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From: ROHR Alert <rohralert@gmail.com>
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To: undisclosed-recipients:
Subject: ROHR ALERT!! Same Old US-China Dance?

Dear Subscribers,
What's going to change by the end of this week that will allow for elimination or at least a delay in the December 15th next proposed US hike on Chinese tariffs? It is now the critical question with no obvious movement on either side. While there has been 'happy talk' on from both sides on still constructive talks, the latest missives from China do not actually indicate any movement.

As noted in this morning's Reuters article (https://reut.rs/2DZTxje), China is still saying any Phase I agreement needs to based on "*equality and mutual respect*." As noted previous, that's Chinese code language for tariffs reductions merely in exchange for agricultural purchases; and the US side cannot acquiesce to such blatant ignorance of more major core issues (IP and forced technology sharing.)

That said, as noted in Friday's 'US Employment Romps' ALERT!!, the blowout US Employment report (addition of 266,000 Nonfarm Payrolls vs. the 180K estimate) is very good for US equities in the near term. Yet that also still seems contrary to global economics apparent in the global govvies resilience. The reason for that was reinforced in this morning, including from weak Chinese trade numbers.

Yet the more telling indication is this morning's latest OECD Composite Leading Indicators (CLI http://bit.ly/2RA16VO.) While there is some sign of stabilization, this 6-month forward view still shows weak projections for most of the global economy; especially Europe outside of France and even the US. This highlights the importance of the seemingly still elusive US-China trade agreement. Yet it is also the case that as long as talks remain amenable there is a reasonably good chance that Donald Trump will defer the deadline. (The full discussion of that is available in last Thursday's 'December 15th Crunch?' ALERT!!)

This is the critical consideration
The December S&P 500 future early November push above the weekly topping line (broken red line on weekly chart http://bit.ly/36hbwh2) set the stage for the extended seasonal rally. That was after the major August break and September's subsequent failure above 3,000 that did not reach the 3,029.50 July high.
This reinforced the importance of the overrun 3,065-70 Oscillator resistance into that weekly topping line, held on the early November correction. Weekly MA-41 moving up $10/week meant it was important to sustain the rally above 3,105-10 last week, with a buffer to recent 3,090 reaction lows. Even after it violated those lows in a sharp reaction to Donald Trump's early week musings on heavy deferral of the Phase I US-China trade deal, last Tuesday it already held and rebounded from the retest of that very important violated lower resistance.

That includes the 3,065-70 range where it overran the Oscillator resistance into that weekly topping line back in early November. Of note, weekly MA-9 and a key lower Oscillator threshold were also in that area. Back above 3,090 and 3,105-10 leaves 3,145-50 higher resistance. That is also important relative to last week's 3,158 new all-time high, with 3,185-90 the next Oscillator threshold above.

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