



TABELL'S MARKET LETTER

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The market continues in a correctionary phase of the twenty-two point advance from the June lows. At the moment, technical evidence points to the probability that the correctionary phase will be more in the nature of a consolidation than a reaction. I would expect any decline to reach its low not much below the 175-174 area. Obviously, this slight downtrend will be interrupted by occasional rallies. However, it would be better technical action if most of the work were concentrated in the lower area of the contemplated 183-174 trading range rather than around the top. The latter action might possibly build up a broader distribution area and indicate a decline of greater magnitude than now indicated. While the minor and near term trend indicators show signs of doubtful or unfavorable action, the longer term studies show no signs of deterioration.

If the advice of the past few weeks has been followed, stocks in unfavorable groups have been liquidated in the 180-183 area and issues with favorable long term action have been retained. Would do no new buying until either a signal of the end of the correctionary phase is given or until the industrial average declines below 175.

The following are in my recommended list and are attractive on price setbacks:

Better Grade Issues		Speculative Issues	
Stock	Last Price	Stock	Last Price
Addressograph-Multigraph	33 5/8	American Airlines	9 3/8
Allis Chalmers	28 3/4	American Pr & Lt	12 1/8
American Cyanamid	44 1/2	Avco	5 1/8
American Home Products	27 7/8	Brooklyn-Union-Gas	33 5/8
American Seating	35 3/8	Budd Company	9 7/8
Atchison, Top & S.F.	88 3/4	Carrier Corp	14 1/2
Borg Warner	48 1/4	Cities Service	51 1/2
C.I.T. Financial	55 1/4	Combustion Engineering	25
Commercial Credit	53 7/8	Continental Baking	15
Endicott-Johnson	31 1/2	Denver & Rio Grande	23
Federated Dept. Stores	29	Distillers Seagram	16
General Time	21 1/2	Eastern Airlines	14 5/8
Hewitt-Robins	14 3/8	Illinois-Central	26 1/2
Intertype	26 3/4	Inter. Min. & Chem.	28 1/2
Johns-Manville	39 7/8	Lowenstein	24
Kresge	41 1/4	McKesson & Robbins	36 7/8
Phelps Dodge	41 5/8	Niagara Hudson	13
Shell Union Oil	36 3/4	Penn-Dixie-Cement	21
Sperry-Corp	25 7/8	Pressed Steel Car	5 1/2
Standard Steel Spring	15	Radio Corporation	11 1/4
		Reynolds Metals	20
		St. Regis Paper	6 3/4
		Schenley	28 1/8
		Shamrock Oil & Gas	27 1/4
		Standard Gas \$4 pfd.	30 7/8
		Studebaker	22 3/8
		Sunshine Mining	9 1/4
		United Mer & Mfgs	12 1/8
		Western-Pacific	26 1/4

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