ROHR INTERNATIONAL

Weekly Report & Event SUMMARY PERSPECTIVE

Tuesday, November 26, 2013

***"Chance favors the prepared mind."* –L. Pasteur**

▪ **Macro-Technical Trend Perspective: NO holiday on US economic data acceleration. It's already been a very interesting week, even if the market movements have been less than dramatic. However, tension will increase on accelerated US data into tomorrow.** See below on the nature of that critical shift due to the US Thanksgiving holiday truncating the end of month calendar this time around. So while it is a US holiday Thursday, that only makes for more pressure on Wednesday and additional control of trends in other centers late week.

Will there be a not so unusual holiday 'ambush' (the rightful American Indian term) which can occur when a major center is Closed while others continue to trade? We shall see. On current form that would mean any **December S&P 500 future** daily Close above the recent 1,807.30 trading high. The reasons for that are discussed in the **Concise Market View** below. It is sufficient to say for now that this would remove the only DOWN signal the bears can lean against in the near term, and increase the potential to overrun the key weekly oscillator resistance at 1,810 (even if we need to allow that evolves up 1,817 or so next week.) And as it is a substantially technical trend driven by QE-Infinity now, all of the trend analysis remains consistent with the ***TrendView Video*** global overviews citing continuing strength of the **equities** and more problematic situation in **fixed income**. That was revisited in this afternoon's concise video analysis **(http://bit.ly/1a4phKY)**, with **more extensive multi-asset class analysis** presented in this morning's major ***TrendView Video*** **(http://bit.ly/1aQU7LF)**.

▪ **Most Likely Critical Horizons:** As interesting a data week as it has been, it has also been very limited so far. And that goes for financial luminaries' communication as well. Other than BoJ meeting minutes, there has been little influence from central banks or finance ministries. On balance other than well-anticipated US housing strength, US centric economic releases have been on the weak side. All of that is going to get more pressurized into **Wednesday's** accelerated pre-holiday, end-of-month US data and other influences. Those include heavy debt auctions from Australia through Europe and the final US T-note auction of the week.

Even more important for the broad market influence into the various asset classes are French Consumer Confidence, Spanish Retail Sales, German GfK Consumer Confidence, UK Gross Domestic Product and CBI Reported Sales, the ECB's Financial Stability Review, and US MBA Mortgage Applications, Weekly Initial Jobless Claims, Durable Goods Orders, Chicago Fed National Activity Index, Chicago PMI, Michigan Confidence and Leading Indicators.

Even without the US, **Thursday** sees other end-of-month data on Japan Retail Trade, China Leading Index and Industrial Profits, German Unemployment Rate and Change and CPI, and the typical Euro-Zone end of month Confidence indicators. **Friday** is also very light in the US, with only NAPM-Milwaukee, yet critical elsewhere with Japan Manufacturing PMI, Jobless Rate, Household Spending, Industrial Production, National & Tokyo CPI, Vehicle Production , Housing Starts and Construction Orders, UK Construction Orders and Mortgage Approvals, Euro-Zone Unemployment Rate and CPI Estimate, and Canadian GDP. All of which is followed by an early Close for all US markets (including NYSE) for Thanksgiving Friday.

▪ **Economic Data Highlights:**

Monday: French Business Survey, UK BBA Loans for House Purchase, US Pending Home Sales & Dallas Fed Manufacturing Activity

Tuesday: Japan Corporate Service Price & Small Business Confidence, UK Nationwide House Prices, US **NOT** Housing Starts (delayed until December 18) & **YES** Building Permits & S&P/Case-Shiller US Home Price Indices & Consumer Confidence & Richmond Fed Manufacturing Index

Wednesday: Australia Construction Work Done, French Consumer Confidence, Spanish Retail Sales, German GfK Consumer Confidence Survey, UK Gross Domestic Product and associated figures & Index of Services & CBI Reported Sales, US MBA Mortgage Applications & Weekly Initial Jobless Claims & Durable Goods Orders & Chicago Fed Nat Activity Index & Chicago PMI & Michigan Confidence & Leading Indicators

Thursday: Japan Retail Trade & Large Retailers' Sales, China Leading Index & Industrial Profits, Australia Private Capital Expenditure, German Import Price Index & Unemployment Rate and Change & CPI, Euro-Zone end of month Confidence indicators, Canada Industrial Product and Raw Materials Price Indices & Current Account

Friday: Japan Nomura/JMMA Manufacturing Purchasing Manager Index & Jobless Rate & Household Spending & Industrial Production & National and Tokyo CPI & Vehicle Production & Housing Starts & Construction Orders, Australia Private Sector Credit, UK Construction Orders & Mortgage Approvals & Net Lending Sec. on Dwellings, Euro-Zone Unemployment Rate & CPI Estimate, Canada GDP, US NAPM-Milwaukee

▪ Central Banks, Finance Ministries, Political Influences & General Events:

Monday: ECB's Coeure, BOJ's Kuroda, Bundesbank's Weidmann

Tuesday: RBA's Lowe, Bank of Japan meeting minutes, BoE's Carney and Bean and Dale and Broadbent at hearing, BoE's Bulley, ECB's Asmussen

Wednesday: BOJ's Shirai, BoE's Gracie, ECB's Asmussen Financial Stability Review

Thursday: BoE Financial Stability Report, US Markets Closed: Thanksgiving, ECB's Asmussen

Friday: ECB's Mersch, BoE's Money and Credit statistics, US Markets (including NYSE) Close Early for Thanksgiving Friday Holiday

▪ **Government Debt Auctions or Operations (in order of appearance):**

Monday: Germany, Italian announcement, US
Tuesday: Japan, Australia, Spain, Italy, US
Wednesday: Australia, Italy, Germany, US
Thursday: Japan, Italy, UK
Friday: Australia, ECB announces LTRO repayment

Concise Market View

▪ **As noted previous, the discussion of the December S&P 500 future being the key for the trend of other equities and asset classes is fitting once again at this time, even if FTSE is an obvious laggard (no active BoE QE efforts likely the culprit.) Extended influence now fully confirmed by Dr. Yellen's hearing is a key driver as the US QE implications remain a driver for the psych elsewhere for now; even in spite of last week's FOMC minutes ripple.**

Even as the **December S&P 500 future** had set a very minor setback late Monday from the middle of this week's floating 1,805-10 resistance (major weekly topping line and oscillator.) The most interesting bit in the short term is the degree to which Monday's 1,799 late session reaction low is now the support Tolerance below the aggressive short term up 1,807.30 channel DOWN Break… that's right, a DOWN Break from the top of the rally. Sound a bit bizarre?

Admittedly unusual to have a DOWN Break from the top of a rally. Normally it takes a bit of a sideways churn to set up a DOWN Break below some recent trading low. Yet, when the uptrend becomes very quiet and churns its way up along an aggressive short term channel support, it is possible to get the DOWN Break at or near the high of the move. (Or and UP Break from near the low of the move in a down trend.) That is all explored at length in this afternoon's concise **Rohr-*Blog* (http://bit.ly/YcbRwv)** ***TrendView Video*** analysis **(http://bit.ly/1a4phKY)**, with the video timeline posted on the blog. However, as noted above the **more extensive multi-asset class analysis** is in this morning's major ***TrendView Video*** analysis **(http://bit.ly/1aQU7LF)**, which covers each market in all asset classes, including the divergence in **foreign exchange**.

For now suffice to say that unless the bears can get the **December S&P 500 future** to crack Monday's 1,799 late session reaction low, there is a good chance it will push above 1,805-10 resistance instead. That is reinforced by the degree to which all other equities are firm to strong.

And while the govvies are content to remain firm with equities on the back of current weakish US economic data, **December T-note future** stalling again into the low 127-00 area leaves it vulnerable to slipping back down if the news improves to any degree. And while the **December Gilt future** has squeezed back above its 109.70 DOWN Break again, it has further resistance waiting in the area of the 110.75-.50 failed support along with its weekly down channel as low as the 110.20 area this week. That has led to those 'country' influences noted of late exacerbating the rise in **December Bund future** above its 141.00-.30 resistance once again, even if next resistance is as nearby as 142.00 area; with heavier resistance into 142.50 area.

The same can be said for **foreign exchange**, where the downside reaction against the **US dollar** was led by the **euro** in the wake of the surprise ECB rate cut on the 7th, yet with other currencies catching up shortly thereafter. The difference is the strength which has returned to Europe versus the sustained weakness in Asia. As noted previous, that euro selloff led to interesting situations in the cross rates, where the **euro** hit and held key supports like **EUR/GBP** .8350, and especially **EUR/AUD** 1.4100 and **EUR/JPY** low-131.00 area. Of course, **sterling** has maintained its bid to a goodly degree against the **euro**, even as they both have gained significantly against Asia over the past two weeks.

It is all still part of the **US Dollar Index** rally appearing to be more of an extended reaction than major trend reversal even if the Asian weakness is buffering any major greenback selloff now. Yet its rally stalling at no better than the more prominent .8200 resistance was telling. Not very impressive so far, and moving down to the mid-.8100 area this week makes that congestion and gap even more critical. Lower support remains .8070-50 with a Tolerance to the critical .8038 November 6th pullback low. And the **EUR/USD** also recovered nicely back above the post-ECB 1.3425 DOWN Break two weeks ago, and looks good after holding on the sharp 'early QE taper' selloff last Wednesday. Today's Close above 1.3550-60 likely points toward higher ground. At a minimum that means a retest of 1.3700 area if not another push to 1.3838 Fibonacci resistance.

And that is similar to even firmer activity in the British pound which leaves **GBP/USD** violation of its 1.6260 Double Top key resistance a sign it is ready to test its mid-upper 1.6300 resistance.

And all the while Asia remains weak on the Australian dollar joining the Japanese yen on the **AUD/USD** failure below the .9200 area tolerance of the upper-mid .9200 area support (previous Break and major Fibonacci level.) That points to slippage at least back to the .9000 area, now fully in line with the **USD/JPY** push back above 99.00 pointing to a test or violation of the 103.30 May DOWN CPR resistance. And that is having the predictable implications for the cross rates, all of which was explored at length in this morning's ***TrendView Video*** analyses.

The balance of the analysis remains very much in line with (even if now also a bit evolved from) the levels and comments noted in last Friday's **Current Rohr Technical Projections - Key Levels & Select Comments** available via the link near the top of the right-hand column in **Rohr-*Blog* (http://bit.ly/YcbRwv)**. Those will be updated after the US Close on Friday.

DEC S&P 500 Future: After FOMC minutes 'cleanout' below 1,785 UP Break, finishing up into major topping line and Oscillator was strong. Those are critical at 1,805-10 this week.

RES:	**1,805-10 (l.t. topping & OSC); 1,835-40 (all-time high OSC)**
SUPP:	**1,785 (s.t. topping); 1,775 (OSC); 1,730-35; 1,700-05; 1,695**

Government Bond Futures: The other great change is central bank accommodation tied into better than expected economic data is once again not great for the primary government bond markets. But will it last if economic data weakens? The weak US Philly Fed stanching the selloff tide last Thursday is a good example of govvies resilience now. However, the technical trend indications remain weak on all Daily MACDs still DOWN, even if weeklies UP. On that basis, the December T-note still critical back into 126-00 and 125-16, Gilt into 109.00-108.75, and resilient Bund into 140.40-.00 all still critical supports.

DEC T-note:	**RES:**	**127-00/126-24 (Negated UP Break);** 127-10; **127-16/24;** 128-02
	SUPP:	126-04; **125-24/-16; 124-24/-16; 123-04/-16;** 122-30; **122-02**
DEC UK Gilt:	**RES:**	**110.20-109.70;** 110.50-.70; **111.75-.30; 112.50; 113.61-.28**
	SUPP:	**109.20-108.75; 107.85-.50;** 106.60; 105.50; **105.00-104.60**
DEC Bund:	**RES:**	141.50; 142.00; **142.50-.65; 143.30-.50; 144.00-.40**
	SUPP:	**141.00-.30; 140.10-.30; 139.60;** 139.00: **138.41 (SEP 2012 low)**

June 2015 Short Money Forward Futures:

Eurodollar:	**RES:**	**99.47 (all-time hi)**
	SUPP:	**99.40-.425; 99.33-.34;** 99.25-.29; **99.20; 99.12-.14;** 99.06-.04

Foreign Exchange: US Dollar

USD INDEX: It was interesting to see daily MACD DOWN reversed on the June swing back above .8200. And yet, as the attempt to push above the more major mid-.8400 area resistance stalled, it fully reversed on the renewed consideration the US was 'easy' in wake of previous FOMC/Bernanke expressions… and more so on mid-September FOMC QE "no taper" shock. Yet now doing well on US NFP back above .8000 and .8050-80 (now key support with .8034 Tolerance), even if unable to reach upper-.8100 or low .8200 area.

RES:	**.8150-40;** .8180; **.8210-25; .8267; .8335-55; .8450;** .8516
SUPP:	.8050-34; .8000; **.7950;** .7900; **.7860-10; .7680-50; .7500**

Foreign Exchange: US Dollar (continued)

EUR/USD: Violation of 1.3710 only led to stallout into 1.3836 Fib resistance. And the ECB rate cut subsequent failure below left 1.3450-1.3500 support also left up channel 1.3425 DOWN Break. Yet lack of downside follow through leaves euro stronger into key 1.3560.

RES: **1.3550-60;** 1.3650; **1.3711; 1.3836;** 1.3900; **1.40-1.41**

SUPP: **1.3450-25; 1.3350-00; 1.3200-50; 1.3150;** 1.3080; **1.2950-1.3000**

GBP/USD: Second stallout into 1.6250 was potential Double Top, with 1.5900-1.6000 key intervening low area. Holding slippage below 1.5900 area last week looked like a false DOWN Break attempt, which has (not surprisingly) led to another test of mid-1.6200 area.

RES: **1.6250-80;** 1.6300; **1.6379 (JAN hi); 1.6500-50;** 1.6619

SUPP: 1.6120; 1.6000-1.5950; 1**.5880-1.5900; 1.5700-50; 1.5500-1.5450**

USD/JPY: Trapped recently between 98.30 UP Break and 98.80 DOWN Break, US dollar general strength assisted violation of that upper boundary. Now also above 100.62 looks like interim 101.45-25 should also be violated for test of May 103.30-.74 (DOWN CPR/hi).

RES: 101.45-25; **103.30-.74 (DOWN CPR); 105.50;** 107.50; **109.00**

SUPP: **100.00-.62; 98.80; 97.00-96.71;** 96.00; **95.00; 93.50-.00**

AUD/USD: Push above low-.9500 Fib resistance stalled into major .9700-50 area Fib and congestion. Subsequent slide below .9500 has violated low-.9300 to mid-.9200, which is a major UP Break failure. That is now resistance, and .9000 and .8848 (AUG low) supports.

RES: **.9190; .9280-40;** .9320; **.9370-88 (OCT '11 low); .9500-.9450**

Foreign Exchange: Cross Rates: The obvious indication is ECB's somewhat surprising rate cut put the euro under pressure against other currencies as well as the US dollar. That weakness is also bringing somewhat of a 'secular US dollar strength' mentality (rightfully or not.) However, the euro weakness was buffered to a goodly degree by that weakness then infecting other currencies against the greenback. So it has all equalized a bit, leaving the US dollar looking less a dynamic trend reversal than extended correction. The euro has commensurately been able to gain once again to some degree against the weaker sisters; especially the yen (watch the 135.00 resistance) and even the Aussie (the 1.4500-50 resistance key again), yet not so against Sterling (back down to .8400-.8350.)

EUR/JPY: **RES:** **135.00; 135.50 (rally high);** 137.00; **138.50-139.14; 140.00**

SUPP: **134.00; 132.50-80;** 130.80; **130.00; 127.94;** 125.00-50; 124.00

EUR/GBP: Pound regained strong sister status since summer. Repeated .8750 area euro failures led to drop below .8600 into .8350 area low end of channel. Failure to maintain push above .8550 weak sign on way to critical retest of key .8350-00 bottom of channel.

RES: .8400; **.8475-90; .8550; .8650; .8700-50; .8800-30;** .8880

SUPP: **.8350**-00; **.8250-70; .8180-41; .**8115; .8035

EUR/AUD: **RES:** **1.4927; 1.5016;** 1.5100; **1.5200; 1.5500;** 1.5700; **1.6000**

SUPP: 1.4725; **1.4500-50; 1.4400-1.4350;** 1.4265; **1.4165; 1.4050**

We hope you find this helpful.
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