

Alan Rohrbach

From: ROHR Alert <rohralert@gmail.com>
Sent: Tuesday, June 11, 2019 8:51 AM
To: undisclosed-recipients:
Subject: ROHR ALERT!! Smarter Older Brother

Dear Subscribers,

An old financial market saying is, “The govies are the US equities smarter older brother.” And the broad background suggests that is the case at present. It is much like the relationship between Sherlock Holmes and smarter older brother Mycroft (<http://bit.ly/2WAqn5N>), where the latter was much less energetic. That is an apt metaphor for the volatile US equities versus mostly quieter govies.

And as noted in Monday’s ALERT!!, history has taught us sharp coincident rallies in US equities and global govies means central bank accommodation is at work. This is apparent in Fed Chair Powell’s dovish speech last Tuesday and another very dovish ECB press conference (<http://bit.ly/2WrX8IM>) last Thursday. There were also other signs of weakness explored in Monday’s ALERT!!, and we suggest a read for anyone who has not done so already. And that is all now augmented by another set of downbeat OECD Composite Leading Indicators (<http://bit.ly/2XEG0Wc> our marked-up version of CLI) from just this morning.

The most recent historic phase for govies being more on track than wild swings in the US equities was as recent as early 2018. Revisiting the same weekly charts from the end of last week included yesterday, note the US equities early 2018 sharp downside reaction (<http://bit.ly/2XBJWab>.) Yet that was also when US govies (<http://bit.ly/2WWEMso>) finally broke below their major late-2016 123-00 area low. That signaled further govies weakness to follow (i.e. higher yields) in the context of the now confirmed continued US economic improvement.

And ultimately the US equities reflected that greater strength from May 2018 onward. In addition at present we have reinforcement for the weakening global economic picture as it relates to the key European export economy in the Bund trend (<http://bit.ly/2QWGggX>), consistent with the latest OECD CLI noted above.

Courtesy Repeat of Monday’s critical consideration

It is obvious that the front month S&P 500 future mid-March surge above the 2,825-14 resistance opened the door to more strength. As June S&P 500 future pushed above a weekly DOWN Closing Price Reversal from 2,830-36, 2,825-14 and 2,800 along with weekly MA-41 at 2,775 became important support.

2,900-10 area resistance from September was overrun back in late April. That led to the retest of September’s 2,947 front month future all-time high into May 1st. Even in the wake of the initial early-May ‘Trump dump’ on the China tariffs comments, it was only back around that 2,910-00 support’s 2,890 Tolerance.

However, once that was violated, it was reasonable to anticipate a test of lower supports at previously violated 2,865 resistance, 2,836-30 and 2,825-14 all the way to the 2,800 ‘big penny’. A round of friendly Trump US-China comments squeezed the bears back up to that 2,890 violated Tolerance into mid-May, but no better.

And even after the recent weakness back near the 2,722 March trading low at the beginning of last week (<http://bit.ly/2XBJWab>), anticipation the Mexican tariffs threat might be avoided sent the US equities into a sharp rally. Lower key support noted above in the low 2,800 area with the 2,775 weekly MA-41 Tolerance is now reinstated as the lower support, with resistance into 2,900-10 range once again.

[For those of you who are higher level www.rohr-blog.com subscribers, see the latest analysis and Market Take in the daily emailed ROHR-BLOG notes and occasional posts for more on the Evolutionary Trend View.]

NOTICE: The Rohr International, Inc. research team or its principals may already have entered positions or have orders working based on this view.

Thanks for your interest.

This Current ROHR TREND ALERT!! will be available soon via the sidebar at www.rohr-blog.com for Platinum echelon subscribers.

Please reply 'Unsubscribe' if you no longer wish to receive these emails.

Contact: rohralert@gmail.com

This review of market positions and all other information is strictly for educational purposes. This information is provided without consideration of portfolio requirements, suitability for financial risk, or psychological state of any recipient. Any use of this information to implement actual trades or investments is the sole responsibility of the individual or entity authorizing that decision. This waives your right to any claim of explicit or incidental liability for financial loss or forgone profit against Rohr International, Inc. and any informational contributors under all circumstances. Information contained herein may have already been disseminated to others who may have acted upon it. Implicit in the Rohr educational services is the understanding that principals or employees of Rohr may have already taken positions. By review of the Rohr Alerts and/or Rohr Views and all attendant information you confirm receipt of them as educational content, as well as agreement with all of the stipulations articulated above.

A service of Rohr International, Inc.

© 2019 All international rights reserved. Redistribution strictly prohibited without written consent