

## Technical Market Action

The stocks in the agricultural implement group have, in the great majority of instances, extremely favorable technical patterns. Two issues in this group, Deere & Company and Oliver Corporation, are in our recommended list and are reviewed below together with other leading issues in the farm equipment group.

Case (J.I.) Co. has penetrated the upside of the long twelve month trading range between 30 and 40. A substantial base pattern has been built up and the intermediate term indication is the 59-64 area. The 1946 high was 55. The 1947 high was reached on Monday at 42 1/2. The close was 41 7/8. Downside support would be met around 40.

Caterpillar Tractor, at Monday's closing of 55 1/2, was still considerably below the 1947 high of 64 - not to mention the 1946 high of 81. The stock is a slower moving semi-investment type issue with a potentially favorable technical pattern. The first favorable indication would be the ability to penetrate the July high of 62 and reach 63. In that event a rally to around 75 would be indicated.

Deere & Co. is one of our recommended issues. The 1946 top in the 58-52 area indicated a decline to 31. The October low was 32 and the May low was 31. The substantial base pattern built up in the 31-41 area was penetrated on the upside in July and a high of 43 1/4 reached. The recent decline held around 38. Monday's close was 41 5/8. The stock appears to be in an uptrend with first minor resistance at 47-49 followed by 56-59.

International Harvester is the blue chip of the group. The stock reacted from a 1946 high of 102 to 67 and rallied back to 95 in July. The recent low was 81 and Monday's close was 89 7/8. First indications are around the old high of 102. Ability to penetrate that level would be extremely bullish.

Minneapolis Moline Power is one of the more speculative issues of the group. However, the technical pattern is favorable. The stock recently penetrated the long 13-7 trading range on the upside and indicates 17-19. Monday's close was 14 1/8.

Oliver Corp. is in our recommended list. The technical pattern is extremely favorable. The long 18-25 accumulation range was recently penetrated on the upside. The first indication is around the 1946 high of 36, followed by an eventual 45-50.

International Minerals & Chemical, while not in the agricultural implement group, is in the allied fertilizer group. The stock is one of the issues in our recommended list. Recent action has been good. The stock reached its old 1947 high of 31 on Monday and closed at 30 7/8. A large potential base area has been built up and ability to reach 34 would indicate substantially higher levels. Stock appears to be an attractive purchase.

The industrial average closed at a new high for the move at 180.08, due mainly to strength in the blue chip issues. Some profit-taking was noted in the more speculative stocks. The rails were also fractionally lower. After last week's strength, some further consolidation would be only normal. The intermediate trend is indicated as up and expect the next important move to be a testing of the July highs.

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SHIELDS & COMPANY

### Closings

Dow-Jones Industrials	180.08
Dow-Jones Rails	48.99
Dow-Jones 65-Stock	64.43