From: no-reply@vrmailer3.com on behalf of ROHR-BLOG <info@rohr-blog.com>
Sent: Monday, October 08, 2018 9:56 AM
To: alan.rohrbach@rohrintl.com
Subject: ROHR-BLOG: Columbus Day Non-Holiday, Europe Stressors, Quick Take, Calendar

View this email in your browser

Dear Subscribers,

With US cash debt and FX markets closed for Columbus Day it might have been a quiet day today. But not if "they're baaaaaack", referring to US EQUITIES stressors that are emanating out of Europe. So while late last week the pressure on US EQUITIES was driven by GOVVIES weakness into and then below critical support (more below), EQUITIES are weak again even though GOVVIES are up a bit today.

That is because of the way in which the Italians are choosing to celebrate US Columbus Day: with a full blast assault on EU leadership for criticizing an Italian budget that is looking to exceed agreed spending limits (http://bit.ly/2OEgMGv for this morning's highly informed FT article.)

Therefore the US GOVVIES have just a bit of a 'haven' bid rescuing the DECEMBER T-NOTE FUTURE from slightly below the key FRONT MONTH T-NOTE FUTURE 7.5-year trading low at 117-22. Yet that is due to being dragged up by a much stronger German Bund, which also saw weaker German economic data this morning. So while previous it might have been reasonable to expect US EQUITIES to improve if GOVVIES stabilized or recovered after recent extensive pressure, it is just not the case under the current psychological drivers.

In the meantime, US EQUITIES falling in spite of Friday's generally constructive US Employment report was critical reinforcement for the degree to which "good news is bad news" while stronger economic indications weigh on GOVVIES, as we suspected would be the case. On Friday's fall US EQUITIES violated support they had recovered to just barely hold late Thursday, and that additional weakness points to the potential for an additional near-term selloff (more below.)

Along with all of that the US DOLLAR INDEX is pushing above its key resistance again toward the best levels seen last week. The disarray in Europe and the UK along with weakness in China leaves it the preferred currency once again. That is both on interest rate differential and inward investment against other DEVELOPED ECONOMY CURRENCIES as well as EMERGING CURRENCIES, even if the latter are not as weak as in some previous phases. And in fact the Brazilian election ushering their own right wing candidate to a heavy advantage in the runoff election has strengthened the REAL a bit against the US DOLLAR even as the others remain under a bit of pressure today.

Quick Market Take

FRONT MONTH S&P 500 FUTURE still had higher resistance into the 2,840-50 area in early August after the rebound from still important 2,800 area support. It was reinstated on the mid-August drop back below 2,840-50. 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 remains a key interim support. 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 once again in mid-September.

The DECEMBER S&P 500 FUTURE looked that much better above higher resistance at the late-August front month 2,917.50 high, yet it has dropped below it again after failing to remain above Oscillator resistance in the

2,930-35 area that rises to 2,935-40 this week: hence our concern once it fell back below 2,917.50 last Thursday. Lower support at 2,900-2,895 is now also violated, with 2,878.50 interim support and more major 2,840-50 and 2,800 areas below.

Please refer back to Thursday's emailed note for the full Extended Market Take on all of the other markets we analyze for you, especially the key technical trend levels for the GOVVIES that will likely revert to weakness if the Italian situation gets resolved.

While once again seeming a bit less relevant as we have been noting for a while 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. In addition to everything else impacting the markets in the near-term, this morning also saw the Organization for Economic Cooperation and Development's (OECD) Composite Leading Indicators (CLI at http://bit.ly/2y86vJ8.) We did not even feel the need to markup that clear indication of "easing growth momentum", especially for the EU and UK versus the US that explains quite a bit about our current Evolutionary Trend View sustained analysis differentials.

The balance of this week also sees the IMF/World Bank Annual Meetings in Bali from Tuesday onward into the weekend, quite a bit more central bank-speak and reports along with important trade and inflation numbers as well as the US Treasury refunding.

The Rohr-Blog Research Team

info@rohr-blog.com

incidental liability for financial loss or forgone profit against Rohr International, Inc. and any informational contributors under all circumstances. Information contained herein may have already been disseminated to others who may have acted upon it. Implicit in the Rohr services is the understanding that principals or employees of Rohr may have already taken positions. By review of Rohr alerts and/or Rohr views and all attendant information you confirm receipt of them as educational content, as well as agreement with all of the stipulations articulated above.