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From:	ROHR Alert <rohralert@gmail.com>
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To:	undisclosed-recipients:
Subject:	ROHR ALERT!! NOTE: Still Much the Same Into Trade Talks

Dear Subscribers,
There is still not much new to say despite US equities push higher on what are some very impressive corporate earnings reports. That is in spite of automaker's downgrading their outlook due to higher materials costs. Yet that had to be anticipated based on tariff-driven higher steel and aluminum prices as well as higher Crude Oil-based product prices (i.e. plastic parts.) And while they have dropped back over the past two weeks, higher Crude Oil prices have also led to higher gasoline prices that affect consumer affinity for the US auto industry's best selling lines like full sized cars and especially light trucks.

And this week is also still Crunch Time on the broader trade front as European Commission President Juncker and a select delegation arrive in Washington DC today for direct talks with President Trump. As noted since the top of the week, while that sounds propitious it is in fact a last ditch attempt to prevent the US-EU tariffs tiff from erupting into a full blown trade war.

While it is ostensibly about cars at this point (see above), the EU is sticking to its position it will not negotiate with a 'gun pointed to its head', and the US must drop steel and aluminum tariffs prior to further discussion. That seems unlikely after Trump's Tuesday "Tariffs are the greatest!" tweet… this remains a very fraught phase of the 'binary confidence conundrum' noted since mid-June.

So far that has favored the stronger US economy and equities. Yet whether that can continue if the US-EU situation turns into another Chinese-style trade impasse (haven't communicated in weeks) is seriously doubtful. And this all makes it very hard to assess any overall trend outcomes until after today.

Courtesy Repeat of Monday's critical consideration:
The 'front month' S&P 500 future above 2,700-10 again in early May made that support it only slipped below temporarily on Euro-zone concerns in late May. Yet quickly back above 2,700-10 left it important support again. By early June it had also pushed above 2,741 key interim full month of May resistance.

That left higher resistances back up at 2,760-70 and 2,800-10 area. Even though the lower of them was exceeded in early June and held in the wake of Fed Chair Powell's more hawkish FOMC decision press conference stance, trade tension concerns saw September S&P 500 future back below 2,770-60 congestion in late June. Also below 2,741 interim support at that time left more major support into 2,710-00 again, which held prior to the rally returning into early this month.

The ability to recover back above 2,741 after the last US Employment report was impressive… and that much more so on the push above 2,760-70 into the middle of this month. Higher resistance in the 2,800-10 area was modestly exceeded, yet with current concerns leaving very modest slippage back below that area. Higher resistance remains in the mid-2,800 area and at the 2,878.50 all-time high, and lower supports into 2,770-60, the interim 2,741 area and more major 2,710-00.

[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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