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From: ROHR Alert <rohralert@gmail.com>
Sent: Friday, July 27, 2018 8:12 AM
To: undisclosed-recipients:
Subject: ROHR TREND ALERT!!

Dear Subscribers,
We are coming to you a bit earlier than usual after this morning's as strong as expected first look at US Q2 GDP. Even though the 4.1% number was a touch lower than expected (along with the 2.0% Core PCE), Personal Consumption at 4.0% and the GDP Price Index at 3.0% were both well above estimate. This is indicative of real strength in the US economy that has been apparent in most of the other data since the end of Q1. Yet in market terms the US equities are only holding up into the next resistance nearer to the previous all-time high (more below), as the number looks like it was already well-anticipated.

Of course, US equities were already assisted by major Wednesday-Thursday influences that included the very positive resolution of the 'binary confidence conundrum' we have noted over the past month. That was first on the major trade front followed by interest rates, as on Wednesday the EU decided to negotiate with the Trump administration on working toward the much lower and highly reciprocal tariffs as well as a major overhaul of the World Trade Organization.

That was augmented on the interest rate front Thursday by the ECB both holding rates and policy steady, with very low rates remaining in place (as previously promised) "at least through the summer of 2019." And all principal and interest from the ECB's massive €2.5T balance sheet will be reinvested even beyond that. It is accommodation which underpins the Bund in the wake of the removal of the potential worsening US-EU trade war stressor… it's all good for now.

This is (still) the 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 recent concerns leaving very modest slippage back below that area until the more positive sentiment returned on Tuesday. Higher resistances remain in the 2,840-50 area tested since Wednesday afternoon and at the 2,878.50 all-time high.

[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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