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From:	ROHR Alert <rohralert@gmail.com>
Sent:	Friday, January 18, 2019 9:07 AM
To:	undisclosed-recipients:
Subject:	ROHR ALERT!! Bad News is Good News?

Dear Subscribers,
It would seem so, as the sustained rise of US equities has carried above key trend resistance (much more below.) Even after the vagaries of short-term reaction to important US bank earnings, the weaker ones did not keep the US equities down. This is likely due to the degree to which those were (as noted by JPMorgan chief Jamie Dimon) only short-term phenomena based on hypervolatile December trading conditions, and will not affect the banks overall performance into 2019.

That said, the US government shutdown's impact on its economy is deepening. Yet the silver lining there is the lower growth will reasonably restrain the Fed's more hawkish tendencies, which many viewed as a greater threat to US equities. What about the UK Brexit vote failure threatening to create a 'hard Brexit' (i.e. UK disorderly fall out of the EU)? Well, as we and other observers have noted, that was such a 'bad' failure that it has brought a perversely 'good' response. After the psychology that the EU must at least allow the UK more time to sort out how to manage a 'no-deal' exit, there is the further implication that the total failure is a wakeup call to the EU on the lack of any chance the UK is going to accept the lopsided arrangement it had foisted on Ms. May.

That threat to the EU economy is highlighted in an FT article (http://bit.ly/2Css8oN for our marked-up version) on an almost bizarre letter from the Germans (all of the prominent political parties, businesses and trade unions) imploring the UK to give up this (essentially silly) Brexit idea. It is almost comical (ala British 'Faulty Towers' or Black Adder') if it were not sad in bordering on being so patronizing as to be counterproductive. Yet US equities are up and govvies under pressure now.

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 that becomes relevant once again as March S&P 500 future pushes back above the 2,635 resistance (including weekly MA-13.) Along with lower 2,600 congestion it has been back above since Tuesday January 15th, that puts the 2,675-70 area (including the 2017 Close) and failed 2,708 UP Break back in play.

While previous 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, that held its Tolerance into the early 2017 2,318 congestion area low right after Christmas. This can still be seen on the monthly chart (http://bit.ly/2VBvb6D) from the end of last year, which also highlights the degree to which the broad support was held.

At this point it must be noted that only a failure back below the 2,600 area will restore any near-term bearish momentum. Yet there are also substantial higher resistance levels back up into the October through early December trading range. Those are interim mid-2,700 area and more prominent low-2,800 top of the range.

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