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From:	ROHR Alert <rohralert@gmail.com>
Sent:	Wednesday, August 03, 2016 9:18 AM
To:	undisclosed-recipients:
Subject:	ROHR TREND ALERT!!

Dear Alert Service Subscriber,
This is a critical short-term view:

Well… Tuesday was very interesting. After last Wednesday's more hawkish FOMC Statement views were offset by the significantly weaker than expected first look at US GDP last Friday, the equities seemed to be back into a bit more of a "bad news is good news" psychology once again. Until yesterday.

The culmination of even more negative influences from weak US auto sales and the Crude Oil drop reasserted a "bad news is bad news" psychology. It is of note that this was not reversed by this morning's reasonably alright Services PMI's after more mixed Manufacturing PMI's on Monday (except of course for the UK.)

Yet the key to the technical failure of the US equities (more below) is now actually with the reaction to Thursday morning's Bank of England rate decision and Quarterly Inflation Report press conference. It is important in its own right, and also as the culmination of recent central bank and government actions. That is with due respect for Friday's US Employment report.

This is the critical consideration:

Tuesday's September S&P 500 future drop below the 2,151.25 low of the last couple of week's narrow trading range would not seem very troubling in and of itself. Yet coming in the wake of Monday's opening gap higher to a 2,177.75 new all-time trading high (above the July 25th 2,172.50) left a more negative tone than might have been possible from any weakness which would have occurred prior to that Monday new high.

The question now is whether this means there was an UP Break failure (i.e. above 2,172.50) that has exhibited a definitive topping indication that might carry over into the broader trend? Or is this just the next bear trap like so many others that have occurred across the long up trend in this very resilient bull market?

Suffice to say for now that the September S&P 500 future 2,151.25 low was the Tolerance of the 2,160-55 congestion range. As it was neared in the wake of the more hawkish FOMC Statement last Wednesday, its violation is also a central bank (and other influences) psychology level. **Yet as 2,151.25 was the Tolerance level, the real key for the balance of this week and beyond is whether it can sustain recovery back above the 2,160-55 range to re-establish it as support… especially after Thursday morning's BoE press conference or Friday's US Employment report.**

Even if not, lower violated resistances at the interim 2,132 May 2015 all-time high and the more prominent Friday June 24th (pre-Brexit) 2,120 high and historic congestion along with the heftier 2,105 congestion remain important lower supports.

[For those of you who are subscribers, see the latest analysis and Market Observations write-up at www.rohr-blog.com for more on the current trend evolution. It is available to all Gold and Platinum subscribers.]

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