

## Technical Market Action

The Dow-Jones industrial average penetrated the 1937 top of 195.59 on Monday and at the day's high of 196.59 were at the highest level since 1931. The previous high was the famous 1929 bull market peak of 386.10. Profit taking pared down part of the gains but the averages closed 46 cents higher. In contrast, the rail average sold off 52 cents to close at 64.37. The rail average has been hovering around the 1937 high of 65.05 and succeeded in penetrating this level fractionally when 65.18 was reached last week. Would expect a more decisive penetration shortly.

Another recommended issue, Crown Cork & Seal, advised for purchase at 39 1/2 in early August, reached its intermediate objective level of 56-60 and is dropped from the list. An increasing number of issues are either reaching or approaching their intermediate objectives. This action calls for a note of caution. The market has rallied 35 points since late August without a real correction. Even though much higher levels are called for eventually, a reaction at some time would be the normal expectation. However, at the moment, neither the averages nor the majority of individual issues give any great indication of a distributional phase. This may occur in the usual fashion, with individual issues continuing to move ahead sharply while an increasing number of other issues meet resistance. Such a distributional period might take place over a period of weeks.

Advise retention of recommended issues until price objectives outlined in recent letters are reached, but would not advise adding to holdings except on periods of price weakness.

EDMUND W. TABELL

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SHIELDS & COMPANY

Dow-Jones Industrials	195.64
Dow-Jones Rails	64.37