

Technical Market Action

Interlake Iron was originally recommended for purchase in the 12-10 buying range in our letter of September 11th. The stock reached a low of 10 1/8 in October and rallied back to 13 5/8 in February. The May decline carried Interlake down to 9 1/2. Since that time the stock has been quite active and has penetrated the February high. Last weeks high was 15 1/8. Subsequently it sold ex-dividend a sixty cents payment. Fridays close was 13 3/8. The stock appears to be in an intermediate uptrend and indicates a price objective around the 1946 high of 20 1/4. Stock appears attractive at present levels.

International Minerals and Chemical was recommended for purchase in the 26-24 buying range in our letter of September 11th. A sizeable potential base pattern has been built up in the 31-23 area. An upside penetration would be of considerable bullish significance. Fridays close was 28 3/4. The 1946 high was 45.

Jones & Laughlin was recommended for purchase at 31 5/8 in our letter of April 30th. Jones & Laughlin reacted from the 1946 high of 53 7/8 to a low of 31 5/8 in October. The spring rally carried back to 39. The October low was penetrated in May when the stock reacted to 27 3/8. Last weeks high was 34 7/8. Fridays close was 33 7/8. Hold commitments. Stock appears to be headed higher over the near term.

Libby-Owens-Ford Glass was recommended for purchase in the 50-47 buying range in our letter of September 11th. At last weeks high of 58 1/8, the stock was close to the February high of 59 1/8. Fridays close was 55 1/8. Stock appears attractive around present levels.

Murray Corp. was recommended for purchase in the 12-10 buying range in our letter of September 11th. The October low was 9 3/4. The February rally carried back the stock to 15 1/2. The low in the May decline was 9 7/8. A sizable potential base pattern has been built up in the 10-15 range. Fridays close was at 12 3/4 and was about midway in this range. Murray appears to be behind the market.

In four trading days, from an intra-day high of 187.66 on Friday, July 25th to the intra-day low of 179.77 on Wednesday, July 30th, the industrial average reacted \$7.89. This is almost a one-third correction of the 26 point advance from the May low. The rail average reacted \$3.39 in the same time period. This also is almost a one-third correction of the 12 point advance from the May lows. This letter has been advising caution over the past two weeks in anticipation of a technical correction. Our anticipated reaction level was 181 to 177. Now that it has happened, believe the way is clear for a resumption of the intermediate uptrend. Believe the rails will penetrate the February high of 53.65 and reach the 61-64 level and that the industrials will reach 196-201. Whether this rise will take place immediately or after a further dip to nearer the 177 level and a complete one third reaction, is open to question. However, from the action of various technical indications, favor the possibility of an upswing over the very near term.

EDMUND W. TABELL

SHIELDS & COMPANY

August 1, 1947

CLOSING

Dow-Jones Industrials 183.81

Dow-Jones Rails 49.83

Dow-Jones 65 Stock 64.28

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.