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To: Alan Rohrbach
Subject: ROHR-BLOG: Better, yet… Quick Take, Calendar

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Dear Subscribers,

The month end data will remain interesting even as the significant US EQUITIES trend decision more likely rests with 'macro' influences that reach a crescendo at the end of this week. Last week being a far more intense than usual third week of the month reporting phase into a US holiday has spilled fully over into this week.

And the US EQUITIES Monday rescue rally from Friday's Close into a very critical support Tolerance seems a bit more of a return to a more bullish trend after Tuesday's upside follow through. That was above the next higher key resistance (more below.)

This is certainly 'better', yet... the more telling decision will be whether it can sustain activity above the next higher key trend threshold later in this pivotal week. In the meantime, after the Fed's Clarida sounded a bit more dovish Tuesday morning, might Chair Powell's lunchtime (12:00 EST) speech today continue encouragement for US EQUITIES? (Watch Live: https://www.facebook.com/econclubny/)

Yet the overarching impact will still be Friday's G20 meeting on any Trump-Xi discussion, or the lack of one, in the face of future US threats. It is THE major 'macro' outlook driver due not just to US-China direct trade (a bit of a sideshow), but also for corporate capital investment confidence

discussed in Tuesday's emailed research note.

And the importance of tariffs impact on global growth is apparent in this morning's Q3 OECD G20 International Merchandise Trade Statistics (http://bit.ly/2PZSUP2 our marked-up version.) The only thing keeping those marginally positive was the strength of oil prices, and one does not need to be Sherlock Holmes to figure out what's coming in Q4 without marked improvement in broader global trade.

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 (CPR) from the previous week's 2,670 Close. That extended the Tolerance to the 2,675-70 range held two weeks ago, yet violated on last Tuesday's sharp selloff. Its importance is apparent on the weekly chart from last Friday's Close (http://bit.ly/2PUWpWU.) The UP 'CPR' into early November would be 'Negated' (i.e. reversed) on any Close below its 2,627 Tolerance (heavy red line) at the low of the preceding week (yet held last Friday.)

That is a very important consideration with the market previously 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. 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. While the push back above 2,675-70 appears very constructive, only sustained activity back above the 2,708 DOWN Break will be strong enough to likely foster extended 'Santa Claus' year-end buying.

Consistently weak data that might influence the Fed has also encouraged GOVVIES to predictably push up again despite the US EQUITIES rebound. Yet that was already with less volatility that might have been expected on the previous US EQUITIES implosion, and they are under

some pressure again in the face of the current US EQUITIES rebound.

Combined with remaining Brexit concerns and in spite of some lowered EU-Italy budget face off tension, strong sister DECEMBER BUND FUTURE remains back above the 160.00.-30 area. Already above recent upper-160.00 area highs late last week, it is fading now. If US EQUITIES should sink again, 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 was also pushing above higher trend resistance in the 119-00/-08 area last seen on its late-October rally prior to fading over the past couple of sessions. If that had maintained, it would have pointed to the 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 into 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. 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 maintained its overall up trend that is now reinvigorated. Next interim resistance above the mid-upper 97.00 area is not until the 99.00 area with more prominent congestion not until the 100.00 area.

EUR/USD back below 1.1400 was also the case after the weaker-than-expected European Commission Growth Forecast two weeks ago, 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 previous negative Brexit psychology, and failed again recently into the low end of that range. Next lower major support is the 1.25-1.24 area not seen on its August selloff.

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 prior to dropping back into it.

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 were also enjoying a bounce from support on US-China potential that remains a key influence into the end of this week. 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 previous and again at present.

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 from above 67.00 and is back there again in the wake of imploding Crude Oil prices with next resistance as nearby as the 68.00 area tested early this month and not again until the 70.00 last seen in mid-September.

In the meantime, the still improved TURKISH LIRA has USD/TRY slipping once again from 5.50, with next support into the 5.00 area (now including weekly MA-41.)

While now still obviously a bit less relevant (as we have been noting for some time) 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.

And despite the critical nature of those 'macro' influences such as today's BoE Financial Stability Report, OECD International Trade Statistics and Fed Chair Powell's speech followed by Thursday's ECB Financial Stability Review and FOMC Meeting Minutes into Friday's G20 Meeting, the key late month data is also going to remain important. Note this morning's extremely weak US New Home Sales as another example of what may change Fed sentiment.

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