

Technical Market Action

Monday's market was a dull affair enlivened only by a short lived rally around one o'clock that soon dwindled out. Volume, except for the rallying period, was small and totalled 870,000 shares. The industrial average gained 84 cents and the rails were 20 cents lower.

Consider action of the market normal with a consolidating period needed after the sharp rally from mid-January. Last week's low of 180.62 was \$4.34 below the rally high of 184.96 or a retracement of a little less than one-third of the \$14.83 rally from the January lows. Similar action has taken place in the rail average. As mentioned last week, would consider the 181-179 area in the industrials and the 52-51 area in the rails as buying zones.

The utility holding company stocks have shown good technical action in the sell-off of the past few days. Most of these issues have built up good base patterns during the September-December market. In a number of instances these bases have been penetrated on the upside. The action of this group suggests a near term continuation of the advance. Some of the more interesting issues are listed below, together with their penetration points and ultimate technical objectives for the intermediate term.

	Last Sale	Penetration At	Intermediate Term Indication
Amer. & Foreign Power 2nd pfd.	24 1/4	26	38-42
American Power & Light	15 3/4	16 *	23-25
American Water Works	18 1/8	19	30-35
Electric Bond & Share	15 7/8	18	22-25
Electric Power & Light	19 1/4	19	28-30
Engineers Public Service	32 5/8	28 *	37-42
Standard Gas \$4 pfd.	34 1/4	33 *	48-51

* Penetration point already reached.

EDMUND W. TABELL

SHIELDS & COMPANY

February 17, 1947

Closing

Dow-Jones Industrials	182.20
Dow-Jones Rails	51.66
Dow-Jones 65- Stock	65.96

The opinions expressed in this letter are the personal interpretation of charts by Mr. Edmund W. Tabell and are not presented as the opinions of Shields & Company.