Alan Rohrbach

From: ROHR Alert <rohralert@gmail.com>
Sent: Friday, November 02, 2018 8:05 AM
To: undisclosed-recipients:
Subject: ROHR TREND ALERT!! More Elbow Room

We are coming to you quite a bit earlier than usual in the wake of this morning's across-the-board stronger than expected US Employment report. While we will get back to it below, it was also obvious coming into this morning the US equities were already extending their gains of the past several sessions based on other factors that may or may not be real. That said, the US Nonfarm Payrolls gain of 250,000 (versus a 200,000 estimate) and the annualized Hourly Earnings 3.1% gain are major positive indications after the recent market worries.
And while sometimes during FOMC hiking cycles very strong US Employment numbers can be a "good news is bad news" influence, at least so far the US equities are holding their overnight gains; reinforced by the govvies reversion to weakness after their equities scare 'haven' bid into early this week. It would seem that the psychology we have discussed previous (and especially after Thursday's BoE Inflation Report press conference) that the global economy is likely still growing in spite of recent weakness will bolster the US equities (and others.)

However, even though the near term strength of US equities has extended above a key technical threshold (more below) that seems to provide bulls more elbow room, the near-term driver for that is questionable. Which is not to say the market will fail if it proves false, but more so there may be some pressure. That was Thursday's Trump pronouncement the US is close to trade rapprochement with China. While that would indeed be very constructive, subsequent indications from knowledgeable administration officials is that there is no such development.

This is (still) the critical consideration
Since the beginning of October front month S&P 500 future has obviously been back below old violated higher resistance into the 2,840-50 area (including a weekly channel 2,835 DOWN Break) and subsequently failed 2,800-2,790 support. In the event the 'quadruple whammy' noted three weeks ago Thursday hit near-term psychology for failures below those areas.

Last week's further December S&P 500 future downside activity also exhibited a 2,708 DOWN Break (see Monday morning's chart http://bit.ly/2CLEyda from before that session's 2,603 new trading low) out of the broad up channel since the February-April mid-2,500 area sharp reaction lows. As noted previous, last week's Close was below the late-May 2,675 pullback low Tolerance of the channel, yet by such a marginal factor as to allow subsequent recovery; like the present rally.

That now represents enough of a recovery to restore overall upward trend momentum above that 2,708 DOWN Break, and that area should now be support on selloffs. If last week's Close was only 'slippage' below the channel, that should lead to sustained recovery back up into the channel to regain all recent losses. Based on recent price movement, the proof in this pudding is back to favoring the bulls… as will the upcoming 'Santa Claus Rally' if equities make further gains.

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