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From: ROHR Alert <rohralert@gmail.com>
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To: undisclosed-recipients:
Subject: ROHR ALERT!! The Powell Parallax

Dear Subscribers,
Is Fed Chair Powell too accommodative or too hawkish? Well, it seems to all depend on your point of view, and that is why the current Fed stance is indeed an extreme parallax. That scientific concept has been known since ancient Greece to mean "...*difference in the apparent position of an object viewed along two different lines of sight*…" (https://en.wikipedia.org/wiki/Parallax.)

So if you're Donald Trump who wants to see any measures that further stimulate the still strong US economy, Powell is a misguided, miserly curmudgeon. On the other hand, in light of the recent significant re-strengthening of US economic data there are some very well-informed folks who see the likely FOMC rate cut today as a bridge too far that will stimulate asset bubbles. And on the other hand (we guess there can indeed be three hands in this case), this morning's well-rounded Reuters article (https://reut.rs/2YAeIjL) explores that and international economic drags driving the Fed to be more accommodative than it might otherwise be.

As covered in Monday's 'US-China Still Driving Global Fears' ALERT!!, there does not seem to be any progress on those major issues. The UK-EU Brexit imbroglio seems likely to end badly, even if that deadline is not until October 31st. That will be a significant drag on already weak UK and especially European economies.

So while global markets beyond US equities still have 'That Old Stuck Feeling' often typical in front of an FOMC decision and press conference (as reviewed in Tuesday's ALERT!!), they also continue to reflect the weak global macroeconomic tendencies. That is especially so for the various 'country' tendencies.

This is (still) 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 3,015-20 area above that on the continued rise of weekly MA-41. Also note the major topping line out of January 2018 on the weekly chart (http://bit.ly/2K7Qbx4) through last Friday's Close, rising to 3,035 this week. The question now would seem to be whether it can sustain a push above those levels, as the next Oscillator threshold above is not until the 3,065-75 range this week.

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 that is why the 'extended' weekly Oscillator projections and topping line are so important the overall trend momentum above that psychological 3,000 level.

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