

## Technical Market Action

The market was weak again on Wednesday and a great many issues, including General Motors and Chrysler, sold down to new low territory. However, at their closing level of \$169.09, off \$4.59 on the day, the industrial average was still above the previous low closing of 167.30. The day's low of 168.40 was also above the previous intra-day low of 165.56. On the other hand, the rail average, at the closing price of 48.39 and the intra-day low of 48.00, fractionally penetrated the previous lows of 48.59 and 48.39. Volume totalled 2,190,000 shares.

The industrial average is now in the process of testing the low of last week. Ability to hold above this point would be a constructive development and indicate the possibility of the formation of an accumulation base in the 167-176 area. Factors favoring this possibility are (1) Volume has declined on each successive decline. Volume was 3,620,000 on September 4th when the market reached a low of 173.64. On September 10th when the market reached the low of 166.56, volume was 3,100,000 shares. Wednesday's volume was 2,190,000 shares. It would seem that the urgency of selling is dying down. (2) The market is not as thin as in the early part of the decline and more bids seem to be in evidence. Declines on Wednesday, in most cases, were eighths of a point between sales instead of points.

If the low of last week is penetrated it would be disappointing inasmuch as an accumulation base would have to be formed at a somewhat lower level. However, still expect the decline would not carry much further and would expect support above the 160-157 area. Study of the technical pattern of individual issues suggest that about 40% have reached approximate buying levels, about 30% indicate only a further decline of a few points while the remainder indicate lower levels. This would bear out the hypothesis that low point in the Dow-Jones industrials should be somewhere between 167 and 157. Comparable figures on other averages would be 114-107 on the New York Times average and 118-110 on the Herald-Tribune average.

Regarding individual issues, still suggest the buying ranges published in last week's letters. Other issues will be mentioned as buying levels are reached.

EDMUND W. TABELL

SHIELDS & COMPANY

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### Closing

Dow-Jones Industrials	169.07
Dow-Jones Rails	48.39
Dow-Jones 65-Stock	61.39