

## TECHNICAL MARKET ACTION

Monday's market, after reaching new highs for the move, sold off in the final hour and lost most of the day's gains. At the high of the day, the industrial average reached 177.78, the middle of the writer's objective of 175-180 for the near term. The close was 177.03 up four cents on the day. The rails acted comparatively better than the industrials with a closing of 55.86, up 64 cents, and only a fraction below the day's high of 56.12.

In the past fifteen trading days since August 21st, the industrial average has closed higher on each successive day with the exception of two intervening days in which small losses of 23 cents and 37 cents were shown. During the period the market has advanced approximately 14 points in a practically straight line advance. The obvious conclusion to be drawn from such action is that the market is in a vulnerable technical position. However, except for the agile trader, the writer questions the feasibility of accepting profits on his recommended list at the moment. While a correction seems overdue, the near term objectives on individual issues are higher than present prices. Retention of recommended list is advised even though prices may or may not work lower temporarily.

Some individual issues have advanced sharply since recommendation. Briggs Manufacturing, recommended at 42 on August 21st, closed at 49 on Monday. Technical pattern suggests a further rise to the 52-56 area.

In the lower priced group, like Armour and Radio-Keith-Orpheum on price recessions.

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SHIELDS & COMPANY

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<u>Closing</u>	
Dow-Jones Industrials	177.03
Dow-Jones Rails	55.86

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.