

Stock Market Dogs ... *and Darlings*

Issue #54

formerly Stock Ratings Trader

January 21, 2004

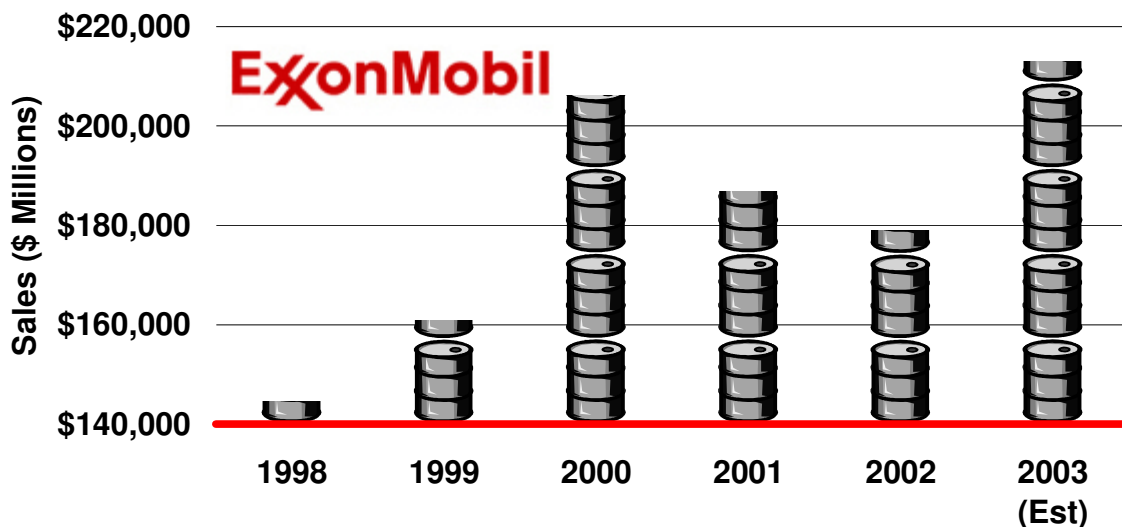
Here's why your Exxon Mobil shares are poised to power higher!

By following our recommendation in issue #53, you should have been able to add **Exxon Mobil** shares to your portfolio. That's a great move because a host of solid fundamental and technical factors indicate these shares are poised for a big move to the upside. Here's why...

Exxon Mobil's sales outlook is outstanding

Exxon Mobil is the world's largest oil company, engaged in practically every facet of the oil and gas business, from exploration to production to marketing. Sure, the company fell on hard times as world economies slumped in 2001 and 2002. But right now, things are looking up...

Exxon Mobil's sales are on the move!



Sales at Exxon Mobil are estimated at \$213 billion for 2003, up over \$34 billion from 2002. That's a healthy 19% increase in the top-line and shows that Exxon Mobil knows how to get back in the game after a couple of down years.

In fact, that top-line turnaround is already in effect: For the third quarter Exxon Mobil's sales were \$53 billion, up over \$5 billion from the year ago period. And that's really no surprise to us. Just look at the positives Exxon Mobil has going for it. The company...

Weiss Rating: B- Good
What this rating means:

The company's stock has a good track record for delivering a balance of performance and risk. While the risk-adjusted performance of any stock is subject to change, we believe that this stock is a good value, with good prospects for outperforming the market. However, "good" should not automatically be construed as a "buy" rating since even good investments can decline in a down market.

Weiss Ratings, Inc.

- Is a fully "integrated" oil company, which means it does practically everything oil-related, from exploration and development to retail sales. That translates into unparalleled profit potential.
- Holds proved reserves of 11.8 billion barrels of oil and 55.7 trillion cubic feet of natural gas. Talk about potential growth!
- Boasts a cadre of the most recognizable retail brands in the world, from Exxon and Mobil fuels to *On the Run* convenience stores.
- Developed a vast array of businesses marketed under the Exxon Mobil brand, including aviation, chemicals, and marine

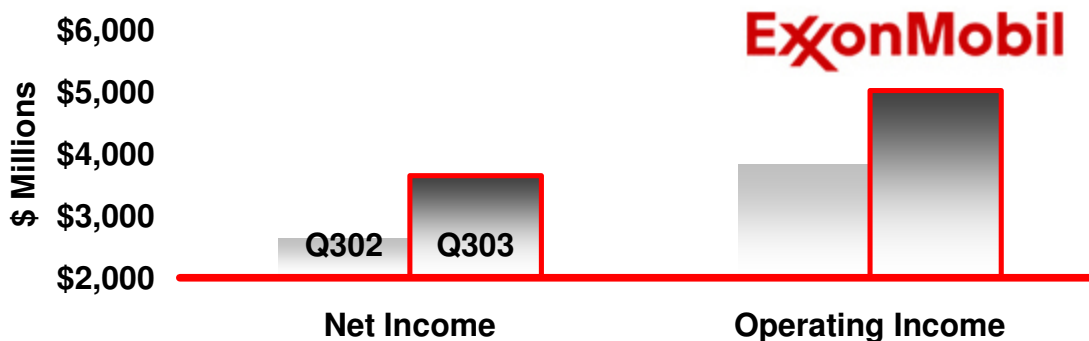
related enterprises. That's diversification -- a key ingredient of on-going success.

There's more where that list came from, but the picture is clear: Exxon Mobil has an excellent base of support for its future growth and profitability.

Exxon Mobil's operations are going well

Two key measures of profitability -- operating profit and net profit -- took a very good jump in the third quarter...

Operating and net profit are up big!



As this graphic illustrates, Exxon Mobil's operating profits -- the amount left after all operating costs -- climbed to \$5 billion in the third quarter from \$3.8 billion in the year ago period. That's an astounding jump of over 30% -- in a single period. At the same time, net profit -- the amount left after paying all costs -- skyrocketed over 38%. Bottom line: Exxon Mobil is a profit making machine!

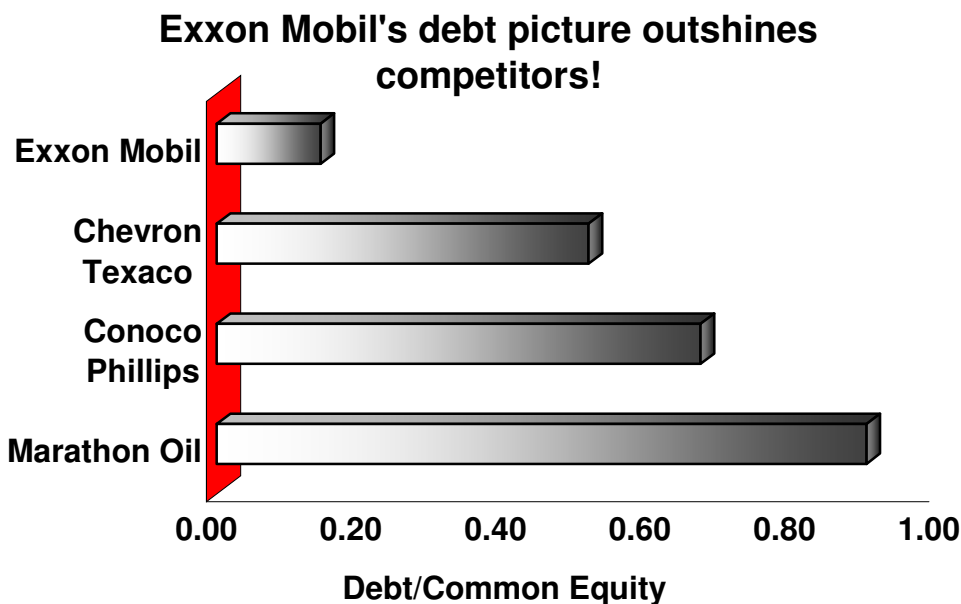
Company Snapshot: Exxon Mobil	
Symbol	XOM
Weiss Rating	B-
Industry	Oil
Fiscal Yr Ends	December
Latest Qtr Data	September
Latest Qtr Sales	\$52,860 million
Latest Qtr Profit	\$3,650 million
Latest Qtr Cash	\$11,015 million

Exxon Mobil's balance sheet is in super-good health

Exxon Mobil's unmatched strength, good sales trends, and superior profitability bode well for the company's future. Adding to that is a great balance sheet.

Let's start with one of the most important assets, cash. During the third quarter, Exxon Mobil had over \$11 billion in cash on hand. That's up over 58% from the \$7 billion it had on hand in the year ago period and shows the company is improving its liquidity ... big-time.

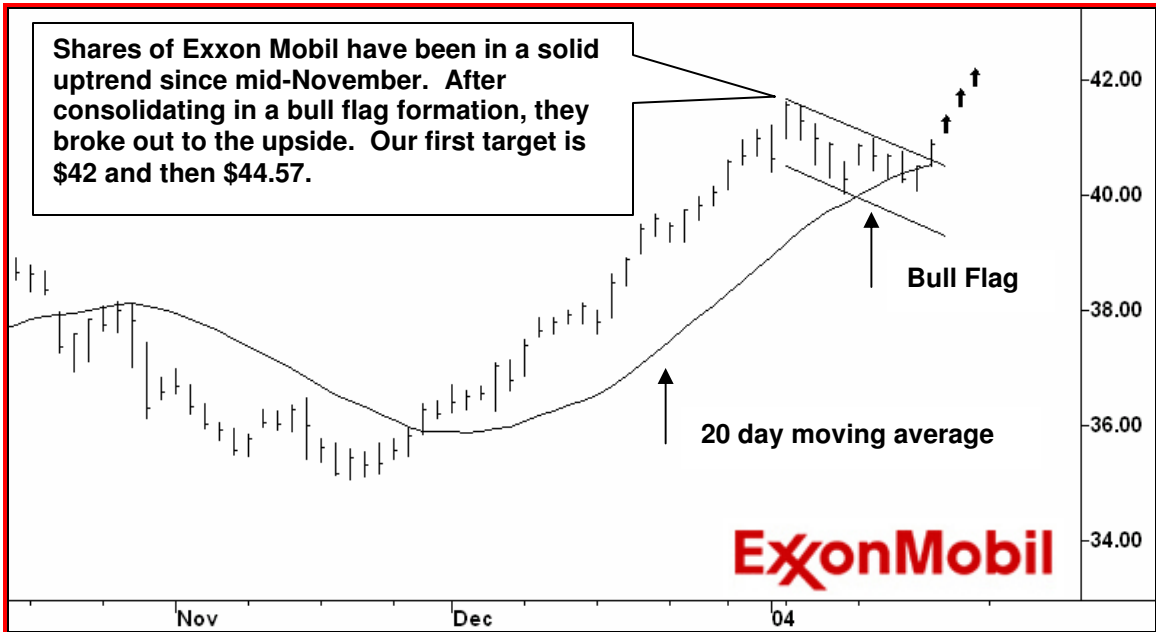
Then there's debt. Here, too, Exxon Mobil is doing well. During quarter three, short and long term debt totaled \$9.6 billion, down over 11% from a year ago. In the meantime, common equity rose to \$84 billion from \$75 billion, another plus. In fact, Exxon Mobil boasts the best debt to equity ratio in the business...



For 2002 -- the latest full fiscal year -- Exxon Mobil's debt to equity ratio was just .14. That means for every dollar in common equity, the company owed just 14 cents. That's much better than any of its other top US competitors, including Chevron Texaco's .52 and Marathon Oil's .90. Plus, it demonstrates -- hands down -- that Exxon Mobil knows how to keep its financial house in order.

Our technical signals are bullish on Exxon Mobil

The fundamentals are in line for owning stock in Exxon Mobil. The technical story is there, too. Take a look at this chart...



As you can see, Exxon Mobil shares have been in a solid uptrend since November. They peaked on January 5 at \$41.63 and then consolidated in a "bull flag" formation. A bull flag formation tells us the shares have a good chance of moving higher once they break out. Once that happened, we got a "green light". The breakout was above the 20 day moving average, another bullish sign.

Our first target for the shares is \$42 and then \$44.57, the April 2002 highs. Solid support is at \$40 and \$38.93.

What's ahead

It's the time of the month when we're busy scouring a brand new list of stocks from Weiss Ratings. We'll send you the best possible candidates down the road. Plus, you'll get our updates along the way. So, stay tuned! We'll be in touch.

Best wishes,

Wayne and John

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