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From: ROHR Alert <rohralert@gmail.com>
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To: undisclosed-recipients:
Subject: ROHR ALERT!! Bad is Good, Mixed is Better

Dear Subscribers,
The US equities are holding their bid near the top of their recent extension to new all-time highs despite continued weakish international data… or is it possibly because of it? With stronger US Retail Sales the international rationalization for the Fed to remain accommodative remains in place. And we will know more about that into Chair Powell's speech on monetary policy at 13:00 EDT today.

However, as that is more so a general view of "Aspects of Monetary Policy in the Post-Crisis Era", it is possible he will not offer any views on current Fed policy. The next inferences on that will need to be drawn from Wednesday afternoon's Beige Book on the way into the end of month FOMC decision.

Yet what we see highlighted in today's US economic data is that the J-Curve (predicting inflation will flow from strong employment and economic growth) is really dead… RIP. While we (among many others) had noted its demise for over five years, today's much better than expected US Retail Sales along with the seriously weaker Import Price and Export Price data emphasizes its demise.

This reinforces the degree to which it is possible for the US to import disinflation from the weaker Asian and European economies. It supports the idea that the Fed can remain accommodative for now with little concern for inflation being a problem; and as such it can concentrate on its other full employment mandate. Ultimately good for US equities while not being bad for govvies, even if the latter are sagging a bit in the wake of the strong Retail Sales data this morning.

Courtesy Repeat of Monday's critical consideration
Even after the early June US-Mexico tariffs scare selloff sent the front month S&P 500 future 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 were overrun into mid-June, September S&P 500 future was above historic Oscillator levels at 2,965-70 and 2,985, with the critical 3,010-15 into this week above that.

Also note the low 3,000 area topping line out of January 2018 on the weekly chart (http://bit.ly/2xLElmw) through last Friday's Close. The question now would seem to be whether it can maintain a push above critical 3,010-15 Oscillator resistance and somewhat higher topping line into the 3,030 area prior to dropping back below the 2,947-38 gap and old all-time high area from September.

The other psychological key in light of current trading levels is the 'big penny' psychology: the tendency for markets to treat major round numbers (like 3,000) as significant whether or not they are actual technically important thresholds.

In this case 3,000 is not a fine line critical threshold, yet relates to higher levels noted above. And 'extended' weekly Oscillator projections suggest any sustained escape above the 3,010-

15 area points to 3,060-70 next (weekly MA-41 plus 280-290.) Hence the added importance of the 3,030 topping line as a Tolerance.

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