



TABELL'S MARKET LETTER

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Dlgb 4-4141

Market action continues to favor the probability that the market reached its intermediate term low on February 25th as against the possibility of a further dip into the 170-160 range of the Dow-Jones industrials. There is a large segment of the financial world that expects a lower market before a turn but, in my opinion, the failure of the industrials to follow the rail weakness on two occasions last month is a sign of a sold-out market condition and indicates a change in the trend. Ability to penetrate the February 18th high of 174.62 would definitely strengthen this conclusion. However, even in the event of new lows, I would not expect the decline to carry much below the February lows. The downside objectives of rails, oils and steels were included in recent letters. Briefly, I believe there is a good probability that we have reached the lows of the move. In the less likely event of a further decline, I do not believe the eventual lows will be more than 5% below February 25th prices. This is in the face of my belief that business and earnings will be lower in 1949 than in 1948.

I am repeating below my list of recommended issues. This group has shown, in the main, better than average market action and I believe will continue to do so. Thumbnail sketches of all of these issues are available on request.

	Closing 3/4/49		Closing 3/4/49
American Cyanamid	38 5/8	Johns Manville	37 1/4
American Home Products	25 1/2	Joy Manufacturing	38
Avco	6 1/4	Kresge, S.S.	36 1/8
Bendix Aviation	33	Lowenstein	22 1/4
Bigelow Sanford	28 3/4	Niagara & Hudson	9 1/2
Borg Warner	47 1/2	Paraffine Companies	19 3/8
Cities Service	40 5/8	Penn-Dixie-Cement	19 3/8
Commercial Credit	50 3/4	Pressed Steel Car	6 3/8
Cooper Bessemer	26	Radio Corp	11 7/8
Denver & Rio Grande	22 1/4	Reynolds Metals	20 1/8
Eastman Kodak	43 3/4	St. Regis Paper	7 7/8
Eastern Airlines	15 3/8	Schenley	26 1/8
Electric Power & Light	21 7/8	Sears Roebuck	36 1/4
Firestone Tire	48 1/4	Shamrock Oil & Gas	29 1/4
Firth Carpet	15 5/8	Sharon Steel	33 1/2
Flintkote	25 1/8	Shell Union Oil	33 1/2
Fruehauf Trailer	18 7/8	Sperry Corp	26 1/4
Hewitt Robins, Inc.	19	Stand. Steel Spring	14 7/8
Holland Furnace	22 1/2	Sylvania Electric	21 1/2
Inter.Min. & Chem.	24 5/8	Wheeling Steel	42 5/8
Intertype Corp	26	White Sewing Mach.	19 1/2
		Youngstown Sheet	66 1/4

Burlington Mills has been dropped from the recommended list. If held, would dispose of this issue on strength in the general market and transfer to other issues in the list.

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March 4, 1949