

Alan Rohrbach

From: ROHR Alert <rohralert@gmail.com>
Sent: Monday, July 30, 2018 9:36 AM
To: undisclosed-recipients:
Subject: ROHR TREND ALERT!!

Dear Subscribers,

We are coming to you a bit later than usual in order to review all of this morning's US data after last Friday's strong as expected first look at US Q2 GDP. And once again compared to mixed economic data elsewhere, US data on Pending Home Sales and the Dallas Fed Manufacturing Index were both stronger than expected.

It is most interesting that the US equities sold off so aggressively on Friday after both the GDP numbers and Wednesday's EU decision to negotiate with the US on working toward the much lower and highly reciprocal tariffs as well as a major overhaul of the World Trade Organization. That had delivered the latest rally from the key technical area (more below) since Wednesday prior to the US GDP data, and was also reinforced by the recent weakness of the govies.

And once again, the additional factor on the interest rate front Thursday was 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." All principal and interest from the ECB's massive €2.5T balance sheet will also be reinvested even beyond that. While this should underpin Bunds (and by extension other govies), more hawkish FOMC language anticipated for Wednesday's statement only (no press conference) announcement and a likely hike from the BoE Thursday are offsetting that on govies weakness now. As such, higher interest rates will once again be a mild headwind for equities in an otherwise positive environment.

This is 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 last Tuesday. Higher resistances remained in the 2,840-50 area, as evidenced by last week's activity, and at the 2,878.50 all-time high. Yet despite the recent weakness, 2,810-00 also remains support now.

[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.]

NOTICE: The Rohr International, Inc. research team or its principals may already have entered positions or have orders working based on this view.

Thanks for your interest.

This Current ROHR TREND ALERT!! will be available soon via the sidebar at www.rohr-blog.com for Platinum echelon subscribers.

Please reply 'Unsubscribe' if you no longer wish to receive these emails.

Contact: rohralert@gmail.com

This review of market positions and all other information is strictly for educational purposes. This information is provided without consideration of portfolio requirements, suitability for financial risk, or psychological state of any recipient. Any use of this information to implement actual trades or investments is the sole responsibility of the individual or entity authorizing that decision. This waives your right to any claim of explicit or incidental liability for financial loss or forgone profit against Rohr International, Inc. and any informational contributors under all circumstances. Information contained herein may have already been disseminated to others who may have acted upon it. Implicit in the Rohr educational services is the understanding that principals or employees of Rohr may have already taken positions. By review of the Rohr Alerts and/or Rohr Views and all attendant information you confirm receipt of them as educational content, as well as agreement with all of the stipulations articulated above.

A service of Rohr International, Inc.

© 2018 All international rights reserved. Redistribution strictly prohibited without written consent