

February 21, 1945

TECHNICAL MARKET ACTION

After a dip in the early hours of Wednesday's session, the market reversed its trend and regained most of the days losses by the close. While there may be some temporary resistance around the 160 level, the market appears headed for the 163-167 level over the near term. Continue to advise 100% invested position for long term accounts and 75% committed in intermediate term trading accounts with 25% held in reserve for unusual opportunities.

A number of recommended issues have passed important points of previous resistance and indicate higher levels over the near term. One such issue is Allied Stores (last sale 23 1/4) which was originally recommended at 20 3/4. The penetration of the resistance at 22 1/2 - 23 indicates, from a technical interpretation, a rally to the 27 - 29 area. Another issue which penetrated previous resistance is California Packing (last sale 31 1/4). California Packing was originally recommended at 27 3/4. Its pattern indicates a rally to the 35-40 zone.

American Bosch (last sale 19 1/8), which has held in a narrow trading range since mid-1944, begins to show signs of an imminent breakout. Its purchase is recommended.

Another part of previously recommended issues is reviewed below.

Radio Corporation - Recommended at 12 1/2. Last sale, 12 1/8. Stock has been disappointing so far. However, technical indications point to higher levels. Advise purchase if not already bought.

Radio-Keith-Orpheum - Recommended at 9. Last sale 9 1/2. Has held in narrow trading range since July 1943. Appears to be in re-accumulation phase. Hold and add to holdings if 10 1/2 is reached.

Republic Steel - Recommended at 19 5/8. Last sale 21 7/8. May be slow mover but long base pattern indicates higher levels. Continue to hold.

Reynolds Metals - Recommended at 15 1/2. Last sale 18. Stock indicates much higher price over longer term. Hold and add to holdings on price recessions.

U. S. Steel - Recommended at 60. Last sale 63. In uptrend. First resistance at 67-70 level. Would sell if 67 is reached in hope of buying back on corrective reaction. In meantime hold.

Western Union A - Recommended at 44 3/4. Last sale 45 5/4. Has been market laggard. Seems to be a safe buy around present levels. First resistance level at 50-52 area. Hold.

Youngstown Sheet & Tube - Recommended at 37 3/4. Last sale 45 3/4. Best acting issue in steel group from a technical viewpoint. Has passed first resistance level at 45. Next resistance level at 50-54. Continue to hold.

EDMUND W. TABELL

SHIELDS & COMPANY

The opinions expressed in this letter are the personal interpretation of charts by Mr. Edmund W. Tabell and are not presented as the opinions of Shields & Co.