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To: Alan Rohrbach
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ROHR-BLOG: NOTE: Getting Better…, Quick Take, Calendar

Dear Subscribers,

Channeling Lennon and McCartney, "It's getting better…"(1) And it is obviously getting better in US EQUITIES. Yet at the end of the tune there is the refrain, "Better, better, better." And whether that will also be the case for US EQUITIES into the end of this year after this weekend's G20 meeting chat between Presidents Trump and Xi is the operative question.

This is also the reason we can offer just a brief note today, as all else remains the same as our Thursday emailed research note in the wake of the strong US EQUITIES rally extension ($110 from Friday's Close into Wednesday.) Fed Chair Powell lowering the stress with far more accommodative sounding rates language reconfirmed the old adage, "It's not what you say but how you say it."

His spin Wednesday was far more dovish than the same basic view in October. See the top of page 2 of his speech's body (http://bit.ly/2zwVFwL) where he notes that interest rates are "...just below the *broad range* of estimates of the level that would be neutral..." (our asterisks.) That still

leaves room for quite a few hikes.

The Fed sounding more accommodative creates a buffer for US EQUITIES even if the Trump-Xi conversation does not yield any concrete results. Not necessarily a full 'Powell Put', yet supportive nonetheless. As a preview, we feel any agreement to resume more meaningful talks is already anticipated, and only some address of the key intellectual property issues will provide a further boon to US EQUITIES. As the latter is unlikely, look for a continued trading market with a bullish bias.

(1) Getting Better © 1967 John Lennon & Paul McCartney

Courtesy Repeat of Thursday's 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 was violated on last Tuesday's 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 it held on 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. As noted previous, that may affect the potential for any 'Santa Claus' Rally late this year.

It remains the lower support below the Negated 2,708 DOWN Break that has been reinstated as next support. If it remains above it, the potential for 'Santa Claus' year-end buying is much improved. Next higher resistances

remain the interim 2,750 area (at which it failed into mid-November) and more prominent 2,790-2,800 range.

Consistently weak data that might influence the Fed has also encouraged GOVVIES to predictably push up again despite the US EQUITIES rebound. While that was with less volatility than might have been expected on the previous US EQUITIES implosion, they are holding their gains in spite of the current sharp US EQUITIES recovery.

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, after a slight dip it has pushed back above it on Powell's comments despite the US EQUITIES rally. Of note, the MARCH BUND FUTURE is trading at a recently unusual 0.85 premium to the December contract that expires next Thursday. That already leaves it into more major 162.00-.50 area next resistance.

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 before Powell's speech. Now back above it points 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 as its rebounds from into the 123.00 area into the mid-123.00s.

Similarly in FOREIGN EXCHANGE, a 'haven' bid returning to the US DOLLAR INDEX left all others under some pressure once again. And now the US DOLLAR INDEX is once again weakening from near its mid-upper 97.00 resistance after Powell's more dovish speech. Yet it held previous (early November) back toward its important 95.00-.50 area previously tested in mid-October, and we suspect the same will occur now.

Yet EUR/USD back below 1.1400 remains the case after the weaker-than-expected European Commission Growth Forecast two weeks ago, with next

support into 1.1250-00 that has been neared on the current dip. 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 major support is 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 this week. However the Powell speech now has it back above that area.

It all smacks of the importance of the overall decision by the US EQUITIES along with the perceptions on the future path of FOMC rate decisions.

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 even if sliding from it 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 yet being approached at present.

USD/RUB that had reacted back down from above 67.00 was 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. Yet the Fed shift has engendered slippage back below 67.00 there as well.

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 the critical nature of those 'macro' influences came through loud and clear on market reactions to Fed Chair Powell's speech. As noted above, Friday's G20 Meeting (into the weekend) is going to remain the most important factor after the current market reactions.

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