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From: ROHR Alert <rohralert@gmail.com>
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To: undisclosed-recipients:
Subject: ROHR ALERT!! The 90% G20 Conundrum

Dear Subscribers,

It is no surprise that Wednesday's US equities rally faded. It was based on a misread of Treasury Secretary Mnuchin's US-China negotiation comments.

As noted in a very good posting (<http://bit.ly/2XEfSxS>) by The Hill political commentary forum, "CNBC on Wednesday initially reported that Mnuchin had said a U.S.-China trade was 90 percent complete but later issued a correction noting that he said 'we were about 90 percent of the way there' in the past tense." That is alluding to the ostensible progress prior to the Chinese negotiators coming back with untenable revisions into early May.

The early-May US response was the reason for the sharp US equities fall at that time due to the revisions gutting major aspects of agreed tenets of the deal: addressing forced technology sharing and intellectual property theft, among others. And now as noted in a Wednesday Financial Times article, "For the second time in seven months, a (*G20 meeting*) will be eclipsed by a 'sidelines' meeting between Donald Trump and Xi Jinping" on Saturday.

As such, it remains hard to have a definitive view on the US equities and other markets. Yet as we have noted previous, our expectations are not very high due to the US overall 'ask' being for China to basically change an overall business model it has gotten away with implementing ever since it was first granted WTO membership at the end of 2001. More US equities weakness and govies strength seems the likely market response into next week even if talks are friendly.

Courtesy Repeat of Wednesday'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. June S&P 500 future pushed above it along with 2,830-36, and the lower 2,800 area left as 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 that extended to the 2,961 May 1st new all-time high. Even in the wake of the initial early-May 'Trump dump', it was only back around that 2,910-00 support.

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'. And even after the early June US-Mexico tariffs scare selloff back near the 2,722 March trading low, US equities saw a sharp rally on those fears abating. Lower key support noted above in the low 2,800 area as well as 2,865, 2,836-30 and 2,825-14 were all reinstated.

Higher resistance was again 2,900-10 area, with the early May 2,938.25-2,947.50 gap lower from the all-time high Close above. As those were overrun last week, September S&P 500 future is near historic Oscillator levels once again. Those are near the old 2,961 all-time high at 2,965-70, with 2,985 and 3,005-10 above that. Initial support back into 2,947-38 area has been breached, with 2,910-00 below.

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