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From: ROHR Alert <rohralert@gmail.com>
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Subject: ROHR TREND ALERT!!

Another day, another swing. The NOKO nerves that shook the US equities late Tuesday into Wednesday morning yielded to the more accommodative than expected discussions in the May 1-2 FOMC meeting minutes (our very modestly highlighted version is accessible at http://bit.ly/2KQlVFT.) Especially see the bottom of page 7 into page 8 on the Fed's reinforcement for the 'symmetric' nature of its 2.0% inflation goal. This encompasses a willingness to see inflation rise temporarily a bit above 2.0% after such a lengthy period below it over recent years. Of course, while the Fed will reserve the right to act forcefully if it sees fit, that does sound a bit more accommodative for now.

Yet we have also just received word that the US-NOKO June 12th summit has been cancelled… for now. The interesting extension of that is the response from President Trump that was very cordial and friendly compared to much of his previous bellicose vitriol directed at Kim Jong Un. As such the equities are not reacting with their previous sharp nerves over concerns of an imminent nuclear and conventional weapons conflict on the Korean peninsula… at least not yet.

Therefore, with central banks seeming a bit less hawkish (including the Bank of England as well) and economic data remaining firm (especially in the US), the general context for the equities remains constructive in spite of stalling into an interim area over the past two weeks (more below.)

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, retested this week on the NOKO meeting skepticism. Higher resistances remain back up at 2,760-70 and 2,810 area. That said, stalling both last week and this week into 2,741 area sets that up as interim resistance.

[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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