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

Dear Subscribers,

Today is the light data day of an otherwise very jammed economic release week, including the ECB rate decision and press conference Thursday morning. Yet the data seems to be less consequential now in the face of what we refer to as a...

...Trump Triple Threat. Some negative factors for US equities we had noted were on hold rather than fully addressed are back. And these have been brought into focus by the first Trump administration official state visit, by French President Macron and his wife. While Macron has made some progress on possibly swaying Trump from his worst instincts, their Tuesday afternoon dual press conference made clear that nothing is guaranteed on key issues.

The first two threats are trade tariff related. May 1st is the White House deadline for export accommodation from trading partners. Otherwise it might actually impose temporarily delayed steel and aluminum tariffs (a real negative for US equities.) The other half of that is the implication it will do the same regarding China if it is willing to do so with security allies in Europe and the Americas.

The third threat is the US desire to drop out of the Iran nuclear accord, which will immediately inflame the Middle East situation. Macron has made a good case for adding requirements in other areas rather than cancel that flawed agreement. However, what Trump does on May 12th remains problematic. And if he wants a confrontation with Iran, he will need support from the same allies on whom he will have just imposed tariffs. Therefore, combined administration stances make no sense (as Macron has publicly noted.) And US equities are reflecting that as much as anything else in the context of otherwise strong economic data.

This is the critical consideration:

After its test of 2,809, the June S&P 500 future failing to hold the 2,770-60 range into mid-March left it weak. It was therefore no real surprise it first slipped to lower support in the interim 2,700 area, ultimately dropping below it and the 2,660-50 area back then. As it could not recover back above, it was entitled to revisit the broader channel it had tested in mid-2,500 area back in early February.

As that had also moved up to 2,620 in mid-March, the weekly Close below 2,620 was a DOWN Break. The early April failure below it and weekly MA-41 (which is up to 2,616 this week) allowed for further weakness three weeks ago to near lower support in the 2,550-32 range tested in early February.

And as noted on that lower support retest, it was very important to see if it could claw its way back above 2,600-20. After NEC Director Kudlow's comments that week on the delay in imposing any tariffs it pushed well back above that area, reinstating it as lower support. Even though 2,650-60 was higher congestion it had failed to hold above on previous rallies, it finally pushed back above it last week to test 2,700-10 area it reacted back down from late week. With it back below 2,650-60 Tuesday on the concerns noted above, lower 2,600-20 support becomes more important once again along with the lower levels.

[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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