Alan Rohrbach

From: ROHR Alert <rohralert@gmail.com>
Sent: Thursday, October 04, 2018 9:08 AM
To: undisclosed-recipients:
Subject: ROHR TREND ALERT!! When It's Least Expected

Dear Subscribers,
We are coming to you a bit later than usual in order to see the US Factory Orders and Durable Goods that are the last US data prior to Friday's Employment report. In the event Factory Orders came in firm while Durables weakened a bit.

And there was once again a sharp correction in US equities Wednesday afternoon from above the next key Oscillator zone back to retest the previous all-time high (more below.) Yet 'when it's least expected' refers more so to the likely driver for that US equities selloff: the sharp drop in US govvies (and yield surge) to a new 6.5 year trading low. After govvies prices were bid up last week on concerns about disarray in Europe (Italian budget spending levels) that drove up Bund prices, we had noted in our full Rohr-Blog emails that this 'haven' bid was not warranted in the US govvies due to the strength of US economic indications. Even so, this week demonstrates how sharp govvies activity is hard to predict.

So even after December T-note future had rallied back near failed 119-02 support from late last week into Tuesday, it dropped sharply from Wednesday morning. Was it Wednesday's all-time high ISM Services PMI, or the much stronger than expected ADP Employment Change? Or was it possibly the confidence of Fed Chair Powell in his interview at The Atlantic Festival (https://to.pbs.org/2xXTnWX for the brief article and full video.) He mentioned early on that US wages are in fact finally rising, and noted on tariffs (from 12:30) "...nothing that's happened to date seems to be having much of an effect."

As regular readers know, this is fully consistent with our view on why the US equities have remained so strong, now abetted by the US-Canada trade rapprochement. And we suspect once the current US yield surge stalls, the equities will rise again… at least that's the historic tendency.

This is the critical consideration
Front month S&P 500 future still had higher resistance into the 2,840-50 area in early August. It was reinstated on the mid-August drop back below it. Yet not for long, even if subsequent initial recoveries stalled into the low end of that range. However, it was exceeded once again on the mid-August surge.

Higher resistance at the 2,878.50 January all-time high was exceeded in late August, and held on subsequent selloffs. Next weekly Oscillator resistance into 2,895-2,900 was also overrun. Slipping below 2,895-2,900 congestion left it near-term resistance the September contract pushed above in mid-September.

And the 5.00 premium December S&P 500 future looked that much better after September contract expiration. Higher resistance at the late-August front month 2,917.50 high was exceeded, yet was dropped below again on the US-Canada trade concerns last Wednesday. It was reinforced by Oscillator resistance that rises to 2,930-35 this week: hence our concern a bit more upside confirmation was needed even if 2,917.50 is near-term support that is being retested again this morning. Lower support remains 2,900-2,895 with 2,960-65 as next Oscillator resistance this week if 2,930-35 (up to 2,935-40 next week) should be exceeded.

[For those of you who are www.rohr-blog.com subscribers, see the latest analysis and Market Take in the daily emailed ROHR-BLOG notes and occasional posts for more on the current Evolutionary Trend View.]

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