TABELL'S MARKET LETTER

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The stock market reminded us once more last week that bull markets behave like bull markets. During the latter part of March, the sharp advance from the December lows had suffered its first moderately protracted interruption, declining some 5 1/2% over a six-day period. There ensued a three-day rally, a six-day test of the previous lows, and that was it. The past eight trading days have seen a 76-point advance on the Dow, from a close of 742.88 on April 7th to Thursday's close of 819.46.

Many observers, even before last week's rally, have expressed surprise at the velocity of the advance. We have, ourselves, noted that recent events suggest the emergence of a market volatility more reminiscent of the 1930's than the 1950's and 1960's. Yet in a way, it is unsurprising that the advance from the 680 to the 780 level on the Dow took place over a short period of time --- unsurprising in the sense that there was almost total lack of overhead supply between those two points.

The following table breaks the range of the Dow for the 1973-74 bear market into 10-point brackets and shows, for each 10-point range of Dow-Jones closes, the number of days between January 11, 1973, and December 6, 1974, on which the market closed in that range. It also shows the total volume for those days.

DOW-JONES RANGE	NO. OF DAYS	TOTAL VOLUME	DOW-JONES RANGE	NO. OF DAYS	TOTAL VOLUME
570 - 580	1	15,500,000	820 - 830	18	263,970,00
580 - 590	3	41,950,000	830 - 840	16	237,260,000
590 - 600	2	26,200,000	840 - 850	25	317,870,000
600 - 610	8	111,960,000	850 - 860	33	478,920,000
610 - 620	6	75,850,000	860 - 870	18	266,260,000
620 - 630	3	43,530,000	870 - 880	26	364,130,000
630 - 640	6	84,350,00[illegible]	880 - 890	25	355,160,000
640 - 650	8	133,030,000	890 - 900	20	305,340,000
650 - 660	14	200,140,000	900 - 910	15	217,940,000
660 - 670	10	158,270,000	910 - 920	16	242,820,000
670 - 680	11	178,020,000	920 - 930	17	267,310,000
680 - 690	2	28,200,000	930 - 940	15	240,140,000
690 - 700	0	0	940 - 950	14	234,030,000
700 - 710	1	15,690,000	950 - 960	19	303,550,000
710 - 720	1	11,650,00	960 - 970	20	3[illegible]4,370,000
720 - 730	2	25,490,000	970 - 980	21	349,790,000
730 - 740	2	21,640,000	980 - 990	5	87,920,00
740 - 750	1	11,750,000	990 -1000	5	86,270,000
750 - 760	5	57,320,000	1000 -1010	2	42,000,000
760 - 770	4	43,860,000	1010 -1020	2	34,630,000
770 - 780	6	78,500,000	1020 -1030	5	93,200,000
780 - 790	8	113,370,000	1030 -1040	1	2[illegible],230,00
790 - 800	8	95,480,000	1040 -1050	0	0
800 - 810	16	218,730,000	1050 -1060	1	25,050,000
810 - 820	15	222,230,000			

As the table clearly suggests, the break from 780 to 680 was so sharp that there were very few days with very little volume while the market was trading in that range. There were only 24 days during the bear market on which the Dow traded between 780 and 680, and less than 300 million shares of volume occurred in that price range. By contrast, as the table shows, the volume of trading in the range 800-860 was intense. There were 123 trading days on which the Dow closed within that range, and the total volume for those trading days was a staggering 1.7 billion shares. As can be seen from the table, the price range with the heaviest trading was between 850 and 860 where almost a half billion shares changed hands on 33 trading days.

The paucity of overhead supply between 680 and 780 goes a long way toward explaining the ease with which the stock market has been able to accomplish its rise from January to mid-March. The heavy supply in the low 800's, however, suggests some possible difficulty in extending this rate of rise much longer.

Dow-Jones Industrials (12:00 p.m.) 816.88
S & P Comp. (12:00 p.m.) 86.85
Cumulative Index (4/17/75) 483.20
AWT/jb

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