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From: ROHR Alert <rohralert@gmail.com>
Sent: Monday, October 22, 2018 8:57 AM
To: undisclosed-recipients:
Subject: ROHR TREND ALERT!! Slack Continues

Dear Subscribers,
While US equities 'slackticipation' of Friday's weaker key Chinese economic numbers had already led to Thursday's selloff back below a key near-term range (more below), Friday saw an inability to recover back above it. And while this morning's modest rebound looks friendly, it is only nominally back above the lower key weekly Moving Average area (also more below.)

While we remain overall friendly to US equities, the fact that they did not maintain last week's midweek rebound leaves room to still test lower support. The good news is that the ultimate support remains well below the two weeks ago Thursday trading low; and that's also the bad news for a market that has further headwinds coming up this week. To the degree it cannot sustain activity back above next higher congestion (more below) better than last week, it remains vulnerable.

There are 'macro' factors beyond the normal reporting cycle that still affect these markets, like the current Saudi imbroglio, EU-Italy budget confrontation and of course generally higher US interest rates reinforced by last Wednesday's FOMC meeting minutes release. And even within the lighter data flow this week there are major central bank influences. Those include the likelihood of a Bank of Canada hike on Wednesday followed by Thursday's ECB decision and press conference where it will surely be reconfirming the end of its QE program at year's end; and there are other central bank releases throughout the week.

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 rallies into early October failed into higher weekly Oscillators around 2,930-35.

Those ultimately led to failure back below 2,895-2,900 congestion that was a weak sign pointing to a retest of at least 2,840-50 area and possibly the still important 2,800 hefty congestion area. In the event a 'quadruple whammy' noted two weeks ago Thursday hit near-term psychology for failures below those areas. However, as noted at the time that still left room for subsequent recovery of the bull trend, as apparent on last Tuesday morning's weekly chart (http://bit.ly/2pV5GyL.)

The December S&P 500 future failure below 2,800-2,790 left an intermediate-term channel DOWN Break from 2,835, an area it will need to exceed to fully restore a bull trend. That looked bad, yet still allowed for a test of more prominent 2,700 area (major channel and congestion) within a broad bull that was not even reached on the 2,712 selloff low two weeks ago. The current weakness back below 2,800-2,790 area opens the door to further slippage after last week's Close below weekly MA-41 (still 2,770.) As such, 2,835 intermediate-term channel DOWN Break (reinforced by previously failed 2,840-50 congestion) remains key higher resistance with the critical major support not until the 2,700 area.

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