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

Dear Subscribers,
Where to begin after quite a couple of days, central banks or tariff threats? In the first instance, both the Fed and the BoE were more hawkish, with an incremental rate hike from 0.50% to a still low 0.75% Bank Rate from the BoE this morning. The full details can be reviewed in the Statement and MPC Meeting Minutes (http://bit.ly/2AFQEF4) that were followed by a press conference.

Yet the Bank refused to be drawn on Brexit issues equally as much as both it and the Fed are still claiming they cannot yet discount any 'trade war' impact that is still anticipatory rather than affecting the economy. That is even more so the case after last Wednesday's EU decision to negotiate with the US on much lower and highly reciprocal tariffs as well as a major overhaul of World Trade Organization.

As BoE Governor Carney pointed out, so far there is more so a US (and possibly others) trade tiff with China rather than any broad-based international tariffs war. While that may still spill over into a broader conflict, it is not something the Bank can use to justify a more accommodative stance now. That is in light of the even more hawkish Fed stance in Wednesday's Statement (http://bit.ly/2vcnk46) than June's already positive upgrade (http://bit.ly/2JSHcBK our marked up versions.)

So US equities weakness is less likely due to the BoE hike or more positive FOMC than the accelerated China tariffs threat from the Trump administration. Chinese economic and equities weakness leaves the Trump administration sensing blood in the water. Yet whether this means they can actually change Chinese behavior in a top-down economy is another matter. As such, it will be very important to see if the US equities slippage below key support this morning is a temporary response to another Trump 'grand gesture', or whether it worsens into weakness down to lower supports (more below.)

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 July.

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 despite the current slippage, 2,810-00 remains support with 2,770-60 below.

[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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