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

Dear Subscribers,

It is an interesting morning in the absence of any economic data from either China or Europe that are closed for their Labor Day observations. And it might have been assumed that the broadly anticipated further US 30-day extension of the temporary steel and aluminum tariffs exemption for its allies would be a positive for US equities. However, they are weaker instead.

The problem seems to be the negative reaction of the EU even though it has been included in the temporary exemption extension along with Canada, Mexico and other US allies. The European Commission's reaction is that it being only a short-term exemption extension prolongs market uncertainty that is already impacting business decisions. And as we have often cited the old market cliché, "The market (which is to say the equities) dislikes nothing quite so much as uncertainty", it certainly seems to apply here.

That is especially because the European position (at least the most vociferous iteration out of a somewhat Trump-antagonistic Germany) is that it is only going to enter into any trade discussion with the US if that is not as part of a tariffs threat. And that is a problem because the Trump administration is unlikely to give any trading partner a permanent exemption prior to any negotiations. Looks like this could still end badly if there is no resolution with Europe.

As that is now compounded by weaker than expected US data today, it is possible the equities could remain back under pressure despite the exemption extensions.

This is (still) 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 slipped below interim 2,700 area and 2,660-50 area. That entitled it 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 back below it and weekly MA-41 (which is up to 2,621 this week) allowed for further weakness to near lower support in the 2,550-32 range previously tested in early February.

As noted at that time, it was important to see if it could claw its way back above 2,600-20, which was accomplished later that week on the delay in imposing any tariffs. That reinstated it as lower support. It finally pushed back above 2,650-60 in mid-April as well to test 2,700-10 area prior to weakening again late that week.

With it back below 2,650-60 last week Tuesday on concerns noted above, lower 2,600-20 support became more important. While it had rebounded from that area to above 2,650-60 again, the current weakness is unseemly once again. Higher resistances and lower supports remain in the areas 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.]

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