Alan Rohrbach

From: ROHR Alert <rohralert@gmail.com>
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To: undisclosed-recipients:
Subject: ROHR ALERT!! ECB Disappointment into Weak Macro

Dear Subscribers,
After Wednesday's Mueller testimony and ECB anticipation rally, Super Mario badly disappointed the markets by not providing either a rate cut and/or (possibly more important) guidance on future ECB asset purchases. Yet the global 'macro' economic tendencies remain the same. US equities remain buoyant, and even got a boost from this morning's somewhat better than expected Preliminary Q2 GDP.

And we are coming to you quite a bit earlier than usual today with that last key fundamental influence priced into the markets. However, on macroeconomic global tendencies things remain downbeat. Thursday's excellent Reuters article (https://reut.rs/2Yh6NaN) explores all of the ways in which the outlook is bad.

It is no surprise the lynchpin of the negative anticipation is the still intractable US-China trade situation. While some hope is placed on the Mnuchin-Lighthizer trip to Shanghai early next week, on current form that is to enforce the Chinese commitment to US agriculture purchases rather than the many broader issues. There might be a surprise, yet we are still skeptical on any Chinese movement.

As the Reuters article notes, "*Lowered growth expectations came despite almost universal expectations of (central bank easing)*", and ECB's Draghi noting "*This outlook is getting worse and worse*." We remind everyone that central bank easing happens for a reason: weaker growth and weak inflation.

And to digress from our US equities focus, it is of note the rather sizable govvies hiccup in the wake of Thursday's ECB disappointment was very temporary. They are already back up today, and on foreign exchange the euro and pound are back into critical weakness around the low end of supports. It all still looks very weak.

Courtesy Repeat of Thursday'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 recently above that.

Also note the low 3,000 area topping line out of January 2018 on the weekly chart (http://bit.ly/2Y7ViSV) through last Friday's Close. The question now would seem to be whether it can sustain the current recovery back above 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 threshold, yet relates to trend momentum. And 'extended' weekly Oscillator projections suggest any sustained escape above the 3,010-15 area points to 3,060-70 (weekly MA-41 plus 280-290.) Hence the importance of the 3,030 major weekly chart topping line.

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Contact: rohralert@gmail.com