

TABELL'S MARKET LETTER

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We documented, last week, some of the similarities between market action in early August, 1984 and mid-August, 1982 pointing out that these two experiences were, apparently, unique in market history. It may be of interest to explore the similarities a bit further, and we attempt this in the following table. The left-hand two columns show the actual history of the closing Dow from August 9 to September 21, 1982, together with some selected dates thereafter. The figure shown, however, is adjusted to make it comparable to today by multiplying it by 1.39, the ratio of the July 24, 1984 low of 1086.57 to the August 12, 1982 low of 776.92. The comparable 1984 dates are shown to the right, aligned on the days prior to the respective "takeoff" rallies, August 16, and July 31, shown as day zero in the table. For each day on which a new high was scored the percentage advance from the initial low is shown. On other days we show the correction from the previous high.

1 9 8 2					1 9 8 4				
Day	Date	Adj DJIA	% ADV	% CORR	Date	DJIA	% ADV	% CORR	
-5	AUG 9 1982	1091.37	-	-	JUL 24 1984	1086.57	-	-	
-4	AUG 10 1982	1089.90	-	-	JUL 25 1984	1096.95	-	-	
-3	AUG 11 1982	1086.98	-	-	JUL 26 1984	1107.66	-	-	
-2	AUG 12 1982	1086.57	-	-	JUL 27 1984	1114.62	-	-	
-1	AUG 13 1982	1102.14	-	-	JUL 30 1984	1109.98	-	-	
0	AUG 16 1982	1108.26	2.00	-	JUL 31 1984	1115.28	2.64	-	
1	AUG 17 1982	1162.54	6.99	-	AUG 1 1984	1134.61	4.42	-	
2	AUG 18 1982	1160.01	-	-0.22	AUG 2 1984	1166.08	7.32	-	
3	AUG 19 1982	1172.79	7.94	-	AUG 3 1984	1202.08	10.63	-	
4	AUG 20 1982	1215.76	11.89	-	AUG 6 1984	1202.96	10.71	-	
5	AUG 23 1982	1246.36	14.71	-	AUG 7 1984	1204.62	10.86	-	
6	AUG 24 1982	1223.60	-	-1.83	AUG 8 1984	1196.11	-	-0.71	
7	AUG 25 1982	1237.57	-	-0.70	AUG 9 1984	1224.49	12.69	-	
8	AUG 26 1982	1248.09	14.87	-	AUG 10 1984	1218.09	-	-0.52	
9	AUG 27 1982	1235.59	-	-1.00	AUG 13 1984	1220.08	-	-0.36	
10	AUG 30 1982	1249.33	14.98	-	AUG 14 1984	1214.11	-	-0.85	
11	AUG 31 1982	1260.54	16.01	-	AUG 15 1984	1198.98	-	-2.08	
12	SEP 1 1982	1251.78	-	-0.69	AUG 16 1984	1209.14	-	-1.25	
13	SEP 2 1982	1271.85	17.05	-	AUG 17 1984	???????	-	-	
14	SEP 3 1982	1293.85	19.08	-	AUG 20 1984	???????	-	-	
15	SEP 7 1982	1278.68	-	-1.17	AUG 21 1984	???????	-	-	
16	SEP 8 1982	1280.73	-	-1.01	AUG 22 1984	???????	-	-	
17	SEP 9 1982	1276.23	-	-1.36	AUG 23 1984	???????	-	-	
18	SEP 10 1982	1268.24	-	-1.98	AUG 24 1984	???????	-	-	
19	SEP 13 1982	1284.84	-	-0.70	AUG 27 1984	???????	-	-	
20	SEP 14 1982	1290.89	-	-0.23	AUG 28 1984	???????	-	-	
21	SEP 15 1982	1301.31	19.76	-	AUG 29 1984	???????	-	-	
25	SEP 21 1982	1307.36	20.32	-	SEP 5 1984	???????	-	-	
32	SEP 30 1982	1253.46	-	-4.12	SEP 14 1984	???????	-	-	
36	OCT 6 1982	1320.61	21.54	-	SEP 20 1984	???????	-	-	
56	NOV 3 1982	1490.15	37.14	-	OCT 18 1984	???????	-	-	

Both advances started following periods of moderate firmness. In 1982, the Dow was up 2% on August 16, from a low two days before. In 1984 it was ahead 2.64% from five days previous. The percentage advances after three days in 1982 and two days this year were similar, at around 7%. Likewise, the 12.64% advance to August 9 was not all that different from the 1982 advance to August 23, in a two-day shorter timespan.

Recently, some divergence has occurred. In 1982 the rise continued with almost no interruption to a peak comparable, in today's terms, to 1293. By contrast, this week, we started a correction which has the Dow down 2% so far and has lasted for five days. It is interesting, however, to note the similarity between this correction and that of September 8-14, 1982. Since we regard the current rally as a secondary one within the bull-market framework, it should not turn out to be as strong as the first, and, in that context, this week's weakness was therefore not surprising. It will also be highly unlikely for the current advance to duplicate 1982 results and wind up at 1490 on October 18. It will be interesting, however, to see to what extent the 1982 record is approached.

AWT:rs

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Dow-Jones Industrials (12:00 p.m.) 1210.79
S & P Composite (12:00 p.m.) 164.24
Cumulative Index (8/16/84) 1978.59

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