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From: ROHR Alert <rohralert@gmail.com>
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To: undisclosed-recipients:
Subject: ROHR TREND ALERT!!

Dear Subscribers,

We are coming to you a bit later than usual to once again see the key US economic data today weaker than expected US Personal Income and Spending with weak Core PCE and Deflator (two of the Fed's favorite inflation indications.) That was followed by a strong Chicago PMI even if Michigan Confidence remained rather weak (near June's low for the year.

Yet the real driver over the past couple of days has been more positive sentiment after the release of the outline for the Trump administration tax reforms, which are in collaboration with Republican Congressional leadership. That is of course a distinct change from the healthcare insurance reform effort that was fractious from the very beginning, and has failed again this week. Yet the more upbeat collegial signals on tax reform are still only on a preliminary outline, and count on some cooperation from a mostly still obstructionist Democratic Party. Once again the Republicans are saying they can do it alone, and that still rings hollow.

This is likely the reason US equities have stalled to some degree on the modest push above their previous all-time high from last week (more below.) If the broad tax reform outline runs into trouble like healthcare once the key details are added, it will reinforce the sense that the US may be rudderless under President Trump in a way that might restrain US equities. There are certainly some aspects which will likely attract strong opposition instead of support from the Democrats.

That said, his US debt ceiling and budget 'deal' with Democrats (actually more of a total capitulation) is going to provide plenty of spending for reconstruction in storm damaged areas of the US in the near term (i.e. fully into Q4.)

This is the critical consideration:

As noted since late July, there was September S&P 500 future resistance into 2,475-80. That resistance was intensified in early August after the failure from above that area left a fresh weekly DOWN Closing Price Reversal (CPR.) That reinforced the importance of 2,475-80 resistance at which it failed repeatedly.

Yet that weekly DOWN CPR Tolerance at the 2,480.50 late-July trading high was overrun two weeks ago and is now the near term support, and the December S&P 500 future (now front month) has so far been unable to even break that far.

After the market was only able to put in a modest new high above last week's 2,507 all-time high, the next resistance is into the 2,525-30 weekly Oscillator threshold (MA-41 plus 130-135) next week. Interestingly that this was the Oscillator extension at which it stalled into 2,475-80 area in early August, with the increases in weekly MA-41 since then now also raising that resistance. Major extended Oscillator resistance (not seen since early March) is 2,555-60 next week.

As far as lower support if it reacts below 2,475-80, the front month (September) S&P 500 future exceeded June's 2,451-46 congestion highs in early July. As recent trading confirmed, 2,451-46 congestion remains a key area. Pushing back above it in late August was a constructive sign, and it remains lower support.