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To:	Alan Rohrbach
Subject:	ROHR-BLOG: Fingernails Time, Quick Take, Calendar

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Dear Subscribers,

It's like the end of an old-time serial movie episode where the hero is hanging from a cliff by his fingernails as the audience is left hanging as well on his fate. We are coming to you quite a bit earlier than usual today because our hero (the US EQUITIES bull trend) is now also seemingly hanging by its fingernails on the brink of violating the Tolerance of a critical early month bullish signal. [Keep in mind that today also sees early holiday weekend Closes in the US.]

As we cautioned since Monday, this was not going to be a typically quiet third week of the month reporting phase with the US holiday further suppressing the price activity… there were just too many central bank reporting and supranational organization and non-governmental organization influences to allow that. And since Monday the US EQUITIES have indeed demonstrated a sense of dread in the form of a sharp selloff. Yet that is now only into a key decision (more below.)

As far as the previously noted psychological drivers, Europe remains a problem on the EU-Italy budget confrontation, even if the Brexit situation is trying to be a positive on tacit EU-UK agreement. And the 'big dog' US-China trade tiff remains an undecided 'binary' influence into and after any potential Trump-Xi discussion at next weekend's G20 meeting in Buenos

Aires (beginning Friday), creating more uncertainty.

Yet the market's verdict on any of this (including the other asset classes) will likely be signaled by the US EQUITIES decision into this very critical phase. That fact that the jury is still out is reflected in the continued firm GOVVIES activity, yet still falling short of extending up to the more significant higher congestion levels.

And in FOREIGN EXCHANGE the US DOLLAR remains strong yet not as decisively as might be the case if it gets a 'haven' bid on any broader global economic concerns. Yet each of those trends is indeed likely to extend if the current US EQUITIES weakness goes from bad to worse in the near term.

For more on the global background, see Wednesday's emailed research note on the OECD's latest Economic Outlook (http://bit.ly/2xQTogU) video, or the accompanying PowerPoint presentation (http://bit.ly/2PMdUZh) that also is very instructive. Previous OECD Composite Leading Indicators (http://bit.ly/2DhmQhN) from November 12th are also an indication of the current frailty of the global economy, even if it is more negative for the EU and UK.

Market Quick Take

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 after a new late-October trading low for the selloff exhibited an UP Closing Price Reversal from the previous week's 2,670 Close. That extended the Tolerance to the 2,675-70 range held last Thursday, yet violated on Tuesday's downside follow through. Its importance is apparent on the fresh weekly chart from this morning (http://bit.ly/2KrRjeB.) Yet also apparent is that the UP Closing Price Reversal (CPR) into the very beginning of this month would also be' Negated' (i.e. reversed) on any Close (especially today's weekly Close) below its 2,627 Tolerance (heavy red line) at the low of the preceding week.

That is a very important consideration with the market already below the key 2,675-70 UP CPR signal area that is also last year's Close; that may therefore affect the potential for any 'Santa Claus' Rally late this year. And if the UP CPR is indeed Negated, it carries the implication that the late-October 2,603 trading low was NOT the end of the selloff. As monthly chart (http://bit.ly/2DF6UpN) channels reinforce, lower supports are into 2,529-52 early 2018 lows, and the 2,400 area.

The US EQUITIES weakness has also encouraged GOVVIES to predictably push up again, yet possibly not as much as the volatility of the US EQUITIES short-term implosion might have suggested. Combined with Brexit concerns and continued EU-Italy budget face off, strong sister DECEMBER BUND FUTURE is once again back above the 160.00.-30 area. Already above recent upper-160.00 area highs, if the US EQUITIES should sink further it will likely test at least the more major 162.00-.50 area.

And weak sister DECEMBER T-NOTE FUTURE now well back above its 118-10 mid-May trading low is also pushing above higher trend resistance in the 119-00/-08 area last seen on its late-October rally. If that maintains it points to a retest of heftier 120-00 area congestion (also now weekly MA-41.)

The same is true for DECEMBER GILT FUTURE above 122.00-.50, with next heavy congestion into the 124.00-.50 range even if it has sagged back to the 123.00 area.

Similarly in FOREIGN EXCHANGE, a 'haven' bid returning to the US DOLLAR INDEX left all others under some pressure once again, yet is reversing a bit this morning. While the US DOLLAR INDEX was once again weakening from 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, it maintains its overall up trend.

EUR/USD back below 1.1400 was also the case after last week Thursday's weaker-than-expected European Commission Growth Forecast, with next support into 1.1250-00. GBP/USD dropped from the upper end of the 1.28-1.30 area to somewhat back below it on last week's negative Brexit psychology, but is now back into the low end of that range. And despite the US changeability, the previous hint of US-China rapprochement abating

has encouraged AUD/USD to hold squeeze back above its historic .7200-50 area.

It all smacks of the importance of the overall decision by the US EQUITIES. And while the EMERGING CURRENCIES are still more country-specific trends than previous, they are also enjoying a bounce from support on US-China potential. The looming government change-beleaguered MEXICAN PESO that had seen USD/MXN drop back temporarily below its 20.00-20.20 congestion, had been back up testing the 20.50 area prior to its current slide.

And that is just part of the EMERGING CURRENCY return from weakness as USD/ZAR had pushed up from below 14.00 to testing and failing from 14.50 again on its way back below 14.00. Next lower support is the 13.60-.50 area not reached earlier this month.

USD/RUB has reacted back down above 67.00 in spite of imploding Crude Oil prices with the next interim support into the 65.00 and even heftier 64.00 area congestion below. In the meantime, the still improved TURKISH LIRA has USD/TRY slipping once again from 5.50.

While now obviously still a bit less relevant (as we have been noting for a while) on the standard report releases 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. While this week is now done, next week's full calendar week end of October means all of the key late month data is going to be released right into the G20 meeting.

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