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Dear Subscribers,

We are coming to you a bit later than usual in order to provide as full a view as possible under intensified activity in the EQUITIES, yet with not that much difference in other asset classes. As the old saying goes, "The market (i.e. EQUITIES) dislikes nothing quite so much as uncertainty." And even at that we have often noted a single stressor (or even two) has not precipitated any extensive selloff in the US EQUITIES.

At present there are four, which was part of the reason we stressed US EQUITIES vulnerability after a couple of days of only rallying back to its most recent failed support (more below.) While the Italian budget plan remains an issue in Europe, it is a sideshow in a broader context that included fears on US Hurricane Michael.

Still more important are US INTEREST RATES and global economic concern centered around a slowing CHINESE ECONOMY. Those two in combination are less clearly defined ('uncertainty') and may more broadly affect corporate earnings. Yet the Fed move from accommodation to neutrality was brought into question to some degree by this morning's much weaker than expected US CPI data.

That rallied the GOVVIES back near recently failed significant support (even as it had a limited effect on the US DOLLAR), which in turn spilled

over into fostering a US EQUITIES recovery from further lower ground. That still leaves them on a failure below various supports (more below with a chart link), yet could assist the return to a more bullish psychology as we enter corporate earnings season. On the other hand, CHINESE EQUITIES that had already been struggling near early 2016 lows (SHANGHAI COMPOSITE 2,638 area) finally capitulated with a failure into new 4-year lows. That seems to imply their weakening economy is going to turn into more of a global growth headwind.

Market Quick 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 exceeded along with the 2,878.50 January all-time high in late August. Next weekly resistance into 2,895-2,900 was also overrun and remained important after slipping below it in early September prior to recovering. Yet it failed below it again late last week into this week on concerns over the Italian budget, a bit on Hurricane Michael and more substantially (as we have been stressing) on US interest rates.

As we had noted, this week's subsequent rally failures into that congestion were a weak sign pointing to a retest of at least the 2,840-50 area and possibly the still important 2,800 hefty congestion area. In the event, those projections have turned out to be more limited than the current accelerated correction reality. The 'quadruple whammy' to the near-term psychology has brought technical failures that still leave room for subsequent recovery, as apparent on the weekly chart (http://bit.ly/2Oi6XOV.)

DECEMBER S&P 500 FUTURE failure below 2,800 area has left an intermediate-term channel DOWN Break from 2,835, an area it will need to exceed to fully restore a bull trend. Of note, weekly MA-41 at 2,770 seems near-term support, even if the next lower major congestion below 2,800 is not until the 2,700 area (also the lower major channel.) Current volatility means either one might be hit, with 2,840-50 the higher key higher area for the overall trend.

The balance of the Evolutionary Trend View outside of the EQUITIES remains much the same as the critical trend levels reviewed in last Thursday's emailed note Extended Market Take, with the psychology much

the same as well. We refer you back to that for further insights outside of the equities comments below. Under the circumstances we will be fully updating the Extended Market Take after Friday's US Close to capture final market activity from this very active week.

The DAX below 12,500-600 once again has also slipped below 12,100 and even its 20-month 11,726 trading low. Next supports are into the 11,400 and not again until 10,500. FTSE below the 7,220 area tested in mid-September is already down to near 7,000 with the key 6,866 March trading low below that.

Even stronger sister NIKKEI dropped back below 23,000 Wednesday after testing the mid-24,000 area into the beginning of October. Lower supports revert back to the 22,500 interim congestion and more major 22,000-21,825 area. The SHANGHAI COMPOSITE below those 2,638 area prominent early 2016 lows have next congestion supports into the interim 2,500-2,450 and again at the much heftier 2,250 congestion.

And 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 still available via the www.rohr-blog.com sidebar. In addition to everything else impacting the markets in the near-term, this week sees the IMF/World Bank Annual Meetings in Bali (from which we have heard very little) continuing into the weekend, still a bit more central bank-speak and reports along with Friday's important Chinese trade numbers after today's weaker than expected US CPI.

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