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From: ROHR Alert <rohralert@gmail.com>
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Subject: ROHR TREND ALERT!! Lesser Stressors

Fed Chair Powell lowering the stress on US equities was the next step in that tendency allowing the return of robust bullish activity after Brexit and EU-Italy budget tension had already abated. That is in line with our observations on how bull market reactions occur and are reversed. Much still rests with any Trump-Xi meeting that is now not due to occur until Saturday evening at this weekend's G20 in Buenos Aires. Yet the US equities technical trend activity seems a return to a full bullish situation unless there is real upset after the G20 (more below.)
And what is most interesting about the Powell influence is its reaffirmation of the old adage, "It's not what you say but how you say it." Whereas in October his assertion there was "a long way to go to neutral" hit the US equities, he basically said the same thing from a more dovish perspective on Wednesday. At the top of page 2 of his speech's body (http://bit.ly/2zwVFwL) he notes that interest rates remain "...just below the *broad range* of estimates of the level that would be neutral..." (our asterisks.)

Welcome back to a 'data dependent' Fed versus the 'set path' of five more hikes into 2019 inferred previous; that was the perception of Powell's October speech. And that could not be more different for US equities. It is especially important regarding any further weight on the economy in case there is in fact no US-China thaw flowing from this weekend's G20. It is likely why the US equities are back above the more critical higher resistance, leaving a good deal of room for a reaction while remaining bullish in the near term (more on all of that below.)

This is the critical consideration
In late October the December S&P 500 future Broke DOWN below 2,708 from its broad weekly up channel since the February-April sharp reaction lows. As noted previous, that week's Close below the late-May 2,675 pullback low Tolerance of the channel was by such a marginal factor as to allow subsequent recovery.

And the rally into early November after a new late-October trading low for the selloff exhibited an UP Closing Price Reversal (CPR) from the previous week's 2,670 Close. That extended the Tolerance to the 2,675-70 range held two weeks ago, yet was violated on last Tuesday's selloff. Its importance is apparent on the weekly chart from last Friday's Close (http://bit.ly/2PUWpWU.) The UP 'CPR' into early November would be 'Negated' (i.e. reversed) on any Close below its 2,627 Tolerance (heavy red line) at the low of the preceding week. Yet it held on Friday!

That is a very important consideration with the market previously below the key 2,675-70 UP CPR signal area that is also last year's Close. As noted previous, that may affect the potential for any 'Santa Claus' Rally late this year. It remains the lower support below the Negated 2,708 DOWN Break that has been reinstated as next support. If it remains above it, the potential for 'Santa Claus' year-end buying is much improved. Next higher resistances remain the interim 2,750 area (at which it failed into mid-November) and more prominent 2,790-2,800 range.

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