 6,697	79.2%	7.4	26.2	15.0	1.6	6.3	5.8	5.31%
FPL GROUP INC	FPL	\$ 9,736	4.6%	13.0	18.8	13.4	1.8	4.7	10.4	3.86%
GPU INC	GPU	\$ 4,848	2.5%	11.1	22.7	13.2	1.5	5.6	7.1	5.44%
NEW CENTURY ENERGIES INC	NCE	\$ 3,883	9.0%	11.1	19.8	13.3	1.9	7.5	12.0	6.68%
NIAGARA MOHAWK HOLDINGS	NMK	\$ 2,518	-3.5%	(5.0)	4.4	(15.4)	0.9	11.7	1.4	0.00%
NICOR INC	GAS	\$ 1,711	-26.5%	15.3	14.2	15.7	2.4	7.2	9.6	4.11%
NORTHERN STATES POWER/M	NSP	\$ 3,607	3.1%	11.2	18.1	14.0	1.6	6.4	7.6	6.05%
ONEOK INC	OKE	\$ 794	55.5%	6.4	11.1	12.4	0.7	3.8	12.0	4.92%
PACIFICORP	PPW	\$ 5,017	49.9%	4.7	12.8	69.2	1.2	9.3	5.7	6.40%
PECO ENERGY CO	PE	\$ 10,390	12.8%	11.7	21.8	15.3	2.9	6.9	7.2	2.16%
PEOPLES ENERGY CORP	PGL	\$ 1,180	-16.2%	10.7	14.3	17.9	1.6	8.2	10.1	5.77%
PG&E CORP	PCG	\$ 11,933	29.5%	8.9	10.1	16.8	1.5	5.2	6.5	3.85%
PP&L RESOURCES INC	PPL	\$ 3,965	23.0%	21.2	21.8	11.1	2.2	5.5	8.7	3.97%
PUBLIC SERVICE ENTRP	PEG	\$ 8,740	-2.8%	12.6	27.1	13.6	1.7	6.5	9.3	5.60%
RELIANT ENERGY INC	REI	\$ 7,774	67.0%	(3.3)	12.9	(53.6)	@NA	11.1	8.5	5.71%
SEMPRA ENERGY	SRE	\$ 4,622	7.8%	10.1	11.1	16.9	1.8	4.1	7.9	8.10%
SONAT INC	SNT	\$ 3,363	-14.1%	(39.9)	9.3	(5.3)	2.1	(15.4)	10.2	3.53%
SOUTHERN CO	SO	\$ 16,398	-9.6%	10.0	8.8	17.9	@NA	6.9	2.9	5.70%
TEXAS UTILITIES CO	TXU	\$ 11,893	85.5%	9.0	5.1	15.2	@NA	6.3	2.4	5.46%
UNICOM CORP	UCM	\$ 7,978	1.0%	(4.9)	16.9	15.1	1.6	5.1	5.4	4.35%
WILLIAMS COS INC	WMB	\$ 16,894	-21.3%	9.9	18.2	105.7	3.5	20.8	7.4	1.52%

@NA - Not available

@CF - Combined Figure

@SF - SemiAnnual Figure

Source: Standard & Poors Corporation Compustat PC Plus®, Intrinsic Value Associates, LLC