

Alan Rohrbach

From: ROHR Alert <rohralert@gmail.com>
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To: undisclosed-recipients:
Subject: ROHR ALERT!! Challenging Trends

Dear Subscribers,

Bringing a bit of global perspective this morning to the choppy price swings in US equities and other markets, it seems like a clear case of Fed anticipation. And as can often occur, it's now both 'bad news is good news' and vice versa.

As noted in Friday's Two-Way Street ALERT!!, with a rate cut at the late July FOMC meeting all but baked in, we expect those invested (literally) in a classic 'don't fight the Fed' psychology will be US equities buyers on the selloffs. And Friday's strong US data brought a predictable bit of a selloff while this morning's very weak Empire (New York State) Manufacturing Index has seen a bit of a bid.

Of course, much of this relates back to broader 'macro' factors. Even as the immediate threat of the major Mexico tariffs has abated for now, the drags from especially the acrimonious China tariffs situation and even Brexit continue as a global headwind. Yet as worries over US-Mexico tariffs have abated, markets are responding to data differentials between the US and the rest of the world.

While govies remain bid on the overall anticipation of global weakness, the Bund has led the US T-note. US dollar weakness from the Mexico tariffs scare reversed on last week's stronger US data while the emerging currencies are weakening again on anticipation of further overall global weakness. All of this calls for a nimble approach until at least Wednesday's FOMC announcements and press conference. Just how dovish will Chair Powell feel about all these developments?

This is the 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 two weeks ago, 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, with 2,865, 2,836-30 and 2,825-14 along the way.

Higher resistance remains the 2,900-10 area tested last week, with the early May 2,938.25-2,947.50 gap lower from the all-time high Close above that.

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