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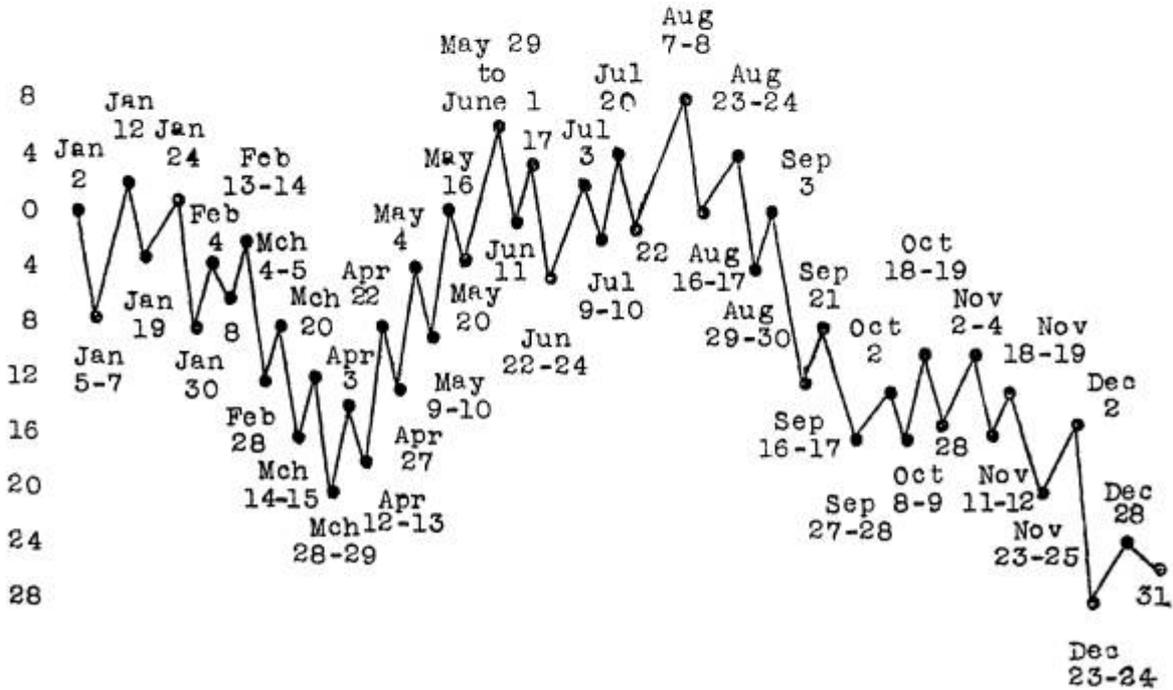


ANALYTICAL REPORTS
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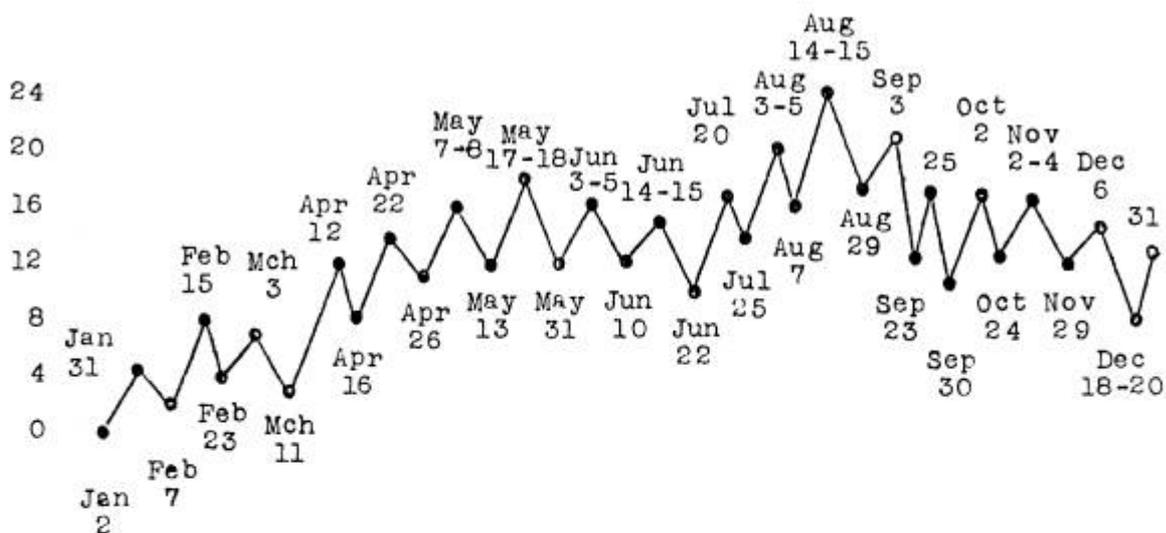
W. D. GANN SCIENTIFIC SERVICE INC.
78 WALL STREET, NEW YORK

1929 ANNUAL STOCK FORECAST
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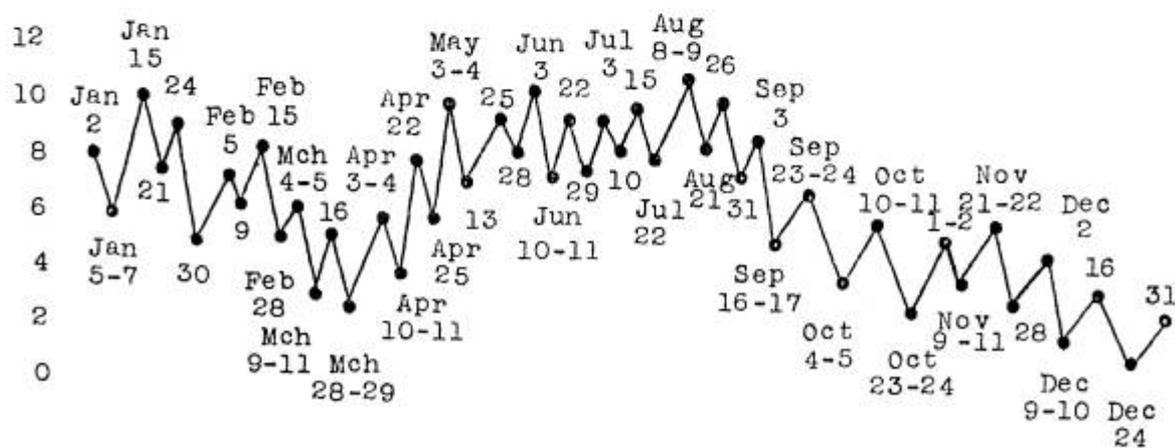
Projected Curve #1 and Main Trend which the 30 Industrial Stocks should follow:-



Projected Curve #2 which Industrial Stocks in strong position should follow:-



Projected Curve which Railroad Stocks should follow:-



General Outlook for 1929

This year occurs in a cycle, which shows the ending of the bull market and the beginning of a prolonged bear campaign. The present bull market campaign has lasted longer than any previous campaign in the history of this country. The fact that it has run longer and prices have advanced to such abnormal heights means that when the decline sets in, it must be in proportion to the advance. The year 1929 will witness some sharp, severe panicky declines in many high priced stocks.

The history of the stock market has always been that it discounts prosperity and that in doing so prices always advance too far. In other words, the stock market runs too far ahead of prosperity and the first decline is only a readjustment back to what stocks should sell according to their merit and investment return. Then, when business depression sets in and earnings start to show a falling off, stock prices continue to go lower, discounting unfavorable business conditions.

But such groups of stocks as the oils, sugars, rubbers and some of the agricultural stocks, which have been depressed and declined while other stocks advanced, will record much higher prices in 1929. New and popular industries will continue to prosper, such as, radio, airplane, chemical and electrical concerns. This is the electrical age. People take quickly to new inventions, especially those which provide for the convenience and comfort of living. This will increase the earnings of concerns manufacturing new electrical appliances.

Many stocks will be distributed and will work lower while the stocks in strong position work higher. With such a varied list of stocks representing so many industries in different parts of the country, it is not reasonable to suppose that they would follow the same trend by any means.

More and more business is getting into the lines of mass production, mergers and consolidation. The big companies are getting the business while the smaller companies find it harder to get business enough to return a fair amount on their capital stock.

During the early part of the year, business conditions will not be up to general hopes and expectations. In the spring and summer, business will improve and the outlook generally will be cheerful. But again in the fall of the year, depression will set in and unfavorable business conditions will cause big declines in stocks. Money rates will be high the greater part of the year.

During the year 1928, the public has entered the stock market on the largest scale ever known in history. Foreigners have bought our stocks more than at any time since or prior to the outbreak of the World War. The American public is no longer making safe investments in stocks. They have the gambling fever and are buying everything regardless of price, simply buying on hope that stocks will continue to go up. This is a dangerous situation and has always resulted in a big decline. There will be no exception in this case.

The man who makes money buying stocks in 1929 will have to use greater discrimination than ever before in selecting the right stocks to buy. When once stocks have reached final top and start on the way down, they will continue to work lower and rallies will get smaller. Those who hold on and hope will have big losses. The markets will move over a very wide range and sharp, severe declines will be followed by quick rallies. It will be necessary most of the time for a trader to be very nimble and change position quickly in order to take advantage of the opportunities as they develop in an active market.

WHAT WILL CAUSE THE NEXT DEPRESSION IN BUSINESS AND DECLINE IN STOCKS?

PROSPERITY! The great wave of prosperity, which this country has experienced during the past few years, has been in many ways responsible to the stock market. The great increase in the value of stocks has increased the borrowing power of various companies and has permitted expansion and even inflation. The pendulum has swung so far in one direction that many people have forgotten that it can ever swing back in the other direction, but one extreme always follows another and it will not fail at this time. Stocks, like water, always seek their level.

The great earnings of many large corporations during the past year cannot be expected to continue. Over confidence is just as bad as extreme pessimism. It is just as easy for a big man to make a mistake, as it is a little man. In my judgment many of the wisest speculators who have made large fortunes out of this bull campaign will overstay their market and be caught just the same as they have in the past. Then when the decline gets under way and they try to liquidate in a bear market, they will bring about a real smash in prices. It is one thing to mark stocks up to dizzy heights and quite another thing to be able to sell all of them near top prices. As stocks decline, forced selling both by pools and the public always comes into the market and causes prices to go lower than they naturally would if there had not been over speculation. The public never has been considered good leaders in a bull market. The fact that they are now in the market in greater numbers than ever before makes the technical position of the market more dangerous.

INFLATION: The volume of trading on the New York Stock Exchange during 1928 was the largest in history and at this writing the total sales for the year have exceeded 750,000,000 shares and will approach 900,000,000 by the end of the year. Stock Exchange seats have had the greatest advance in history. Brokers' loans doubled in 1927 and 1928. Such enormous volume of trading at extreme high levels with feverish markets and wide fluctuations can mean only one thing, - that the pools and insiders have taken advantage of public buying to liquidate stocks and when once they have sold all they have to sell, they will not support the market. With the public so heavily involved in such large numbers and being unable to support the market, when once the decline gets underway, it will be more sharp and severe than ever before. Loans will be called and bankers will make new loans only on the very best security. We will hear of many stocks being thrown out of loans.

Another contributing factor to inflation was our large holding of gold but this has changed materially during 1927 and 1928 when more than half a billion of gold has flowed out to foreign countries and there are no prospects that it will not continue during the next few years.

INSTALMENT BUYING: People are still living beyond their means and installment buying continues on a large scale. We believe it will yet prove to be the greatest menace to business and to the prosperity of the country. When depression sets in and unemployment increases and people are unable to pay for goods which they have bought on a credit, buying power will be reduced and many companies will not only lose business but will lose money on goods sold on a credit.

AGRICULTURAL SITUATION: Has been so unfavorable during the past few years that the Government has had to devise means to help the farmer and no doubt President Hoover will see that some law is passed to remedy this condition. However, we are in a cycle, which is likely to produce crop failures or a series of small crops for some years to come. This will reduce the purchasing power of the farmer and help to bring about deflation in stocks.

PROSPERITY COMPLEX: The recent wave of seeming prosperity has been due to the psychological effect on people. They have watched stocks go wild in the past three years until they are hypnotized into believing that every concern and everybody is prosperous, but facts do not confirm it. During 1927 about 45% of all concerns making income tax returns showed a loss in business and 1928 will not be much better. It is now a survival of the fittest. The small businesses are failing more every year. Conditions are changing so fast that many old firms are being forced out of business. Electricity and oil are taking the

place of coal and wood. Automobiles supplanted the horse, and the railroads, despite the large increase in population and business, have not shown as great earnings as they did 20 years ago. Many industries have not been prosperous for some time. The textile, coal and agricultural industries have suffered. The oil situation has been bad until recently. The rubber industry has been demoralized by low prices. Sugar has been at low levels for the past two years. When people realize that prosperity is not general and confined to only a few lines, and then they will have the "panic complex."

PUBLIC CONFIDENCE: As long as the public believes that everything is all right, they will hold on and hope, but when public buying power has exhausted itself and the largest number of stock gamblers in history lose confidence and all start to sell, it requires no stretch of imagination to picture what will happen. When the time cycle is up, neither Republican, Democrat, nor our good President Hoover can stem the tide. It is a natural law. Action equals reaction in the opposite direction. We see it in the ebb and flow of the tide and we know that from the full bloom of summer follows the dead leaves of winter. Gamblers do not think; they always gamble on hope and that is why they lose. Investors and traders must pause and think, look and listen, and get out of stocks before the great deluge comes.

WAR: Our great prosperity has caused jealousy throughout the world, and as conditions get worse in foreign countries, greed and jealousy will lead to war. It is the hungry dog that starts the fight. A study of the rise and fall of nations shows that when any country enjoys unusual prosperity for a long period of time, war is one of the main causes of the start of depression. While we hear a lot of talk about peace, the facts show that many of the leading foreign countries as well as our own country, are spending more money preparing for war than ever before in their history. When a man or a country is armed and gets ready to fight, he usually gets what he is ready for.

FOREIGN COMPETITION: Germany is rapidly coming back and competition for trade will be keener in the coming year. Many of the other foreign countries are making desperate efforts to regain their pre-war trade and will make progress along these lines, which will hurt our business.

INDUSTRIAL STOCKS MAIN TREND OR MAJOR SWING

The Industrial Curve this year is based on the Dow Jones' 30 Industrial Stock Averages. Previously the Dow Jones' Averages, which are published by the Wall Street Journal, were based on 20 industrial stocks, but in the latter part of 1928, they changed from 20 to 30 and our Curve is based on the 30 Industrial Stocks. The stocks now used in these Averages are: Allied Chemical, Am.Can, Am.Smelting, Am Sugar, Am.Tobacco B, Atlantic Refining. Bethlehem Steel, Chrysler, Gen. Electric, Gen. Motors, Gen. Ry, Signal, Goodrich, Int. Harvester, Int. Nickel, Nash Motors, Mack Trucks, North American, Paramount, Postum, Radio, Sears Roebuck, Standard Oil of N. J., Texas Corp. Texas Gulf, Union Carbide, U.S. Steel, Victor Tk., Westinghouse, Woolworth, Wright Aero.

From the low level in August 1921, to the high level in November 1928, the 20 Industrial Stocks recorded an advance of about 230 points, the greatest advance in history. The fact that these Averages advanced nearly 100 points during 1928 is unparalleled in history. This year is like 1906, 1916, and 1919, when such violent fluctuations were witnessed and large volume of trading took place, only to be followed the year after by a panicky decline.

The minimum between extreme high and extreme low during 1929 for the 30 Industrial stocks will not be less than 50 points and the maximum fluctuation may be as much as 90 to 100 points. This means that many of the high-priced stocks will fluctuate 150 to 200 points between extreme high and extreme low prices. The lower priced stocks will move in a narrower range and will not make as much as the minimum between extreme high and low.

Most of the Dow Jones' 30 Industrial Stocks will follow Curve #1 very closely. The high point for most of these stocks will be reached around January 12th. After that time, prices should gradually work lower and the trend should be down until around March 28th to 29th, when bottom will be reached for another bull campaign. Many stocks will reach bottom around March 14th to 15th and remain in a narrow trading range until the bull campaign starts in April. When the advance gets under way, some stocks will reach top for the year in May, others in June and some of the others, which are behind the market, will reach final high in August as shown by Curve #1 and Curve #2. A large majority of stocks will not go any higher than the highs reached in the month of July. After July and early August, the main trend will be down and some sharp declines will take place, prices working lower and reaching first bottom around September 27th to 28th. From this level follows a fair - sized rally and a trading market running into the early part of November. After that, the big bear campaign will get under way and stocks continue to work lower, reaching extreme low level for the year around December 23rd to 24th.

There are now over 1500 stocks listed on the New York Stock Exchange and often in one day over 800 different issues are traded in. Therefore, the 30 Industrials and 20 Rails do not always represent the main trend or curve of the market and many stocks will run in opposition to this trend. That is why I am giving you Curve #1 and Curve #2 on Industrial stocks.

Industrial Curve #2 represents the stocks which are in strong position and many of which are not included in the Dow Jones' 30 Industrials. Many of these stocks have declined during 1928 and have been accumulating. They will advance while other stocks decline. Curve #2 indicates low around January 2nd followed by an advance up to January 31st; a decline to February 7th and high of next rally around February 15th. Then prices will work lower, making bottom around March 11th. Watch the stocks that make bottom at this time, as they will be the ones to lead the advance. After the low in March, this Curve continues to work higher with only moderate reactions until high is reached around May 17th to 18th. From this top a bigger decline will take place. The last low is indicated around June 22nd. From this level the stocks, which are in strong position and behind the market will gradually work higher, some of them reaching top during July while others will not reach final top until August 14th to 15th. After this top is reached heavy liquidation will start and prices will work lower from every rally. First decline culminates around September 30th; then a rally making top on October 2nd, followed by a decline to October 24th;

then a final top around November 2nd to 4th, followed by a big decline, reaching bottom around December 18th to 20th; then a rally to the end of the year.

Below is a list of stocks in strong position, which should follow closely Industrial Curve #2. They will be the best stocks to buy on reactions:

Ajax Rubber	Cont. Baking A	Loft	SinclairOil:p>
Amerada	Cont. Motors	Lee Rubber	So.PortoRicoSug.:p>
Am. Agri. Ch.	Cuban Am. Sug.	Lehn & Fink	SpicerMfg.:p>
Am. Beet Sug.	Curtiss Aero.	Louisiana Oil	S.O.ofCalif.:p>
Am. Bosch Mag.	Davison Chem.	Mack Trucks	S.O.ofN.J.:p>
Am. Brake Sh..	Dome Mines	Magma	S.O.of N.Y.:p>
Am. Drug	Elec. Pr & Lt.	Mallinson	Sun Oil:p>
Am. & For. Pr.	Elec. Storage	Maracaibo	SuperiorOil:p>
Am. Ship & Com.	Fisk Rubber	Marland	TennesseeCop.:p>
Am. Steel Fdy.	Foundation	Mex. Seab.	TexasCorp.:p>
Am. Sugar	Glidden	Mid-Cont. P.	TexasPac.C.&O.:p>
Am. Woolen	Goodrich	Nat. Pr & Lt.	TexasGulfSul.:p>
Anaconda	Goodyear	Nevada Cons.	Transcont.Oil:p>
Armour A	Granby	N.Y. Airbrake	U.S.Rubber:p>
Assd. Dry Gds.	Gt. Nor. Ore	Otis Steel	U.S.Smelt.:p>
Austin Nichols	Gt. West. Sug.	Packard	Va.Car.Chem.:p>
Barnsdall A	Hupp	Panhandle	WardBankingB:p>
Beechnut	Indian Ref.	Pan Pete B	WarnerPictures:p>
Bethlehem St.	Inspiration	Park Utah	WestinghouseElec.:p>
Booth F.	Int. Comb. Eng.	Pathe Ex A	WhiteEagle:p>
Briggs	Int. Mar. Pfd.	Phillips P.	WhiteMotors:p>
Cal. & Hecla	Jones Tea	Pillsbury Fl.	WillysOverland:p>
Central Alloy	Kelsey Hayes	Reo Motors	Wilson&Co.:p>
Cerro de Pasco	Kelvinator	Republic Iron	WorthPump:p>
Chandler Clev.	Kennecott	Reynolds Spg.	WrightAero:p>
Chile Copper	Kresge S.S.	Royal Dutch	YellowTruck:p>
Congoleum	Lago Oil	Shell Union	Producers&Ref.:p>
Cons. Textile	Loews	Simms Pete:p>	

The stocks given in the list below are the ones, which have been distributed and are the best to sell short around the dates indicated for the top on Curve #1. These stocks will have the greatest decline, especially in the early part of the year and again from August to December when a big bear campaign is indicated.

Allis Chalmers	Chrysler	Int. Harvester	Timken:p>
Allied Chemical	Coca Cola	Kroger	TobaccoProducts:p>
American Can	Cont. Can	Mathieson Al.	UnionCarbide:p>
Am. Intern'l	Corn Products	Mont. Ward	U.S.Ind.Alcohol:p>
Am. Linseed	Dupont	Reynolds "B"	U.S.Steel:p>
Am. Locomotive	Gen. Electric	Sears Roebuck	Vanadium:p>
Am. Radiator	Gen. Motors	Shattuck F.G.	VictorTalking:p>
Am. Smelting	Hudson Motors	Stewart Warner	Woolworth:p>
A.M. Byers	Houston Oil	Studebaker	:p>

RAILROAD STOCKS MAIN TREND OR MAJOR SWINGS

The Railroad Curve is based on the Dow Jones' 20 Railroad Stock Averages published by the Wall Street Journal. The issues used in these Averages are as follows; - Atchison, Atlantic Coast, B. & O, Canadian Pacific, Ches. & Ohio; Rock Island, Del. Lackawanna & Western, Erie, Illinois Central, Louisville & Nashville, N.Y. Central, New Haven, Norfolk & Western, Northern Pacific, Pennsylvania, Pere Marquette, Southern Pacific, Southern Railway, Texas & Pacific, and Union Pacific.

From the low in June 1921, to the high in November 1928, these Railroad Averages advanced nearly 80 points. They have made the highest price in history, getting above the extreme high level recorded in 1906. The fact that they advanced into new territory in the latter part of 1928 shows the possibility of many rails, which are in strong position going higher during 1929. But the fact that during prosperous times the railroads have been unable to earn an average of 6% on their capitalization does not make them very attractive from a speculative standpoint. Only those, which have merit and show large earnings, will have very big advances during 1929.

The fluctuations between extreme high and extreme low during 1929 are not likely to be less than 20 points and the average may be as high as 30 to 35 points, which means that many high - priced stocks will fluctuate 50 to 75 points between extreme high and low.

The Rails as a rule follow the forecast trend better than the Industrials because they represent only one group of stocks while the Industrials represent fifteen or twenty different groups. The Dow Jones' 20 Railroad Stock Averages are representative of the railroad group and most of the railroads will follow Curve #1 very closely, therefore it is not necessary to give Curve #2 this year.

Railroad Curve #1, you will notice on page #2, runs down from January 2nd and bottom is indicated around the 5th to 7th. Top for the month of January is indicated around the 15th and after this date the main trend is down, prices working lower and reaching first bottom around March 9th to 11th and second bottom around March 28th to 29th. Accumulation should take place around this time and a bull campaign should start. First top is indicated around May 3rd to 4th; then a decline, followed by an advance with second top, possibly a little higher, around June 3rd. Then another decline and irregular market, reaching low level around June 28th and 29th. After that prices will work higher until around July 15th; then decline to the 22nd, followed by an advance to around August 8th to 9th, when final top on rails should be made for another big decline. After this top, prices will work lower from every rally. A big decline is indicated for September; another sharp decline in October, reaching bottom around the 23rd to 24th; then a rally running to around November 21st to 2nd followed by a decline to December 24th, when the 20 Rails will reach the lowest price of the year.

The following Rails are in the strongest position and should have the greatest advances at the times when the bull campaigns are indicated:

Atlantic Coast Line	Del. Lackawanna & W.	Missouri Pacific:p>
Bangor & Aroostook	Erie	New Haven:p>
Brooklyn Man. Transit	Gt. Northern Pfd.	Northern Pacific:p>
Chicago Gt. Western	Hudson & Manhattan	Seaboard Air Line:p>
C.M. & St. Paul Com.	Kansas City Southern	Wabash Common:p>
C.M. & St. Paul Pfd.	Mo. Kansas & Texas	Western Maryland:p>

The Railroad stocks given below are those, which are in the weakest technical position; have had advances and show distribution. They will be the best short sales on rallies during the times that the Forecast indicates declines.

Atchison	Lehigh Valley	Pittsburgh&W.Va.:p>
Baltimore & Ohio	Louisville & Nash.	Reading:p>
Canadian Pacific	N.Y. Central	St.Louis&SanFran.:p>
Chesapeake & Ohio	Norfolk & Western	St.Louis&S.W.:p>
Rock Island	Pere Marquette	SouthernPacific:p>
Delaware & Hudson	Texas Pacific	SouthernRailway:p>
	Union Pacific:p>	

POSITION OF THE VARIOUS GROUPS

With the large number of stocks now listed on the New York Stock Exchange representing the various industries throughout this country and foreign countries, and as these different groups of stocks are affected by supply and demand and the varying conditions in the different parts of the United States and by events which transpire in foreign countries, it is impossible for them to all reach extreme high or extreme low on the same date or even in the same year or the same month. The different time element of the various stocks and groups of stocks will cause some to advance while others decline. Therefore it is well to watch the individual stocks. Watch those that make top in May, those that make top in June and those that make top in August. The ones that make top in the early part of the year and fail to reach higher levels in July or August, will be the ones to lead the decline, because they will have had longer time for distribution. Guard against selling short the late movers until they have had time to complete distribution. You will receive a list of stocks in strongest position and those in weakest position with the Supplement on the first of each month.

The Dow Jones' 30 Industrial stocks are representative of the active Industrials and most of them will follow the Industrial Curve very closely, but some of the individual stocks which are in strong or weak position will vary from this Curve and make tops and bottoms at different times. These special stocks and their position will be covered in the Supplements each month.

The New York Herald Tribune Averages on 70 stocks are a more active and reliable trend guide now than the Dow Jones' 30 Industrials. I am giving the stocks used in these Averages because I will often refer to them in the Supplements issued on the first of each month during the year. The range of these 70 stocks between extreme high and low should not be less than 40 points and will probably reach as high as 70 to 80 points. They take in the representative stocks from the following groups:

COPPERS: Am. Smelting, Anaconda, Cerro de Pasco, Calumet & Ariz., Greene Cananea, Kennecott and Tennessee Cooper & Chemical.

EQUIPMENTS: Am. Car & Fdy., Baldwin Loco, Gen. Ry Signal, Pullman.

FOODS: Am. Sugar Pfd., Armour & Co. of Del Pfd., California Packing, Corn Products, Nat. Biscuit.:p>

MANUFACTURING: Allied Chemical, Allis Chalmers, Am. Can, Am. Radiator, Am. Tobacco, Burroughs Add. Machine, Chicago Pneumatic Tool, Coca Cola, Columbian Carbon, Eastman Kodak, Endicott Johnson, General Electric, Int. Bus. Machine, Int. Harvester and U.S. Rubber.

MOTORS: General Motors, Chrysler Motors, Chrysler Motors Pfd., Jordan, Hudson, Mack Truck, Stewart Warner, Stromberg, Studebaker, White.

OILS: Atlantic Refining, California Petroleum, Houston, Marland Oil, Pan American Pete "A", Pure Oil Pfd., Standard Oil of Calif., Standard Oil of N.J., Texas Company and Union Oil of California.

STEELS: Bethlehem, Crucible, Gulf States, Sloss Sheffield, U.S. Steel, Vanadium.

STORES: Gimbel Bros., Macy, Montgomery Ward, Sears Roebuck and Woolworth.

UTILITIES: American Express, Am.Tel. & Tel., B'klyn Edison, Columbia Gas, Cons.Gas, Detroit Edison, Peoples Gas, Western Union.

IMPORTANT DATES FOR CHANGE IN THE MAJOR TREND

The following dates should be watched for important changes in the major trend of both Industrial and Railroad stocks. If any stock makes top or bottom around any of these dates, you can expect a reversal in trend, especially if there is a sharp decline or a sharp advance around these dates: Feb 8th to 10th, March 21st to 23rd, May 3rd to 7th, June 20th to 24th, August 3rd to 8th, Sept 21st to 24th, Nov. 8th to 11th, Dec. 20th to 24th. These dates are based upon a permanent cycle, which does not change. Important tops and bottoms are made in many stocks every year around these times. Watch the stocks that reach extreme high or low levels around these dates.

DATES FOR ACTIVITY AND WIDE FLUCTUATIONS

The following dates indicate times when stocks will be very active and have wide fluctuations, making tops and bottoms. While all stocks will not make tops and bottoms around these dates, some of the most active ones will and if you watch the ones that turn around these dates, it will prove helpful in your trading:

January 5th to 7th, 12th to 15th, 18th to 24th

February 9th to 12th, 20th to 22nd, and 27th to 28th.

March 10th to 11th, very important for change in trend; 21st to 22nd important; 28th to 29th another very important date for change.

April 3rd, 9th to 10th, 13th to 15th, 21st to 23rd.

May 3rd to 4th – watch stocks that make top around this date; 9th to 11th another important date when some stocks will make bottom and other stocks will make top. 22nd to 23rd and 29th to 31st – very important dates for change in trend; watch for stocks that will make top around this date.

June 1st to 2nd – quite important; 7th to 10th another important change; 21st to 23rd a more important change.

July 3rd to 5th – very important for change in trend; 9th to 10th also quite important; 21st to 24th more important.

August – one of the most important months for change in trend. Many stocks will start on their long down trend. 7th to 8th – quite important; 16th to 17th important; 23rd to 24th important, 29th to 30th of minor importance.

September 2nd to 3rd important; 16th to 17th important, should be bottom of a panicky decline. 21st to 24th important for top; 27th and 28th important for bottom of a big break.

October 2nd, 8th to 9th, 18th to 20th very important, - which stocks which start to decline and go with them; 26th to 28th minor importance.

November 10th to 22nd – a very important period for wide fluctuations. Airplanes, radio and some electrical stocks may have sharp advances. Other important dates for changes are 1st to 2nd, 17th to 19th, and 24th to 25th.

December 1st to 2nd important; 16th to 17th of minor importance; 23rd to 24th greater activity and of major importance.

The above dates are not only important for changes in trend and times when bottoms and tops should be reached, but on these dates important news is indicated and some will be of a sudden, unexpected nature, at times favorable and at other times unfavorable, but causing stocks to be active and fluctuate, making tops and bottoms and changing trend.

HOW TO TRADE WITH THE FORECAST

The time given for tops and bottoms is the most important factor for you to know and watch. It makes no difference about the price a stock is selling at. So long as you KNOW WHEN it will reach low or high levels you can buy or sell and make money. When the Forecast indicates bottom at a certain date and stocks decline, you should buy the ones given as in strong position or the ones we recommend buying and place a stop loss order 3 to 5 points away according to the price the stock is selling at. With stocks that active and have wide fluctuations, making tops and bottoms. While all stocks will not make tops and bottoms around these dates, some of the most active ones will and if you watch the ones that turn around these dates, it will prove helpful in you trading:

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The time given for tops and bottoms is the most important factor for you to know and watch. It makes no difference about the price a stock is selling at. So long as you KNOW WHEN it will reach low or high levels you can buy or sell and make money. When the Forecast indicates bottom at a certain date and stocks decline, you should buy the ones given as in strong position or the ones we recommend buying and place a stop loss order 3 to 5 points away according to the price the stock is selling at. With stocks that sell at \$200 to \$300 per share, it is often necessary to use a stop loss order 10 points away because you have an opportunity to make large profits and can afford to take a greater risk.

Watch the action of stocks around the dates when the Forecast shows that tops or bottoms are indicated and when they hesitate for a few days and fail to make new high or low levels, you should get out and reverse position. Keep up charts and follow the rules in my book, Truth of the Stock Tape, and you will be able to follow the Forecast to better advantage and make more profit.

Do not expect the Averages or individual stocks to advance or decline as many points as shown on the graph or Projected Trend. This is only a guide to show you when big swings and activity are indicated. For example: - Industrial Curve #1 begins at "O" on January 2nd and runs down to "7" on January 5th to 7th, a decline of 7 points on Averages. Some high - priced stocks may decline 10 to 20 points at this time while other low and medium - priced stocks will decline only 2 to 5 points. While some stocks which are late movers and in very strong position will follow Curve #2 and move up during January at the same time that high - priced leaders decline, the main thing is that Curve #1 shows a sharp advance from January 5th to 7th up to January 12th and Curve #2 shows up trend all the month of January. Therefore you should watch for a decline and buy the strong stocks around January 5th to 7th, then watch for top January 12th to 15th, sell out and go short of the stocks, which are in our short sale list. Then on January 30th, if there has been a big decline as shown by Curve #2, you should cover shorts and buy for a rally and if stocks advance to February 13th to 15th, watch for top, sell out longs and go short because Curve #1 indicates a big decline the last half of February and during March.

The big buying opportunity will come in March. Around March 10th to 11th and 28th to 29th, you should buy the best stocks to hold for the spring bull campaign into late May. Both Curve #1 and #2 indicate a big decline from July and August to December, therefore from July and August you should play the short side and wait for rallies to sell short rather than buy on breaks because the main trend will be down and you should never buck the trend but go with it.:p>

Remember you must buy and sell at the right time regardless of prices. No matter how high stocks are, if they are going higher, you should buy. It makes no difference how low they are; if the trend is down and they are going lower, you must sell short and go with the trend. Take a loss quickly if you see that the Forecast is off or you have picked the wrong stock. Do not hold on and hope. Delays are dangerous. It is easy to make back small losses, but hard to regain big ones. Follow the rule cut short your losses and let your profits run. Learn to act quickly. How much better to take action now than to trust uncertain time. You can always get in the market again so long as you have money. New opportunities always come if you have patience and cash to take advantage of them.

1929 PREVIEW

JANUARY, FEBRUARY AND MARCH

While the New Year opens under favorable conditions and you will hear much about great prosperity and the newspapers will be optimistic for the future, the bright outlook is likely to be clouded with war or complications in foreign countries. Trouble is threatened to the United States thru Mexico or Japan. Peace pacts are likely to be broken. Spain and France will arouse opposition. Agitation over religion in some of the foreign countries will disturb peaceful conditions.

Great storms are indicated in the south and southwestern parts of the United States during the early spring. Much loss and damage by fire. In March when President Hoover takes office, if some law has not already been passed, he will advocate having one passed to help the farmers. This will cause an advance in commodities and in turn help agricultural stocks. Airplane concerns will make rapid progress in the spring and from a panicky depressed stock market in February and March, a spring bull campaign will take place. Steel business will be quite active. Electrical concerns will do a large business and there will be a boom in oil stocks.

APRIL, MAY AND JUNE

The spring quarter indicates unfavorable weather for starting crops. Storms, rains, and danger of a tidal wave along the Gulf of Mexico. Commodity prices will advance and business in general will improve. A wild wave of speculation in oils, coppers, rubbers, sugars and airplane stocks will make this a very active period. Along in May or June, foreign competition will begin to hurt business in some lines in this country. This will cause a depressing effect on stocks and they will decline.

JULY, AUGUST AND SEPTEMBER

During this period, some of the foreign countries will prosper and we will have great competition to face. War or trouble with foreign countries, is threatened. A very mixed market during this period with some stocks advancing while others decline. Speculation will shift from stocks to commodities on account of short crops. Foreign crops will be short in some of the countries. Storms and unseasonable weather will cause damage.

August will be marked by many electric storms and damage by fire. Some new discoveries will help chemical stocks around this time. Germany and France will make great strides in aviation.

September: - A great change in business conditions will set in around this time which will cause a severe decline in the is stock market. Textile and woolen stocks will prosper and these will be among the last stocks to advance. During the months of April, August, September and October, there is danger of war and trouble thru foreign countries.

OCTOBER, NOVEMBER AND DECEMBER

Settlement of the debt question with France will again come to the front. Other countries will arrange some favorable agreement in regard to trade, which will cause business depression here. A great change in the business outlook will set in as we near the end of the year. Corporation earnings will show depreciation and be disappointing.

The month of October indicates some advance in mining stocks. The oil and sugar stocks will be among the last to advance around this time. During November the chemicals and oils will have a boom for a short time and make final top. In December foreign business with South American countries will be good, but we will have competition from some of the European countries.

MONTHLY INDICATIONS

JANUARY

The New Year starts off under favorable conditions, but profit taking will start and stocks will sell off sharply the first few days. Then food buying will appear and an advance will start. The oils, rubbers, chemicals, and airplanes will lead the advance, reaching top around the 12th to 15th. Around the 18th to 24th some rails, electrics and steels will advance. Some trouble in foreign countries, probably Germany or France, will have an unfavorable effect and will help to start the decline here. Watch for top; sell out long stocks and go short. Quite a decline will take place to the end of the month.

INDUSTRIAL STOCKS indicate extreme high for the month around the 12th to 15th; extreme lows around the 5th to 7th and 30th. Minor moves: - January 2nd decline should start; 5th to 7th bottom of decline. Heavy buying should start around this time and a sharp advance should take place-making top around the 12th. 19th bottom of decline; 24th top of rally; then follows heavy selling and a sharp decline, reaching bottom around the 30th.

RAILROAD STOCKS indicate extreme high for the month around the 15th; extreme low around the 5th to 7th and 30th. Minor moves - January 2nd top, when decline should start; 5th to 7th bottom for quite a rally; 15th top of strong rally, when another decline should start; 21st bottom of decline; 24th top of rally. From this top a big decline should take place reaching low for the month around the 30th.

Dates to watch for change in trend: - the dates marked "XX" are the most important and indicate a major change in trend. You should watch for important changes around these dates. The dates marked "X" only indicate minor changes in trend, which will only last for a few days. - January 5th - 7th XX, 11th - 12th X, 25th - 26th XX, 31st X.

FEBRUARY

Business will fall off and we will hear some discouraging reports. The Federal Reserve Bank will make some change or threaten to curb speculation. There will be talk of new banking laws, which may be adverse to speculation. The general list of high - priced stocks will decline this month, altho the market will be mixed. Sugars, rubbers and late movers will have some advances. The railroad, airplane, radio and electric stocks will rally from every decline. Around the 12th to 13th of the month some of the oils, rubbers and sugars will be quite strong. The general list of old time leaders; however, will work lower from every little rally.

INDUSTRIAL STOCKS indicate extreme high for the month around the 13th to 14th and extreme low around the 28th. Minor moves: 1st to 4th advance; then follows a decline to the 8th, when bottom should be reached for another quick rally; 13th to 14th top, sell out and go short. Expect heavy liquidation and a sharp, severe decline reaching bottom around the 28th for a moderate rally.

RAILROAD STOCKS indicate extreme high for the month around the 15th and extreme low around the 28th. Minor moves - 1st to 5th advance and make top for a moderate decline; 9th bottom of decline; expect quick rally in some rails, reaching high around the 15th, followed by a sharp decline making bottom around the 28th.

Dates to watch for change in trend: - 9th to 12th XX; 19th to 20th XX; 23rd to 24th X, 28th X.

MARCH

Mr. Hoover will take the office of President of the United States this month and in the early part of the month there will be a demonstration in stocks and quite an advance, but it will not hold and a sharp,

severe decline will take place in many stocks before the end of the month. Some trouble is likely to come up in connection with Spain or Mexico, which will upset the market. Airplane stocks will be quite strong during the dates indicated for advances to take place. The oils, sugars and chemicals will hold up better than other stocks. Traction stocks will be strong and there is likely to be some development in connection with the subway fare, which will cause an advance in New York traction stocks. The steels, motors, rails and electrical issues will break during the early and latter part of the month.

INDUSTRIAL STOCKS indicate extreme high for the month around the 4th to 5th; extreme low around the 28th to 29th, altho some stocks will reach low for the month around the 14th to 15th. Minor moves: 1st to 5th strong advance. The market will be discounting President Hoover's inauguration. A sharp decline follows, making first bottom around the 14th to 15th; then a quick rally in many stocks reaching top around the 20th, followed heavy liquidation and a sharp decline to around the 28th or 29th when final bottom will be reached for another bull campaign. This is the time to buy the stocks in strong position as they will have sharp advances and work higher into the summer.

RAILROAD STOCKS indicate extreme high for the month around the 4th to 5th; extreme low around the 9th to 11th and 28th - 29th. Minor moves: - 1st to 5th strong market. Stocks behind the market will lead the advance. From the top around the 4th to 5th quite a sharp decline will take place, culminating around the 9th to 11th; then follows a moderate rally reaching top around the 16th; then another decline, making final bottom around the 28th to 29th when you should buy the stocks in strong position for an advance which will last into the early days of May.

Dates to watch for change in trend: - 4th to 5th X; 10th to 11th XX; 16th X; 21st to 23rd X; 28th to 29th XX.

APRIL

The public will again come into the market on a large scale and there will be a wild wave of speculation, especially in the oils, coppers, rubbers, sugars and airplane stocks. The chemicals, airplanes and radio stocks will have rapid advances. Some action by the Government on law passed will cause a break, which will run down to around the 15th. Money rates will be quite high. 16th to 30th - - General news will be more favorable and stocks will have better advances. Foreign trade will increase, especially with the South American countries.

INDUSTRIAL STOCKS indicate extreme low for the month around the 12th to 13th and extreme high around the 20th to 22nd. Minor moves: - 1st to 3rd top of quick advance; 12th to 13th bottom for another big advance; 20th to 22nd top of sharp rally; then follows a decline making bottom around the 26th to 27th when stocks should be bought for another advance, running to the end of the month and continuing into May.

RAILROAD STOCKS indicate extreme low for the month around the 10th to 11th and extreme high around the 20th to 22nd, altho they will be quite strong and some will make higher just at the end of the month. Minor moves: - 1st to 3rd - 4th quick advance; then follows a moderate decline, reaching bottom around the 10th to 11th, when a sharp advance will take place, stocks running up fast and making top around the 20th to 22nd, followed by a reaction to the 25th; then a strong advance to the end of the month.

Dates to watch for change in trend: - 2nd to 3rd X; 9th to 10th X; 13th to 15th XX; 21st to 23rd XX; 26th to 27th X.

MAY

This is a month for great activity in the stock market. We will hear some very bullish news about general business conditions. There will be some large combines, consummation of mergers; large financial deals will take place and there will be much talk of continued prosperity, all of which will cause the public to buy stocks at the top. General news will be very bullish and stocks will fluctuate over wide ranges. Some stocks will reach high around the early part of the month and have a break around the middle of the

month. Where will be a boom in rubbers, sugars, oils, airplane, radio and electrical stocks? These will be the leaders. Watch for top and sell out. Do not overstay your market, as a big break will take place in June.

INDUSTRIAL STOCKS indicate extreme high for the month around the 29th to 31st and extreme low around the 9th to 10th. Minor moves: - 1st to 4th quick rally, making top for a sharp reaction; 9th to 10th bottom of decline; buy for another sharp advance; 16th top of rally, but only for a minor reaction; 20th - bottom of reaction. Stocks in strong position will have a rapid advance between the 10th and 29th. Watch for top around this time.

RAILROAD STOCKS indicate extreme high for the month around the 3rd to 4th; extreme low around the 11th to 13th, altho some issues will go to extreme high around the end of the month. Minor moves; - 1st to 3rd strong market, making top around 3rd to 4th. Then follows a decline, making bottom around the 11th to 13th, followed by an advance making first top around the 25th for a moderate reaction to the 28th; then rally to the end of month.

Dates to watch for change in trend: - 3rd to 4th X; 9th to 10th XX; 22nd to 23rd X; 29th to 31st XX.

JUNE

A sharp decline and heavy liquidation in many stocks is indicated for this month. There will be war in foreign countries or war rumors. Strikes at home as well as abroad. Crop news will be unfavorable. Storms or earthquakes on the southern border and in Mexico will do damage and help to unsettle the market. The outlook for the summer business will be very much mixed. One of the major cycles and time factors runs out this month and a very important change in trend is indicated. High priced stocks will have rapid declines and many stocks will make extreme high for the year. The tin, oils and agricultural stocks and also the chemicals will break badly after reaching top in the early part of the month. Motors will also decline sharply.

INDUSTRIAL STOCKS indicate extreme high for the month around June 1st; extreme low around the 22nd to 24th. Minor moves: - 1st to 2nd advance and make top for a big decline; 10th to 11th bottom of sharp decline; then follows a moderate rally reaching top around the 17th, followed by heavy liquidation and sharp decline making bottom 22nd to 24th. From the 24th to the end of the month many stocks will have quite a rally.

RAILROAD STOCKS indicate extreme high for the month around the 3rd; extreme low around the 10th to 11th and 28th to 29th.

The rails will not move in a very wide range this month, except a few of the very high - priced issues. Minor moves: - 1st to 3rd advance; 4th to 10th - 11th sharp decline; then follows a moderate rally, reaching top around the 21st to 22nd followed by liquidation and lower prices, making bottom for the month 28th to 29th.

Dates to watch for change in trend: - June 1st to 2nd XX; 7th to 10th X; 21st to 23rd XX; 28th X.

JULY

Another advance will take place this month and many stocks will have sharp rallies and reach the final high for the year. The airplane companies will prosper and their stocks will advance. Electrical and chemical stocks will also record sharp advances. Pools will rush up stocks as fast as they can to unload. The late movers will be brought into line while distribution is taking place in the old time leaders. Sugars and rubbers should have some sharp advances. A very important major time factor ends at this time and indicates the starting of a big prolonged bear campaign. Remember that the last high for the year well occur in many stocks. A great deluge and panicky decline will follow the top at this time, resulting in a

"Black Friday" in September. There are likely to be some labor troubles and strikes in the west and south, which will interfere with the business outlook.

INDUSTRIAL STOCKS indicate extreme high for the month around the 20th; extreme low around the 9th to 10th. Minor moves 1st to 3rd strong market, making top for a quick decline; 9th to 10th bottom of sharp decline; then follows a rapid advance, making top on the 20th; decline reaching bottom on the 22nd; followed by a strong market to the end of the month.

RAILROAD STOCKS: - The rails will move in a comparatively narrow range this month. Extreme low is indicated around the 9th to 10th and 22nd; extreme high around the 15th. Minor moves: - 1st to 3rd advance; then follows a decline making bottom around the 9th to 10th; a quick rally to the 15th; then follows a sharp decline reaching bottom on the 22nd, followed by an advance to the end of July.

Dates to watch for change in trend: - 3rd to 5th XX; 10th X; 21st to 24th XX; 30th to 31st X.

AUGUST

A few of the late movers will advance this month and reach final high. Chemical stocks will be among the last to advance. The steels and oils will be strong for a while and the sugars and rubbers will make final top. Unfavorable news will develop which will start sharp declines and the long bull campaign will come to a sudden end. Money rates will be high and final top will be reached for a big bear campaign. Stand from under! Don't get caught in the great deluge! Remember it is too late to sell when everyone is trying to sell. There will be electric storms, which will cause damage to crops, and heavy losses are indicated thru fires.

INDUSTRIAL STOCKS indicate extreme high for the month around the 7th to 8th; extreme low 29th to 30th. Minor moves: - The first of the month starts in strong and prices run up fast reaching top around the 7th to 8th; then heavy selling will take place and a sharp decline will follow, bottom being reached around the 16th to 17th, but only for a small rally; 23rd to 24th top of rally, followed by heavy liquidation and lower prices, making bottom for the month around the 29th to 30th.

RAILROAD STOCKS indicate extreme high for the month around the 8th to 9th, although some industrial stocks and rails among the late movers will hold up and not make top until the 14th to 15th as indicated on Curve #2. Extreme low for the month for rails indicated around the 30th to 31st. Minor moves: - 1st - advance will start and prices will run up fast, making top around the 8th to 9th; then follows a fast decline, reaching bottom around the 20th to 21st followed by moderate rally to around the 25th; then a sharp decline making low for the month on the 30th to 31st.

Dates to watch for change in trend: - 7th to 8th XX; 16th to 17th X; 23rd to 24th XX; 29th to 30th XX.

SEPTEMBER

One of the sharpest declines of the year is indicated. There will be loss of confidence by investors and the public will try to get out after it is too late. Storms will damage crops and the general business outlook will become cloudy. War news will upset the market and unfavorable developments in foreign countries. A "Black Friday" is indicated and a panicky decline is stocks with only small rallies. The short side will prove the most profitable. You should sell short and pyramid on the way down.

INDUSTRIAL STOCKS indicate extreme high for the month around the 2nd to 3rd; extreme low 27th to 28th. Minor moves: - 2nd to 3rd top of moderate rally. Heavy liquidation will break out around this time. Unfavorable news will develop and a sharp, severe decline will take place, reaching first bottom around the 16th to 17th, but only for a small rally. 20th to 21st top of moderate rally followed by another heavy wave of liquidation, carrying prices down to extreme low levels around the 27th to 28th, from which level a moderate rally will follow.

RAILROAD STOCKS indicate extreme high for the month around the 3rd; extreme low at the end of the month. Minor moves: - 1st to 3rd advance. Liquidation will start around this time and a sharp decline will follow, carrying prices down to around the 16th - 7th; then a moderate rally on short covering with top around the 23rd - 24th, followed by a sharp decline running down to the end of the month.

Dates to watch for change in trend: - September 2nd to 3rd XX; 16th to 17th XX; 21st to 24th X; 27th to 28th XX.

OCTOBER

General business conditions will be getting worse and the country will suffer from the over - speculation. Money rates will be high and bankers will call loans, causing some sharp declines in stocks after rallies. The chemical, electrical and airplane stocks will hold up and have some quick rallies around the dates indicated for advances.

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INDUSTRIAL STOCKS indicate extreme high around the 18th to 19th; extreme low around the 8th to 9th and 26th to 28th. Minor moves: - October 2nd top of small rally from which a sharp decline will take place; 8th to 9th bottom of decline, when a better advance will take place, especially in the stocks in strong position; 18th to 19th top of rally. Stocks in weak position will have a sharp decline, running down to the 26th to 28th; then follows a moderate rally to the end of the month.

RAILROAD STOCKS indicate extreme high for the month around the 10th to 11th; extreme low 23rd - 24th. Minor moves: - 1st to 4th decline and make bottom for a moderate rally; 10th to 11th top of rally; then follows a heavy wave of liquidation and lower prices making bottom around the 23rd to 24th, followed by a moderate advance to the end of the month.:p>

Dates to watch for change in trend: - 2nd to 4th XX; 8th to 9th X; 18th to 20th XX; 26th to 28th X.

NOVEMBER

The oils, chemicals and rubbers will have a final advance this month and make top for another decline. Business conditions will be growing more unfavorable. There are likely to be earthquakes in Mexico or California. This will disturb the stock market and depress business. This is the month for war news from foreign countries and some great leader abroad will show his power. The latter part of the month is very unfavorable and some sharp declines will take place. But the airplane, radio and electrical companies and some of the rails will have an advance around the 10th to 22nd.

INDUSTRIAL STOCKS indicate extreme high for the month around the 2nd to 4th; extreme low around the 23rd to 25th. Minor moves: - follows heavy selling and a sharp decline, reaching bottom around the 11th to 12th, but only for a moderate rally; 18th to 19th top of advance. From this level there will be another sharp, severe decline carrying prices down to low levels around the 23rd to 25th. Then follows a moderate rally to the end of the month.

RAILROAD STOCKS indicate extreme high for the month around, the 21st to 22nd; extreme low around the 27th to 28th. Minor moves; - 1st to 2nd top of moderate rally; then follows a decline, reaching bottom around the 9th to 11th; then a quick rally, making top around the 21st to 22nd followed by heavy liquidation and a sharp decline, making bottom around the 27th to 28th.

Dates to watch for change in trend: - 1st to 2nd XX; 11th to 13th X; 17th to 19th XX; 24th to 26th X.

DECEMBER

Our business in some of the foreign countries will increase. Speculation will shift from stocks to commodities. The U. S. Government is threatened with great opposition, if not danger of war. General business outlook will grow very much more unfavorable Panicky declines in stocks will take place.

INDUSTRIAL STOCKS indicate extreme high for the month around the 2nd; extreme low around the 23rd to 24th. Minor moves: - 1st to 2nd advance; then follows a sharp, severe decline and heavy liquidation with only small rallies indicated lasting one to two days, reaching extreme low around the 23rd to 24th; then follows a quick rally reaching top on the 28th followed by decline to the 31st.

RAILROAD STOCKS indicate extreme high for the month around the 2nd; extreme low around the 23rd to 24th. Minor moves: - 1st to 2nd advance; 3rd to 10th sharp decline, making bottom for only a moderate rally; 15th top of rally; then heavy liquidation and a decline running to 24th; then follows a rally to the end of the month.

Dates to watch for change in trend: - 1st to 2nd XX; 16th to 17th X; 23rd to 24th XX; 28th X.