Alan Rohrbach

From: ROHR Alert <rohralert@gmail.com>
Sent: Friday, February 22, 2019 9:00 AM
To: undisclosed-recipients:
Subject: ROHR ALERT!! Forward View for 'Parked' Markets

Dear Subscribers,
It is wholly consistent with our view at the top of this week that most markets ended up churning around the levels where they began. There was just too much 'fog' (cross currents and important 'macro' factors remaining undecided.) Yet those same issues become more critical into next week. Most important is the March 1st deadline for a US-China trade 'deal' by next Friday. Even after some agreement on merchandise trade, nobody expects a full deal by then.

What hangs in the balance is whether China opens on the far thornier issue of its state support for industries it is grooming for international dominance. As noted on Wednesday, brinksmanship means that China is unlikely to budge on this issue (even agreeing to discuss it) until the mid-late part of next week. On the positive side, President Trump likely wants to defer any massive further tariffs.

Therefore, despite the FOMC confirmation of a more patient approach (see pages 9 and 11 of our marked-up version of the meeting minutes at http://bit.ly/2VaI8DK for much more), that is for good reason of global slowing and risks. This renewed "bad news is good news" psychology is based on weakening global (and now US) economic data that constrains US equities while boosting govvies.

Even with other stressors abating, it is thoroughly possible that the general world economic situation leaves US equities fully priced or even a bit high. See our previous discussions on the OECD indications along with discussion of the still thorny US-China issues (February 14th.) after a planned PM May speech next Tuesday, there could also be another UK parliament Brexit vote next week.

And in the midst of all that Fed Chair Powell will provide semi-annual testimony to the Senate and House next Tuesday and Wednesday (respectively.) This will likely once again reinforce Fed patience, yet highlight the weak economic tendencies which drove that recent shift. Maybe the saving grace on major influences from regular data is the US Employment report being deferred until March 8th.

Courtesy Repeat of Thursday's critical consideration
The front month S&P 500 future pre-December activity above the early 2018 lows became relevant again after March S&P 500 future crossed back above 2,600-35 congestion. Along with the low end 2,600 level it has been back above since Tuesday JAN 15, that put 2,675-70 area (including the 2017 Close) back in play.

The importance of that with the recent weekly down channel UP Break (2,600) and key moving averages being exceeded is apparent on the weekly continuation chart (http://bit.ly/2Im129a) updated through early Tuesday morning. That 2,635-00 area is major lower support, with interim 2,750-40 (including weekly MA-41), the very light 2,708 Negated DOWN Break and 2,675-70 along the way. That key higher resistance remains the more prominent low-2,800 area top of the October-early December range that held into 2,635-00 prior to the December debacle.

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