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To: alan.rohrbach@rohrintl.com
Subject: ROHR-BLOG: Calm Before the Storm, Repeat Quick Take, Powell Interview, Calendar

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Dear Subscribers,

We are sending a simple note today because not much has changed from yesterday's more extensive assessment in the wake of the US-Canada trade agreement that brings a consolidated North America back together as a trading block. This was an especially pleasant surprise for the EQUITIES after they slipped on a Trump banana peel last Wednesday afternoon due to his antagonistic trade comments directed at Canada.

Yet even at that we noted US EQUITIES that were back up well above the previous all-time high they have slipped to test this morning (more below) were only up to the next higher Oscillator resistance (also more below) they ultimately failed to escape on Monday.

Please see Monday's emailed note for much more on our consistent strong focus on the US-Canada negotiations as critical to an updated NAFTA agreement. That fosters a greater likelihood a consolidated West (including the EU, Japan and others) will be able to challenge China's predatory trade practices.

The confirmation of this stance was delivered last Wednesday in the form of the US-EU-Japan statement on the matter (http://bit.ly/2P0TmI5.) Please see last week's emailed notes for more on other constructive economic indications from the OECD and elsewhere prior to more major economic

data for the rest of the week. That may well be more decisive for US EQUITIES and other asset classes.

Repeat Market Quick Take (with minor adjustment)

FRONT MONTH S&P 500 FUTURE still had higher resistance into the 2,840-50 area in early August. It was reinstated on the mid-August drop back below it. Yet not for long, even if subsequent initial recoveries stalled into the low end of that range. However, it was exceeded once again on the mid-August surge.

Higher resistance at the 2,878.50 January all-time high was exceeded in late August, and has held on subsequent selloffs. Next weekly Oscillator resistance into 2,895-2,900 was also overrun. Slipping below 2,895-2,900 congestion left it near-term resistance the SEPTEMBER CONTRACT pushed above in mid-September.

And the 5.00 premium DECEMBER S&P 500 FUTURE looked that much better after September contract expiration. Higher resistance at the recent front month 2,917.50 high was exceeded, yet was dropped below again on the US-Canada trade concerns last Wednesday. It was reinforced by Oscillator resistance that rises to 2,930-35 this week: hence our concern a bit more upside confirmation is needed even if 2,917.50 should be near-term support. 2,960-65 is next classical Oscillator resistance this week. If that is exceeded, the 'extended' Oscillator levels are the interim 2,980 and the more major 3,000-05 (see www.Rohr-Blog.com Rohr ALERT!! sidebar link for the extended Oscillator thresholds table.)

The degree to which the forward looking trade considerations are still the key market influence in all asset classes is amply demonstrated by the recent relative improvement in the economic data that was NOT able to inspire even strong US EQUITIES last week prior to this week's resurgence on the US-Canada rapprochement.

Once again note both the very upbeat FOMC rate hike statement (http://bit.ly/2Oi7rUy for our lightly highlighted version) and even more so Chair Powell's upbeat press conference. He even responded to one question on the US economy growing faster than expected with the statement, "...and that's a good thing." Hardly sounds like the Fed is trying to derail either the

economy or US EQUITIES.

And spilling over from two weeks ago is still the OECD Interim Economic Outlook (http://bit.ly/2xQTogU.) In the event this always important view showed there are international trade stresses that could worsen. Yet it also crystalizes the prevailing cross current in noting that despite higher interest rates and trade concerns to date, the global economy remains strong led by US growth.

The bottom line is that US EQUITIES are leading the way up again while GOVVIES give back some of last week's 'haven' bid from intensified global trade concerns due to now resolved US-Canada issues. That said, the flight from ITALIAN BONDS is helping GERMAN BUND prices on a flight to quality, and the same sort of psychology is also maintaining the 'haven' bid back into the US DOLLAR… yet this is now no longer consistent with current US EQUITIES resurgence.

We refer you back to our Friday September 21st emailed note for more of the critical levels on the price trends, which remain exactly the same other than the shifts in US EQUITIES Oscillator levels. We will be updating those after we hear Fed Chair Powell's interview Wednesday at the Atlantic Forum, as that will be the last major influence prior to the more prominent late week economic data. That is at 16:00 EDT Wednesday, and can be viewed live (click on the start video arrow in the top main festival display) at *https://www.theatlanticfestival.com/*.

While still seeming a bit less relevant in the midst of obviously more major global trade cross currents, this week's Weekly Report & Event Calendar (accessible for Sterling and higher level subscribers) is available via the www.rohr-blog.com sidebar. Today began with the mixed yet still firm Manufacturing PMI's, Tuesday will see a lot of central bank influence (including the Fed's Powell in the afternoon), and other important data intensifying late week into the culmination in Friday's US and Canadian Employment reports.

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