

Technical Market Action

The market continued the advance on Monday and added 2.45 points to the industrial average and 1.26 points to the rail average on volume of 2,740,000 shares. The industrial average has closed higher in seven out of the last eight trading sessions for a net advance of 10.99 points. The pace of the advance has been rapid and at least a consolidating phase would be the normal expectation.

See no change in the market pattern. Do not believe the averages will move very much beyond the 200 level at the moment, but that individual issues can still move ahead sharply. Continue to advise holding recommended issues until objective levels are reached. Two more issues reached their intermediate objective levels and are temporarily dropped from the list. They are U. S. Industrial Chemical, recommended at 46 1/2, which reached the 57-63 objective, and United Engineering, recommended at 44 3/8, which reached the 52-55 objective.

Complete list of recommended issues is reprinted below.

	Recommended <u>At</u>	Last <u>Sale</u>	Intermediate <u>Objective</u>
Alleghany Corp. pfd.	57	56 1/2	*
American Cable & Radio	12 3/8	16	20 - 22
American Power & Lt. \$5 pr.	70	97 7/8	102 - 105
American Power & Lt. \$6 pr.	77 5/8	106	112 - 115
Aviation Corporation	10 1/4	11	- -
Baltimore & Ohio	24 1/4	28 1/4	31 - 33
Barnsdall Oil	21 7/8	23	30 - 32
Bendix Aviation	55	56 3/4	65 - 67
Bridgeport Brass	16 1/8	18 1/2	22 - 24
Climax Molybdenum	40	40 5/8	54 - 58
Colt's Patent Fire Arms	42	43	- -
Container Corporation	32 3/8	39 7/8	43 - 45
Delaware, Lack. & Western	10	15 1/4	16 - 17
Hudson Motors	33 7/8	33 5/8	**
International Tel & Tel	27 3/4	30 1/2	37 - 40
Mid-Continent Petroleum	32	36 3/8	44 - 46
Missouri-Kansas-Texas pfd.	39 7/8	45 3/4	49 - 53
Radio Corporation	16 1/4	18 1/4	22 - 25
Shell Union Oil	30	33 1/4	40 - 45
Studebaker	32 5/8	33 3/4	40 - 44
Superior Steel	33	42	44 - 46
Sylvania Electric	35 7/8	40	51 - 53
Texas Pacific Coal & Oil	23 3/8	27 1/2	35 - 40
Twin Coach	21 3/4	24 1/2	26 - 28
Underwood Corporation	67	76 1/2	82 - 85
Western Pacific	52 3/4	51	60 - 63
Western Union "A"	51 1/2	52 3/8	73 - 76
Willys Overland	23 3/8	24 1/2	#
Young Spring & Wire	27	32 5/8	33 - 35

* 79-87 indicated if 61 is reached

** 35 would indicate 43-48

27 would indicate 34-36

For new purchases, suggest International Tel & Tel. The stock has done little marketwise in the current rise but the technical pattern suggests the possibility of a near term move.

In the low priced speculative group, American Zinc at 12 1/2 presents an interesting technical study. At 13, the stock would break out of what appears to be an eight year accumulation range. Such a penetration would suggest a large percentage appreciation over the longer term. Purchase is advised if 13 is reached.

EDMUND W. TABELL
SHIELDS & COMPANY

January 14, 1946

Closing

Dow-Jones Industrials	201.93
Dow-Jones Rails	66.14