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From: ROHR Alert <rohralert@gmail.com>
Sent: Thursday, October 13, 2016 9:09 AM
To: undisclosed-recipients:
Subject: ROHR TREND ALERT!!

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

As articulated Wednesday morning prior to the afternoon FOMC meeting minutes release, the operative influence on the equities was going to be 'Fear of Fed'. And based on the still lackluster economic performance also cited to some degree right there in the minutes (inflation still well below target and signs of labor market weakness), there are some voting FOMC members who seem determined to hike the rates at the December meeting.

This is still part of what we have characterized as the Fed's 'normalcy bias' since before the initial rate hike last December. However, there are reasons to doubt the Fed will even have the latitude to hike in December.

There has been a very typical return to weaker weaker data (NFIB Small Business Optimism, the US Labor Market Conditions Index watched closely by the Fed and the very weak Chinese Trade data where Exports imploded from last month's already depressed levels) after the Fed turned hawkish again. It would be humorous if it wasn't so tragic. And there is another factor that points toward a forced rate hike in December unless the data remains so weak (as it might) that it becomes impossible to hike. We will be providing a full review of that and many factors related to this in an extensive fresh www.rohr-blog.com post after today's US Close for those subsdcribers.

Suffice to repeat now that this is the downside of over-extended rate accommodation and massive QE. The equity markets can take fright (and govvies weakness initially adding to the pressure on equities) at the suggestion of even a further modest rate increase from historically very low levels. The US equities that violated key support on Tuesday also failed right back into the key area Wednesday. No surprise they are now also slipping below the next interim support on the stale Fed psychology and weak data.

This is the critical consideration:

We had already reviewed at length the importance of the mid-July through early September 2,160-55 low end of the trading range that was subsequently violated by the lead contract S&P 500 future. The December S&P 500 future did manage to recover sharply from September 12th overnight trading below the 2,120 support down to near 2,105-00, yet failed back up around the 2,155 area on that Monday's Close. And the recent failures back up into that area over the past several weeks finally took their toll on the 'Fear of Fed' noted Wednesday morning.

While the failure back below 2,141.50 area stalled on the rally Wednesday, it was not necessarily all that negative until the violation of 2,120 this morning. That points to a test of the more major 2,105-00 support that was only tested in overnight electronic trade on the morning of Monday, September 12th.

That also remains very critical, as next support below that is not until the 2,070 area. Much below that it would be back in the major lower range, with next lower interim support at 2,050-45, yet with more significant supports not until the 2,020-00 range.

[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. Market Observations are available to Gold and Platinum subscribers.]

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Thanks for your interest.

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