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From: ROHR Alert <rohralert@gmail.com>
Sent: Monday, January 07, 2019 9:29 AM
To: undisclosed-recipients:
Subject: ROHR ALERT!! "It's up and it's..."

Dear Subscribers,

"Good!!" ...is the classical US football announcer's comment on a successful 3-point 'field goal' kick (between the goal uprights.) It seems to also apply to the US equities performance last Friday. [Condolences to Chicago Bears fans, whose erratic kicker missed the end-of-game winning field goal in their Sunday loss.]

Yet there are good 'the agony and the ecstasy' macro reasons why US equities were so strong on Friday after such an abysmal drop on Thursday; and vice versa for the govies. As pointed out for many years on the overall trend reactions, it takes more than one problem to drop the US equities to any substantial degree; and those negative stressors abating are the reason for substantial recoveries.

The only difference into the current highly volatile environment is that the agony and ecstasy of the shifts in multiple major 'macro' influences are coming in rapid fire reversals. And when they occur in conjunction with each other, the combined effect is striking. After combined negatives from last Wednesday into Thursday (ergo the sharp selloff), Friday began with a bit better tone on the announcement of the resumption of suspended US-China trade talks during the tariffs truce.

That was reinforced by better global Services PMI's, and massively enhanced by a very strong US Employment report. Then hawkish Fed Chair Powell reverted to a more 'data dependent' message, even on balance sheet reduction. A one-way combined influence flow... yet still only in a broad trading range (more below.)

This is the critical consideration

Ever since the front month S&P 500 future dropped below the early 2018 lows into mid-December, we skipped a lot of our previous higher level activity discussion. Suffice to say that on the early December (post-G20 Trump 'Tariff Man' tweets) sharp slide back below 2,708 it was in the 'failure swing' noted since that time. That quickly led to the violation of the 2,675-70 area (including the 2017 Close.)

The drop below early-2018 2,529-52 lows was critical due to next significant lower support not being until the major 2,400-low 2,300 area, with a Tolerance to the early 2017 2,318 congestion area low. This can still be seen on the monthly chart (<http://bit.ly/2VBvb6D>) from the end of last year. Note that those areas now form the bounds of a broad trading range, regardless of how volatile the price swings might be. And as impressive as Friday's updraft might have been, it was still only a recovery that leaves US equities into resistance (at previously violated support.)

There is a tendency to feel that it will be hard to timely reverse deep selloffs or sharp up trends. Yet the US equities price activity out of mid-October especially into December and this month have refuted that notion. As to what factors might reverse the current positive sentiment, Sterling or higher www.rohr-blog.com subscribers merely need to access the weekly calendar via the sidebar. In the first instance, there is no guarantee renewed US-China talks will yield results on the key thorny issues. There is also this week's UK Parliament Brexit

vote along with central bank influences and additional key data. Will US equities remain 'good'?

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