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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 earlier than usual in order update the earliest macro influences on a day with no US reports. However, this is just the lull before a very major economic data and central bank communication week. Yet so far what we have seen is a bit softer fundamental influences in the form of weaker Chinese financial figures, German Wholesale Prices and UK House Prices.

Yet those alone do not seem to explain the extent of further equities weakness after last week's somewhat sharp selloffs from new highs for the rally. After President Trump's Asian soiree went reasonably smoothly (outside of the trading arrangement changes talk and the Putin issues), there is a question over why the US equities are weakening at this time?

The reasonable explanation in our view is the same issue we have raised for weeks now: the need for the Trump administration tax reform to stimulate more corporate investment and hiring. Yet it is still running into problems on some features we noted prior to and after last Thursday's Senate tax plan rollout. That is now a further challenge due to its very different approach than the House.

For much more on the continued (and possibly worsening) challenges facing US tax reform, see Wednesday's www.rohr-blog.com post "Commentary: Trump Tax Tract III." That updates some ground we have covered before, yet also highlights some new problems. And in addition, Thursday's Senate unveiling of its plan showed a benighted delay (2019) for corporate tax reductions. This repeats the mistake of Reagan's 1981-82 tax reduction that caused initial economic drag. As noted in recent posts, "They never seem to learn."

This is the critical consideration:
After the December S&P 500 future was able to put in a new high above the previous 2,507 all-time high (now extended support as well), the next resistance was into the 2,525-30 weekly Oscillator threshold (MA-41 plus 130-135) into early October. That moved up to 2,563-68 last week (held at the lows of Thursday's sharp selloff), and rises to 2,570-75 next week.

After that was exceeded the major extended Oscillator resistance (tested over recent weeks) was at 2,593-98 last week, rising to 2,600-05 this week. That seems a reasonable resistance with the December S&P 500 future out above the previous early October 2,550.75 all-time high. That held (with some temporary slippage) on mid-Late October reactions, and loosely remains lower support.

If it should manage a sustained push above 2,600-05 this week, the additional major extended Oscillator resistance is another $30 higher (weekly MA-41 plus 190-195.) That equates to 2,630-35 this week.

[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.]