

Technical Market Action

Thursday's market was irregular with the industrial average closing with a fractional decline of 38 cents while the rails were 5 cents higher. The day's lows on both averages, at 189.32 and 61.14, held above Wednesday's lows of 188.86 and 60.87.

The minor trend remains uncertain. Volume indications are not favorable as evidenced by the sharp increase in trading on Wednesday's reaction of 3.16 points on the industrials and 87 cents on the rails. However, the slackening of the pace of the downtrend on Thursday, coupled with the divergent trends of the industrials and the rails, may indicate, after some further irregularity, a temporary turn in the short term trend.

Nothing as yet has happened to indicate a change in the intermediate trend which still is indicated as down. After reaching the indicated rally point of 192-195 last week, the market is now in the process of again testing the February lows of 184.05 and 59.86. Should these points hold, another testing of the overhead resistance at 195-197 may be attempted. If the February lows fail to hold, would expect a continuation of the decline to 175 and 55. Neither is there any change in the long term trend which still indicates higher prices after the present intermediate correction is completed. Long term purchases are warranted on further declines. The question at the moment is whether the 185 or 175 level is the correct buying level. At the present writing, there is no definite indication of which level will hold.

EDMUND W. TABELL

SHIELDS & COMPANY

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Closing

Dow-Jones Industrials	189.98
Dow-Jones Rails	61.44