

BAKERSFIELD • BEVERLY HILLS • EAST ORANGE, N. J. • EUREKA  
PASADENA • RIVERSIDE • SACRAMENTO • SAN DIEGOFRESNO • LONG BEACH • MODESTO • OAKLAND  
SAN JOSE • SANTA ANA • STOCKTON • VALLEJO**TABELL'S MARKET LETTER**35 WALL STREET, NEW YORK 5, N. Y.  
Digby 4-4141

The market's technical action is becoming increasingly encouraging. The first favorable sign was the ability of the Dow-Jones industrial average, at the February 25th low of 170.56, to hold above the November 30th low of 170.35. The fact that the rail average made a new low on February 25th strengthens rather than weakens the picture because this divergence of the two averages is quite often present at important turns of the market. The second encouraging sign was the ability of the industrials to surpass the previous February high of 175.62 and reach a high of 177.66 before encountering resistance at the 178-180 overhead supply area. The third encouraging sign was the ability of the market to hold in the 174-176 support area. Wednesday's low was 174.32 and the market has rallied back to 176.20. So far, the market has shown perfect intermediate uptrend action. The next move should be a testing of the entire 178-182 overhead resistance. The fourth favorable sign is the ability of the high grade investment issues to hold or even advance in the face of sharp declines in situations like American Woolen and Magnavox.

Continue to believe that the better grade dividend paying stocks will be the market leaders of the next advance. I am reprinting my recommended list below. This list contains a large number of better grade issues.

	Closing 3/23/49		Closing 3/23/49
American Cyanamid	40 1/2	Johns Manville	37 1/8
Amer. Home Products	26	Joy Manufacturing	39
American Seating	26 3/4	Kresge (S.S.)	36 7/8
Avco	6 1/4	Lowenstein	21 5/8
Bendix Aviation	33 7/8	Niagara & Hudson	9 3/4
Bigelow Sanford	29 7/8	Paraffine Companies	17 3/4
Borg Warner	46 3/4	Penn-Dixie-Cement	20 3/8
Cities Service	43 3/4	Pressed Steel Car	6
Commercial Credit	51	Radio Corp	12
Cooper Bessemer	27 1/4	Reynolds Metals	20 1/2
Denver Rio Grande	23	St. Regis Paper	8 1/8
Eastman Kodak	45 3/4	Schenley	26 1/2
Eastern Airlines	15 7/8	Sears Roebuck	36 3/4
Elec. Power & Light	22 5/8	Shamrock Oil & Gas	30 3/8
Firestone Tire	49	Sharon Steel	33 1/4
Firth Carpet	15 1/2	Shell Union Oil	34 3/8
Flintkote	25 1/4	Sperry Corp	27 7/8
Fruehauf Trailer	19 1/4	Standard Steel Spring	15
Hewitt Robins, Inc.	19 1/2	Sylvania Electric	21 7/8
Holland Furnace	23 1/8	Wheeling Steel	44 3/4
Inter. Min. & Chem.	25 1/4	White Sewing Machine	22
Intertype Corp.	26	Youngstown Sheet & Tube	70

EDMUND W. TABELL

WALSTON, HOFFMAN &amp; GOODWIN

March 23, 1949