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From: ROHR Alert <rohralert@gmail.com>
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To: undisclosed-recipients:
Subject: ROHR ALERT!! Durable Breakthrough?

Dear Subscribers,

Markets feel like they are buying into the US-China Trade talks 'breakthrough'. Yet what does the agreement to restart talks versus heightened warfare really mean? Is it a durable step forward, or just a bit of detente? Based on the most recent economic data, even the US needed a bit of help, and China was desperate.

But does this mean that China is going to fully agree to the still rather major US 'ask' in the overall negotiations? As noted repeatedly, this is basically for China to change an overall business model; including the end of forced technology transfers and intellectual property theft. While we still do not believe that is going to transpire, it is important to give the US equities bullish devil its due for now.

As noted in Friday's 'G20 Binary Hold on China' the ostensible '90% done deal' alluded to by Secretary Mnuchin's was blown up by the Chinese negotiators into early May. [See last week's very good posting (<http://bit.ly/2XEfSxS>) by The Hill political commentary forum.] While the G20 has provided some hope, there is still a misguided notion the talks are 90% of the way to agreement... not so.

And the official China Daily is saying things are less than any 'done deal'. Even allowing that, (according to a Reuters article <https://reut.rs/2Xcywcd> over the weekend) it noted, "(remaining differences are) *where fundamental differences reside... and ...they remain widely apart even on the conceptual level.*" So while Trump and Xi provided upbeat psychology, the full deal seems a long way off.

We are coming to you a bit later than usual in order to see the US Manufacturing PMI at the end of a continued string of weak global indications. And those US numbers came in weaker than May yet still nominally positive at 51.7.

This is the critical consideration

Front month S&P 500 future 2,900-10 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 2,961. 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. Lower key supports at 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 are once again overrun, September S&P 500 future is into historic Oscillator levels once again at 2,965-70, with 2,985 and 3,005-10 above that. Also note the low 3,000 area topping line out of January 2018 on the weekly continuation chart (<http://bit.ly/2XjLiuq>.)

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