

# TABELL'S MARKET LETTER

*DeLafield, Harvey, Tabell*

909 STATE ROAD, PRINCETON, NEW JERSEY 08540

DIVISION OF

*Janney Montgomery Scott Inc.*

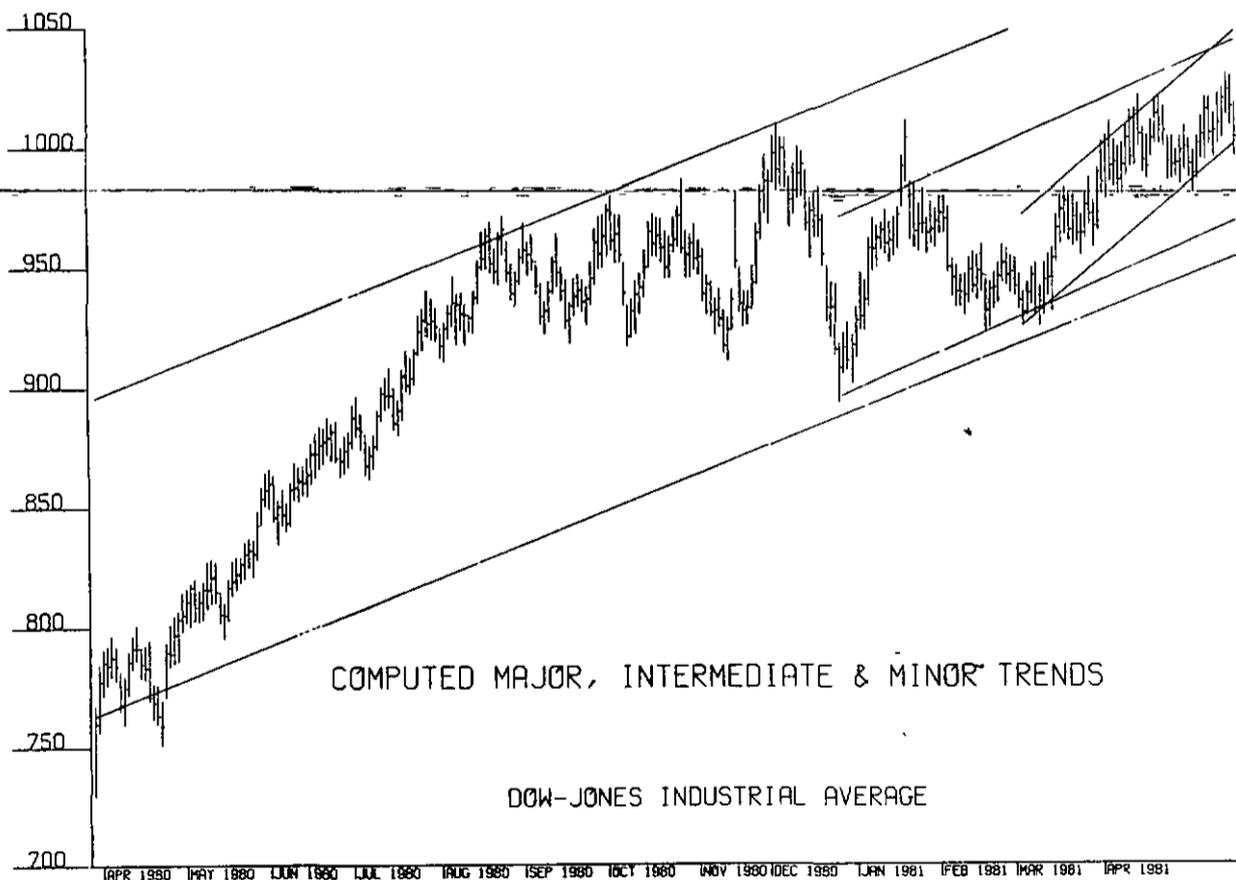
MEMBER NEW YORK STOCK EXCHANGE, INC  
MEMBER AMERICAN STOCK EXCHANGE

May 1, 1981

Under the impetus of a declining Federal Funds rate, the market turned generally weaker after reaching a new high of 1024.05 on the Dow Jones Industrial Average on Monday. The three days of weakness, however, have not yet destroyed the positive price pattern still implicit in recent trading.

The chart below, which will be familiar to our regular readers, shows the action of the Dow since March 27, 1980, together with three trend channels, major, intermediate and minor. These channels are computed mathematically based on trading through Monday's 1024.05 high. The major channel begins on March 27, 1980 at the "Silver Thursday" low of 759.98, the intermediate on December 11, 1980 at 908.45, and the minor channel at the low of last February, 931.57.

The analysis of these channels is in no sense predictive, since they describe only past history. However, the market's ability to remain in the various trend channels suggests that current action is at least consistent with the past trend, while a penetration of the channels suggests that new market forces, of indeterminate nature, may be in effect.



As the chart shows, the minor--and steepest--channel which marks trading since February 13 was violated slightly, though not decisively, at Thursday's low. However, both the intermediate and major channels remain inviolate. The lower limit of the intermediate channel is now at approximately 970, and the corresponding figure for the major trend is roughly 955. The major trend is rising at approximately .70 points per day, and the intermediate trend at .77 points per day. At the moment, there is no suggestion of market weakness which would cause the lower limits of either of these two channels to be violated. For so long as they continue to hold, it is a fair assumption that the market uptrend which began a year ago on a major basis, with an intermediate leg having begun last December, remains in effect.

Dow-Jones Industrials (11:00 AM) 998.92  
S & P Composite (11:00 AM) 133.21  
Cumulative Index (4/30/81) 1143.92  
AWT:lt

ANTHONY W. TABELL  
DELAFIELD, HARVEY, TABELL

No statement or expression of opinion or any other matter herein contained is, or is to be deemed to be, directly or indirectly, an offer or the solicitation of an offer to buy or sell any security referred to or mentioned. The matter is presented merely for the convenience of the subscriber. While we believe the sources of our information to be reliable, we in no way represent or guarantee the accuracy thereof nor of the statements made herein. Any action to be taken by the subscriber should be based on his own investigation and information. Janney Montgomery Scott, Inc., as a corporation, and its officers or employees, may now have, or may later take, positions or trades in respect to any securities mentioned in this or any future issue, and such position may be different from any views now or hereafter expressed in this or any other issue. Janney Montgomery Scott, Inc., which is registered with the SEC as an investment advisor, may give advice to its investment advisory and other customers independently of any statements made in this or in any other issue. Further information on any security mentioned herein is available on request.