Alan Rohrbach

From: no-reply@vrmailer3.com on behalf of ROHR-BLOG <info@rohr-blog.com>
Sent: Wednesday, October 17, 2018 9:38 AM
To: Alan Rohrbach
Subject: ROHR-BLOG: US Equities Resurgence, Quick Take, Calendar

View this email in your browser

Dear Subscribers,

It is not necessarily a huge surprise the US EQUITIES rebounded strongly so quickly after last week's temporary debacle. While this is not always the case, as opposed to the somewhat larger sharp selloff into early February (for instance) there was a key friendly driver: immediate anticipation of a strong corporate earnings season that was not either as immediate or strong earlier this year.

On the sheer technical view noted from last Thursday morning, there was also quite a bit of leeway for further weakness down into the more prominent lower trend support, as was shared in our annotated chart (http://bit.ly/2Oi6XOV) last Thursday morning. And that was updated Tuesday morning (http://bit.ly/2pV5GyL) to illustrate the degree to which the extended Thursday break to the lows did not even reach the more major lower support (more below.) Holding no worse than a key weekly Moving Average on last week's Close, the US EQUITIES are now back above their next incremental failed congestion (more on that below as well.)

The point of all of this technical discussion in the background section is to move right into the market psychology. That seems to be looking past today's EU internal Brexit Pre-Summit prior to Thursday's meeting with UK PM Theresa May, this afternoon's FOMC meeting minutes release and Friday's Chinese GDP and other important data. Strong corporate earnings

are likely to buffer any weak 'macro' influences and leave US EQUITIES in a ranging action that will favor the bulls overall. That is even in spite of the bid in GERMAN and UK GOVVIES due to those Brexit negotiation concerns, and consistent with renewed strength in the US DOLLAR inspired once again by US EQUITIES leadership.

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 recent rallies failed into higher weekly Oscillator thresholds around 2,930-35.

Those ultimately led to failure back below 2,895-2,900 congestion that was a weak sign pointing to a retest of at least 2,840-50 area and possibly the still important 2,800-2,790 hefty congestion area. In the event a 'quadruple whammy' noted Thursday really hit near-term psychology, and brought failures below those areas. However, as noted at the time that still left room for subsequent recovery of the bull trend, as apparent on the weekly chart from Tuesday morning (http://bit.ly/2pV5GyL.)

The DECEMBER S&P 500 FUTURE failure below 2,800-2,790 left an intermediate-term channel DOWN Break from 2,835, an area it will need to exceed to fully restore a bull trend. Failure below the weekly MA-41 at 2,770 looked bad yet still allowed for a test of more prominent 2,700 area (major channel and congestion.) That said, the failed congestion in the 2,800-2,790 area has been exceeded, becoming near term support even if with the 2,835 intermediate channel DOWN Break (reinforced by previously failed 2,840-50 congestion) remains key higher resistance.

While they got a bit of a 'haven' bid last week on EQUITIES weakness, the GOVVIES only bounced back to failed supports until today. And the DECEMBER T-NOTE FUTURE is still only trading back up to the area of its failed 7.5-year 118-10 trading low support from back in April, which is still not doing anything to change the overall trend.

Yet in the context of the more focused Brexit concerns this week, strong

sister DECEMBER BUND FUTURE has finally managed to push back above its 159.00-158.72 previously violated Tolerance of its more major 160.00-159.50 failed major congestion area. Yet that higher area remains the overall more trend-decisive threshold (including weekly MA-41.)

Similarly in FOREIGN EXCHANGE, we had noted the greenback had not lost much of its bid against DEVELOPED ECONOMY CURRENCIES. That is evidenced by the US DOLLAR INDEX only reacting back down to slightly below its 95.50-.00 key congestion it is now back into, with next interim support as nearby as 94.50.

And if there was a real economic crisis unfolding, the EMERGING CURRENCIES would likely be much weaker than their recent more resilient activity. In fact, even after the DECEMBER S&P 500 FUTURE neared and rebounded from the more major 2,700 area support last Thursday, the EMERGINGS have overall strengthened over the past week or more prior to weakening off a bit again today.

We interpret this as a sign the overall global economic performance will remain firm enough in the intermediate term to support even these external capital hungry economies. This is especially so for the TURKISH LIRA that is benefitting from an improved US relationship in the wake of the release of US Pastor Andrew Brunson after two years in detention.

While once again seeming a bit less relevant as we have been noting for a while in the midst of more major global trade and political 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, there are the factors noted above on Brexit, this afternoon's FOMC meeting minutes release and Friday's Chinese GDP and other important data.

The Rohr-Blog Research Team

info@rohr-blog.com

state of any recipient. Any use of this information to implement actual trades or investments is the sole responsibility of the individual or entity authorizing that decision. This waives your right to any claim of explicit or 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.