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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 again today in order to see the US Existing Home Sales that are the last of the data prior to Wednesday's start of the more telling economic releases for the week. Those include the UK Chancellor's Budget speech, US Durables and the FOMC Minutes. Yet after this morning's weaker Japanese Store Sales and stronger UK CBI Orders and US Chicago Fed National Activity Index, US Existing Home sales also came in a bit stronger.

However, the overriding influence out of last week is US tax reform that passed its House vote last Thursday. And to a goodly degree the US equities strength has been based in part on that expectation of higher retained corporate earnings due to the projected much lower tax bill. As the value of equities is based in goodly measure on capitalizing an income stream, that is easy to figure out.

Except for the degree to which the final shoe to fall will be the fate of the tax reform effort in the Senate. As the Senate is not going to vote on its bill until next week, the equities can give potential tax reform success the benefit of the doubt for now... which they are doing on top of what has been positive current fundamental data. While next week's Senate action will be the real decision, all of the positive news is pushing equities up, with next weekly Oscillator levels still quite a bit above this morning's new all-time trading high (more below.)

There is a fresh www.rohr-blog.com *Commentary: Intermarket Inconsistencies* post discussing how the activity in the US govvnies and US dollar are not reflecting this very bullish anticipatory trend in the equities.

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. As a clear sign of strong momentum, that is up to 2,577-82 this week. That left the burden of proof on bears, and the market held up on Monday.

The next major extended Oscillator resistance (tested repeatedly over the past month) rises to 2,607-12 this week. If it should manage a sustained push above that area, the additional major extended Oscillator resistance is another \$30 higher (weekly MA-41 plus 190-195.) That equates to 2,637-42 this week.

As far as lower support goes, the push above the previous early October 2,550.75 all-time high leaves it as lower support, with a broad Tolerance to late October trading lows around 2,542. On the other hand, the extended lower support is not until the low 2,500 area based on the violated all-time highs noted above.

[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.]