

TECHNICAL MARKET ACTION

Volume hit a new low for the year on Monday at 490,000 shares. Prices were irregular with no definite trend in evidence.

The market still remains in the narrow 163 1/2-160 trading range in which it has held since July 17th. The next minor move should be in the direction of the penetration. In the event of an upside penetration would expect resistance at 165 to 166.

Believe, either before or after a further minor rally, that prices will reach new lows. Secondary declines usually need three down phases before completion. We have already witnessed two such declines. Expect the third phase to carry deeper into the 160-155 buying range.

Advise purchases on next decline. Buying advice below the market has been given in recent letters on a number of issues with attractive technical patterns. Listed below are six additional issues to be bought at recommended levels. So far none of the issues have as yet reached buying spots. Until such time, continue to advise 100% liquid position in trading accounts.

American Chain & Cable - Last sale 29 3/4. Has very bullish technical pattern. Year's high 31 3/4. Advise purchase if available in 28-27 range.

Bohn Aluminum - Last sale 56. In long term uptrend. Would add to list at 53. High for the year was 61 3/8.

Crown Cork & Seal - Last sale 39 3/4. Has reacted from high of 46 3/4. Add to list at 36.

Mesta Machine - Last sale 41 1/2. Year's high 44 3/4. Would reach strong support level at 36-35 where purchase is advised.

Reynolds Metals - Last sale 19 3/4. Excellent long term pattern. Would consider 17 a buying point.

U. S. Industrial Chemical - Last sale 46 1/2. Year's high 52 3/4. Support area around 43 where purchase is advised.

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SHIELDS & COMPANY

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Closing

Dow-Jones Industrials	-	163.19
Dow-Jones Rails	-	57.36

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.