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

Dear Subscribers,
US equities surge!! No surprise, and this is not rocket science.

FORMULA: Take US equities market with strong fundamentals; add stressor (ala Turkish lira debacle and emerging markets weakness) and watch them fall to lower significant support; remove stressor and watch US equities surge back up to next higher significant congestion (more below.) While this does not guarantee US equities will continue upward to a current rally new high and challenge the late-January all-time high, it demonstrates once again that stressors into US equity markets with strong fundamentals only create temporary selloffs.

This has been the case many, many times since the 2008-2009 Crisis lows (and was generally the case prior to that as well), and especially since the sharp short-term US equities downside reaction from an overbought condition into early February. As discussed after the OECD Composite Leading Indicators release last Wednesday… "...when others have lagged into US equities leadership... In fact, international equities portfolio managers are more likely to throw money at the US in anticipation of a better potential return there than elsewhere." So while there was some weak US housing data this week after the still very strong NFIB Optimism and (far more important) Retail Sales, looking for a major reversal of the US equities bull based on weakness elsewhere is premature for now.

And getting back to the influence of the recent implosion of the Turkish lira, USD/TRY failing from the 7.10 area on Monday to below the 6.00 hyper-aggressive short-term up channel support (since the accelerated trend began after the July 24th failure of the central bank to hike rates) on Wednesday's Close has seen further weakness (lira strength) today. That has been accompanied by some modest strength in other emerging currencies which also suffered on the recent 'contagion' concerns. The message is that things are normalizing in the near term, which is good for US equities that are back up into higher resistance.

This is the critical consideration:
The ability of September S&P 500 future to recover back above 2,741 after the early July US Employment report was impressive… and that much more so on the push above 2,760-70 into mid-July. Higher resistance in the 2,800-10 area was modestly exceeded, and subsequent concerns left only very modest slippage back below that area until the more positive sentiment returned into late July.

Higher resistances remained in the 2,840-50 area, reinforced by the downside reaction from that area three weeks ago, and now reinstated on last week's drop back below it. The fact that this week's early recoveries stalling into the low end of that range confirm its prominence as it is retested at present. Higher resistance remains the 2,878.50 all-time high with support at 2,810-00 (amply reinforced by Wednesday's price activity), and the old 2,770-60 area.

[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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