

## Technical Market Action

Campbell Wyant & Cannon was recommended for purchase in the 24-22 range in our letter of September 9th. The subsequent 1946 low for this auto equipment issue was 20 3/8. The 1947 high, reached in February, was 30 3/4. In the May decline, Campbell Wyant and Cannon held above the 1946 low with a bottom at 21 1/2. Mondays closing price was 26 1/2. Ability to penetrate the February high would indicate an eventual price level above the 1946 high of 40 3/8. Hold and add to commitments on periods of technical correction.

Chicago & North Western Ry. after reaching a high of 49 1/2 in 1945, reacted to a low of 15 3/8 in October. The rally in early 1947 carried it back to 27 5/8. In our letter of March 18th, when NW was selling at 23 1/4, purchase was advised on weakness. The stock declined to 14 1/4 in May, slightly below the 1946 low. A substantial potential base pattern has been built up and a substantial price advance is indicated if the stock penetrates the trading range on the upside. Mondays close was 21 3/8. Hold and buy during periods of technical correction.

Chrysler's 2 for 1 split up stock appeared for the first time on Monday. The close was 59 1/8, equivalent to 118 1/4 on the old stock. Chrysler was recommended for purchase in the 80-84 range for the old stock in our letter of September 19th. The subsequent low was 75 1/4 in October. On each successive market reaction since then, the stock has held above previous lows. The pattern is very strong technically and indicates an eventual price close to 90 for the new stock. Hold purchases made in the 40-42 range and add to commitments on technical corrections.

Cities Service was recommended for purchase on May 21st at 28 1/4. The technical action of this issue has been thoroughly analyzed in recent letters. On July 1st, when the stock hit a high of 35 3/8, it was noted that the stock had reached a minor resistance level. Cities Service has done little since then. Mondays close was 38 7/8. The eventual indication on Cities Service is the 50-60 range, but a short term correction might occur from around present levels. Add to commitments on weakness. Good support at around 35 level.

After reaching an intra-day high of 187.15 on the Dow-Jones Industrials, the market reacted in the last hour and the closing level was 185.60. At the days high, the industrials were \$2.19 above the February high of 184.96. The rails, at the days high of 50.18, were still \$3.47 below the comparable February high of 53.65. The action of the market is excellent and continue to expect the 196-201 level to be the first important stopping point for the intermediate term advance. However, the pace of the advance has been rapid and would expect a technical correction from around present levels. Intermediate term purchases made in our oft-repeated 170-160 long term buying area should be held. However, would await a correction before adding to commitments.

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SHIELDS & COMPANY

### CLOSING

Dow-Jones Industrials	185.60
Dow-Jones Rails	49.83
Dow-Jones 65 Stock Avg.	65.98

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.