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Sent: Tuesday, November 13, 2018 9:58 AM
To: Alan Rohrbach
Subject: ROHR-BLOG: As Expected, Quick Take, Calendar

Dear Subscribers,

As expected, the DECEMBER S&P 500 FUTURE Closing back below the higher key 2,800-2,790 congestion on Friday indicated the return of a more ranging market in the near term compared to the previous 'Shoctober' and early November price activity. Also as noted previous, that would still allow for short-term bidirectional volatility within quite a broad range, seemingly confirmed by Monday's action.

And our confidence in the sustained bullish trend in US EQUITIES remains. That is based on the previously noted key combined cyclical (post-US midterm rally) and seasonal influences (looming 'Santa Claus' Rally.) That's in addition to the technical trend recovery clearly indicated since the last day of October DOWN Break Negation (more below) even prior to 'as expected' US election results.

And the return to more of a trading market is reinforced by the other asset class's activity. Note the renewed strength of GOVVIES and also the US DOLLAR INDEX regaining its bid after an early-November dip. All of which is reinforced by an important early week economic indication: Monday's OECD (Organization for Economic Cooperation and Development) monthly Composite Leading Indicators (http://bit.ly/2DhmQhN) despite still weaker near-term economic data.

This clearly shows the US and Japan are maintaining stable if somewhat slower growth while growth in other key economies (like UK and Europe) is still easing. As such, this gives the advantage to the US EQUITIES and US DOLLAR while weighing on US GOVVIES compared to a better bid in others. It all adds up to more likely US EQUITIES strength even if there is a further near-term slide (more below.)

Market Quick Take

Since the beginning of October FRONT MONTH S&P 500 FUTURE had obviously been back below the 2,900 area and old violated higher resistance into the 2,840-50 area. The latter failure included a weekly channel 2,835 DOWN Break, and subsequently failed 2,800-2,790 support. In the event the 'quadruple whammy' on Thursday, October 11th hit near-term psychology for failures below those areas, all of which remain current key technical trend areas.

In late October the DECEMBER S&P 500 FUTURE Broke DOWN below 2,708 from its broad weekly up channel since the February-April sharp reaction lows. As noted previous, that week's Close below the late-May 2,675 pullback low Tolerance of the channel was by such a marginal factor as to allow subsequent recovery.

And the rally into early November was strong enough to push DECEMBER S&P 500 FUTURE back above the previous week's 2,708 DOWN Break in a way that Negated that DOWN Break; it is once again support with a Tolerance to 2,675. This was solidified by last week's rally, even if it failed to sustain the push back above next higher 2,800-2,790 resistance. There is also interim congestion area around 2,750.

That is reinforced by the degree to which GOVVIES are predictably pushing up again in the wake of the US EQUITIES losing their recent manic bid. Yet even the strong sister DECEMBER BUND FUTURE is only back up into the 160.00.-30 area in spite of continued concerns in EUROPE. And weak sister DECEMBER T-NOTE FUTURE is currently back above its 118-10 mid-May trading low after recently testing the key 117-22 area 8.5-year trading low. Yet higher trend resistance remains in the low 199-00 area.

Similarly in FOREIGN EXCHANGE the POUND and especially the EURO are suffering again more than the other DEVELOPED ECONOMY CURRENCIES on the now weakening global economic health psychology. This has caused more strength in the US DOLLAR INDEX that is once again near its mid-upper 97.00 resistance after holding the early November dip back toward its important 95.00-.50 area previously tested in mid-October.

EUR/USD is back below 1.1400 after Thursday's weaker-than-expected European Commission Growth Forecast, while GBP/USD remains in the upper end of the 1.28-1.30 area. And with the previous hint of US-China rapprochement abating, it is not surprising that the AUSTRALIAN DOLLAR has seen AUD/USD slip back below its historic .7200-50 area, even if nowhere near October's month-long vigorous test near the .7000 area congestion as yet.

And while the EMERGING CURRENCIES are still more country-specific trends than previous, they are also suffering again under a less constructive global growth outlook. The looming government change-beleaguered MEXICAN PESO that had seen USD/MXN drop back temporarily below its 20.00-20.20 congestion, now has it back up into the 20.50 area. And that is just part of the EMERGING CURRENCY weakness as USD/ZAR has pushed up from below 14.00 to near 14.50 again, USD/RUB is back above 67.00 on extremely weak Crude Oil prices with the next major resistance not until 70.00 again, even if the still improved TURKISH LIRA has USD/TRY stalling slightly below 5.50.

While still 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. It is still a useful guide to all of the important data and events of this week like early Wednesday Chinese economic data and Thursday's UK and US Retail Sales data into somewhat weaker overall economic indications along with more important US data on both Thursday and Friday.

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