



of abnormal stress and uncertainty.

**The Relationship of Intrinsic Value to Market Price.**—The general question of the relation of intrinsic value to the market quotation may be made clearer by the appended chart, which traces the various steps culminating in the market price. It will be evident from the chart that the influence of what we call analytical factors over the market price is both *partial* and *indirect*—partial, because it frequently competes with purely speculative factors which influence the price in the opposite direction; and indirect, because it acts through the intermediary of people's sentiments and decisions. In other words, the market is not a *weighing machine*, on which the value of each issue is recorded by an exact and impersonal mechanism, in accordance with its specific qualities. Rather should we say that the market is a *voting machine*, whereon countless individuals register choices which are the product partly of reason and partly of emotion.

RELATIONSHIP OF INTRINSIC VALUE FACTORS TO MARKET PRICE

