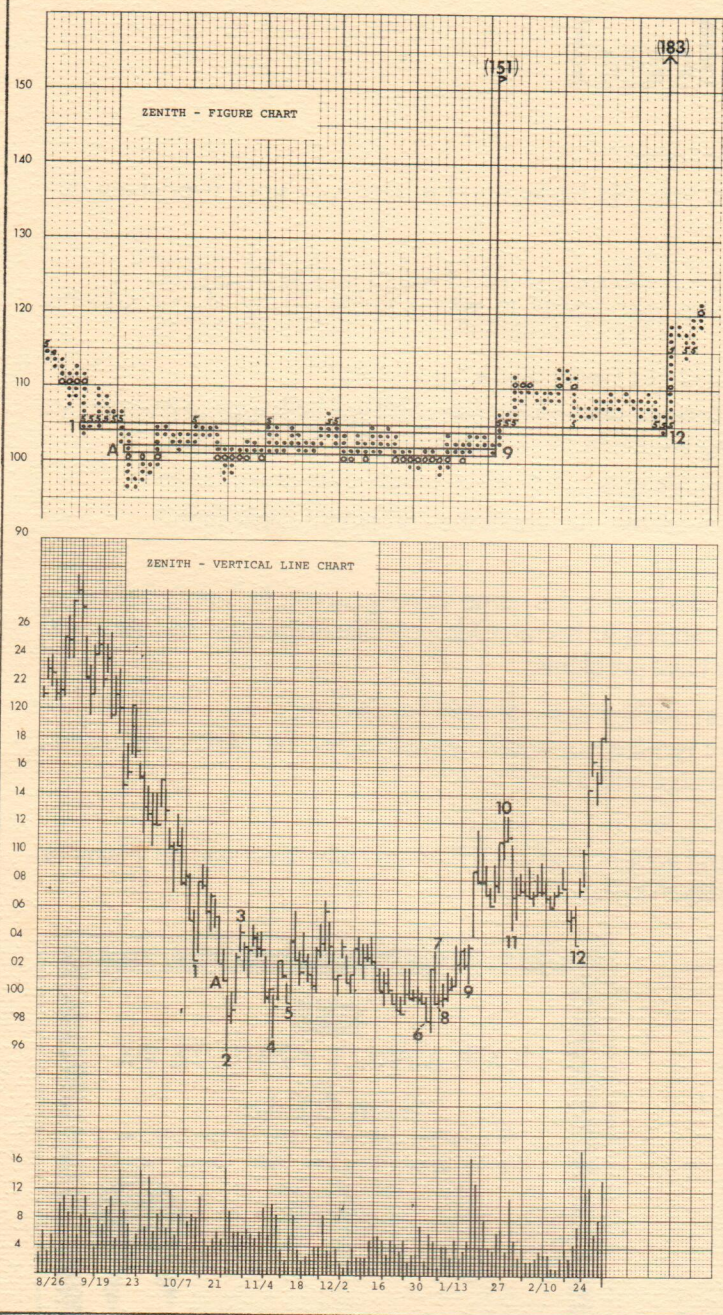




**CHARTING SERVICE**  
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**Directions:** The important points on the above chart have been identified by a number. These are explained in the correspondingly numbered paragraphs at the right. The letter "A" on the chart is discussed in a recording available free upon request.

# **1 Preliminary Support**

This is a point prior to the selling climax where the first meaningful buying takes place to overcome supply temporarily.

## **2 Selling Climax**

A point at which the fears and frustrations of many holders of stock give in to the urge to sell. More knowledgeable people buy everything offered. This usually "cleans out" the supply and leads to the...

## **3 Automatic Rally**

With little supply, the price "floats" upward until it reaches sellers.

## **4 Secondary Test**

An attempt by the stock to resume the decline. A test of the amount of supply still present.

## **5 Secondary Test**

The high volume (supply) in the first secondary test (point 4) caused this stock to test again.

## **6 Spring**

More testing. Has the effect of shaking out additional "loose" stock. If supply is extremely heavy, stock at this point will resume decline.

## **7 Minor Sign of Strength**

Following the spring, or supply test, the stock snaps upward easily, giving evidence of strength and good demand.

## **8 Minor Last Point of Support**

If it holds here, a rally of greater proportion will likely get under way.

## **9 Minor Point of Support**

Price breaks minor uptrend across points 6 and 8 on low volume and is quickly elevated by good demand closing on top.

## **10 Major Sign of Strength**

Strong demand drives the price up out of the trading range on wide spread.

## **11 Shakeout**

Sharp decline on wide spread. Has all the earmarks of a resumption of the decline, but supply is inadequate to keep it going down.

## **12 Major Last Point of Support**

One last test of supply. (Look at extremely low volume on that day.) A major advance is about to begin.