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

Dear Subscribers,
We are coming to you a bit earlier than usual to prepare for Fed Chair Powell's speech at 10:00 EDT (09:00 CDT; 14:00 GMT.) And it is of note that US equities are already firming this morning ahead of any further influences. This may be because prior to that, and as a context for it, there was a very interesting and impactful observation from the St. Louis Fed's James Bullard earlier this morning. In fact, it may the most important Fed communication to flow from the KC Fed annual Jackson Hole Central Bank Symposium into the weekend.

In an early interview with CNBC's Steve Liesman (https://cnb.cx/2P376lo) Bullard said, "I just don't see much inflation pressure. ... I'm an inflation hawk, but I just don't see that developing." To highlight the point Bullard also said (at 03:15) in so many words that he'd "...stand pat where we are and I'd try to react to data as it comes in." In another video segment (https://cnb.cx/2OYulwP), he also supported his view with the answer (from 07:45), "The Phillips Curve has not been a very effective way to predict inflation over the past 20 years."

This is consistent our views over the past several years, also questioning the Fed's 'Normalization Bias' in repeated www.rohr-blog.com posts. In our July 20, 2017 post on central bank tendencies we noted the analysis of other respected analysts who had seen a 'break' in classic employment-inflation relationships. Those included Fulcrum Asset Management Chairman Gavin Davies. And if Fed projections regarding at least two more rate hikes this year are in fact once again misplaced, it is a clear fillip (pardon the pun) for the US equities. We shall soon hear what Mr. Powell has to say about all of this.

This is (still) 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 late July downside reaction from that area, seemingly reinstated on the mid-August drop back below it. Yet not for very long, even if last week's early recoveries stalling into the low end of that range confirmed its prominence. Yet it was exceeded once again on the surge back up later last week from still important 2,810-00 support.

It was also higher again early this week in spite of USD/TRY strength (see Monday's ALERT!! for more on that), and held the high end of the 2,840-50 range on the politically-driven reaction into Wednesday morning. Higher resistance remains the 2,878.50 all-time high, with the classical extended weekly Oscillator resistances into 2,890-95 and not again until the 2,920-25 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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