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

Dear Subscribers,

We are coming to you a bit later than usual in order to provide as full a view as possible. As the old saying goes, "The market (i.e. equities) dislikes nothing quite so much as uncertainty." And even at that we have often noted a single stressor (or even two) have not precipitated any extensive selloff in the US equities.

At present there are four, which was part of the reason we stressed US equities vulnerability after a couple of days of only rallying back to its most recent failed support (more below.) While the Italian budget plan remains an issue in Europe, it is a sideshow in a broader context that included fears on US Hurricane Michael.

Still more important are US interest rates and global economic concern centered around a slowing Chinese economy. Those two in combination are less clearly defined ('uncertainty') and may more broadly affect corporate earnings. Yet the Fed move from accommodation to neutrality was brought into question to some degree by this morning's much weaker than expected US CPI data.

That rallied the govies back near recently failed significant support, which in turn spilled over into fostering a US equities recovery from further lower ground. That still leaves it on failure below various supports (more below with a chart link), yet could assist the return to a more bullish psychology as we enter corporate earnings season. On the other hand, Chinese equities that had already been struggling near early 2016 lows (Shanghai Composite 2,638 area) finally capitulated with a failure into new 4-year lows. That seems to imply their weakening economy is going to turn into more of a global growth headwind.

This is the critical consideration

Front month S&P 500 future still had higher resistance into the 2,840-50 area in early August after the rebound from still important 2,800 area support. It was exceeded along with the 2,878.50 January all-time high in late August. Next weekly resistance into 2,895-2,900 was also overrun and remained important after slipping below it in early September prior to recovering. Yet it failed below it again late last week into this week on US interest rate and Italian budget problems.

As we had noted, this week's subsequent rally failures into that congestion were a weak sign pointing to a retest of at least the 2,840-50 area and possibly the still important 2,800 hefty congestion area. In the event, those projections have turned out to be more limited than current correction reality. The 'quadruple whammy' to the near-term psychology has brought technical failures that still leave room for subsequent recovery, as apparent on the weekly chart (<http://bit.ly/2Oi6XOV>.)

December S&P 500 future failure below 2,800 area has left an intermediate-term channel DOWN Break from 2,835, and area it will need to exceed to fully restore a bull trend. Of note, weekly MA-41 at 2,770 seems near-term support with the next lower major congestion below 2,800 into 2,700 area (and major channel.) Current volatility means either one might be hit, with 2,840-50 the higher key higher area.

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