

March 19, 1945

TECHNICAL MARKET ACTION

The market sold off on Monday which was to be expected after seven successive higher closings in the rail average and three out of five up days in the industrial average. Market appears nervous and expect continuation of irregular markets with wide price swings. However, do not expect any decline of major proportions at this stage. Still believe action of individual issues of more importance than that of general market averages.

Gair (Rob't) - Last sale 5 3/4. Has reacted from recent high of 7. Support area in 5-6 zone. Indicates higher prices over the longer term. Purchase advised.

Gar Wood - Recommended at 8 3/8. Last sale 8. Another low priced issue that should show sizeable percentage appreciation over the longer term for the patient holder.

General Precision Equipment - Recommended at 26 1/4. Last sale 28 1/2. In long term uptrend. Nearer term technical pattern indicates rally to 32-34 area. Sale advised at 32.

Great Northern Rwy. pfd. - Recommended at 49 1/4. Last sale 50 3/8. Attractive technical pattern for the longer term. Retention advised and purchases recommended on market weakness.

Gulf Oil - Last sale 57. A slower moving investment type issue but technical pattern is very bullish. Advise purchase, if available, on a reaction to 55-53 zone.

Hat Corp. "I." - Recommended at 10 1/4. Last sale 8 3/4. A speculative lower priced issue. Technical pattern, however, suggests ultimately higher levels. Purchase advised.

Hercules Motors - Last sale 26 5/8. Since sharp rally from 16 to 29 in late 1943, Hercules Motors has done little marketwise. Formation suggests that present period of backing and filling is a re-accumulation area. Suggest purchase in 26-25 zone or on penetration of 1943 high of 29 1/4. Long term pattern very favorable.

Interstate Dept. Stores - Recommended at 17 1/2. Last sale 23. Long term pattern still suggests considerably higher price objective over the longer term. Retention advised and purchase recommended on price weakness.

Johns Manville - Recommended at 113. Last sale 109 1/4. Has favorable long term technical pattern. Support zone around 105 area. Retention and purchase on soft spots recommended.

Jones & Laughlin - Recommended at 26 3/4. Last sale 30 1/8. First heavy resistance at 34-36 level. Sell at 34. In meantime, hold and buy on recessions.

Kennecott Copper - Recommended at 36 3/8. Last sale 37 5/8. First heavy resistance at 43-46 level. Continue to hold and buy on price recessions..

Lehigh Valley R. R. - Recommended at 9. Last sale 9. A radical speculation in the railroad group with possibilities of large percentage appreciation. Purchase recommended as a long term gamble.

Mesta Machine - Last sale 41. Has held in trading range between roughly 39 and 24 for last five years. Recently reached high of 44 3/4. Sold at 72 1/2 in 1937. Purchase advised in 39-40 area.

Monsanto Chemical - Last sale 86 5/8. Is selling nearer to 1942 low of 66 than to 1940 high of 119. Appears to be in accumulation area. Recently reached high of 92 3/8. Purchase advised around present levels.

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