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

We are coming to you a bit earlier than usual on a day with little economic data yet a significant impact from one source: Treasury Secretary Mnuchin's indication that there was not only no 'trade war' with China but also that the trade 'dispute' was on hold after recent constructive negotiations. Even he will allow that the agreements in principle will now need to be formally drawn up and approved. Yet the idea that another stressor for US equities is now eliminated in the near term is positive… as the market is indicating this morning.

This is all part of the "Commentary: Consternation Dissipation" in our May 10th www.rohr-blog.com post and the ALERT!!s around that time. Think about it: The early month somewhat more hawkish FOMC announcement put the US equities down to key lower support, yet the US withdrawal from the Iran nuclear deal two weeks ago only caused a minor flutter back down into the next higher congestion (more on all of that below.) Now concerns over higher US yields and the NAFTA and Chinese trade issues only brought a test of the further higher congestion.

It all feels like a market that wants to move higher after a successful three month test of lower significant trend support. As we noted shortly after the initial early February downside short sharp shock, once that had occurred there was going to be a need for the market to correct 'across time' as well as in price. That up trend hiatus seems to have reached its natural end point even if the NAFTA component of the trade issues still needs to reach an amenable outcome.

This is the critical considerations:
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 2,700-10 and 2,660-50 areas. That entitled it to revisit the broader channel tested in the mid-2,500 area back in early February that had moved up to 2,620 in mid-March. The early April failure below it and weekly MA-41 allowed for further weakness to near lower support in the 2,550-32 range 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 steel 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.

Back below 2,650-60 in late April and again after the May 2nd FOMC statement left lower 2,600-20 support more important again. That held late week three weeks ago, and finishing that week back above 2,650-60 was a very strong sign. Holding it two weeks ago despite US Iran nuclear deal withdrawal was a key indication. Above 2,700-10 again early this month left it support that was extensively retested and held all of last week, with resistances at back up at 2,760-70 and 2,810 area.

[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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