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To: alan.rohrbach@rohrintl.com
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Dear Subscribers,

It is a statement of the glaringly obvious to say that US EQUITIES (and to a lesser degree the other GLOBAL EQUITIES) are on the 'trade talks yin-yang' this week. On anticipation and announcement of an updated US-Mexico trade deal, US EQUITIES rallied late last week and exceeded the January high on Monday (more below.)

As that new trade arrangement led to speculation that Canada might soon join in for a fully updated NAFTA agreement, US EQUITIES also churned up through the next higher weekly Oscillator resistance (also more below.) As the discussions with Canada have a working deadline of this Friday and some key items remain contentious, it is not so surprising US EQUITIES have stalled up into recent new highs after going straight up since last Friday. With negotiators being very quiet about any progress, EQUITIES are stuck in trade talks yin-yang.

Yet there is one more factor that illustrates the strength and overall resilience of US EQUITIES: the glaring lack of any negative reaction on a renewed debacle in the TURKISH LIRA. Massive current account deficit, still deficient government policies, and a major financial company debt downgrade (more at https://read.bi/2PhWLSA) all contribute to this; and weighs on other EMERGING CURRENCIES. Yet as noted previous, at some point this makes US EQUITIES more attractive rather than weighing

on them. There are also quite a few of the other reasons for US EQUITIES strength in Wednesday emailed note that reinforce our recent views on this.

Market Quick Take

SEPTEMBER S&P 500 FUTURE 2,800-10 area resistance was modestly exceeded into mid-July. Subsequent concerns left only very modest slippage back below that area until the more positive sentiment returned into late July. Higher resistances remained in the 2,840-50 area, reinforced by the late July downside reaction from that area, and seemingly reinstated on the mid-August drop back below it.

Yet not for long, even if subsequent initial recoveries stalling into the low end of that range confirmed its prominence. However, it was exceeded once again on the mid-August surge from the still key 2,810-00 support. It was also higher again early last week in spite of USD/TRY strength (see last Monday's emailed note for more on that), and held the high end of the 2,840-50 range on the politically-driven reaction last Wednesday morning (see above.)

Higher resistance at the 2,878.50 January all-time high was exceeded this Monday morning, with the next classical weekly Oscillator resistance into 2,895-2,900 also overrun by Wednesday afternoon. While we often discount the technical importance of the 'big penny' level, in this case it is meaningful (now as the next lower support as well.) Next classical Oscillator resistance is the 2,925-30 area, with 'adjusted' Oscillator thresholds at 2,945 and 2,965-70 (updated March 2017 and available via the Rohr-Blog sidebar.)

The balance of views on the GOVVIES and DEVELOPED ECONOMY CURRENCIES remain much the same as Tuesday's Extended Market Take that was repeated in Wednesday emailed note. The real changes are of course in the EMERGING CURRENCIES. To begin with the most extreme, the TURKISH LIRA has now been trashed again on the USD/TRY pushing not just back above the two weeks ago Wednesday's 6.00 hyper-aggressive channel DOWN Break; it is also in the process of Negating the 6.40-6.50 DOWN Closing Price Reversal (CPR) from two weeks ago. This is quite a feat, as the formal Tolerance of that DOWN signal was all the way up at the

6.6448 trading high three weeks ago (prior to the following Monday's extreme 7.10 area ultimate trading high as part of DOWN CPR pattern.)

That would point to a likelihood 7.0984 (reinforced by an extended weekly Oscillator projection) will not end up being the end of the USD/TRY push higher. The further extended Oscillator projections are into the 7.22 and 7.37. Of course, those are only truly relevant if the current LIRA weakness does not hyper-accelerate once again. And in any event they will rise by another 0.07 next week due to the major acceleration of a normally more gradual increase in the longer-term weekly MA-41. What we know for now is that the Negation of the 6.00 hyper-aggressive channel DOWN Break leaves that as trend support on any setback.

USD/ZAR had also ratcheted back above 13.40-.50 to fully above both June's 14.00 high and the 14.50-.60 area not seen since November 2017. Yet recent spikes above that area and its 14.75 August 2016 high Tolerance were temporary, weakening off back below 14.50-.60 area until today. As such, some of that must be attributed to contagion out of the LIRA.

USD/BRL that had for some reason been the EMERGING CURRENCIES relative tower of strength in only squeezing back up from the mid-3.00 area into the upper-3.00 area finally pushed to a new high above its June-July 3.95 area trading highs. Yet as noted previous, there was 4.06-4.07 congestion with the extended resistance into the 4.16 January 2016 high it has more or less respected so far.

USD/MXN has also ratcheted up from 18.40-.50 to above 19.00 once again, yet with next resistances in the 19.30-.40 range (including weekly MA-13) restraining that rally well short of the 19.90-20.00 area next major resistance. Recently below 19.00 (also weekly MA-9 and MA-41) opened the door to another test of mid-18.00 area prior to today's push back above 19.00.

The other really weak sister in addition to the TURKISH LIRA based in part on US sanctions is the RUSSIAN RUBLE. Of course that is also exacerbated by the extended weakness of CRUDE OIL. USD/RUB finally also pushed well back above its 4-month sustained 64.00-62.00 trading range (with temporary aberrations) early this month. Well above the 65.00 area April high since that time has seen it push above resistance in the

66.50-67.00 area as well. Next resistance is not until the 68.50-69.00 area tested at the height of the previous TURKISH LIRA debacle two weeks ago and again last Thursday, yet not currently retested… at least not yet.

Even if it seems a bit less relevant in the midst of the more important global tariffs and trade concerns as well as the partial EMERGING MARKETS crisis, this week's Weekly Report & Event Calendar (accessible for Sterling and higher level subscribers) is available via the www.rohr-blog.com sidebar. This week has seen all of the typical major late month economic data along with some NGO reports (like Wednesday's OECD G20 International Trade Statistics), yet with some important data remaining on Friday into the US Labor Day long weekend into next Monday's holiday.

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