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From: ROHR Alert <rohralert@gmail.com>
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To: undisclosed-recipients:
Subject: ROHR ALERT!! China Déjà Vu Redux

Dear Subscribers,

No Surprises. As we noted in last Wednesday's 'China Déjà Vu' ALERT!!, last week's September S&P 500 future rebound into the 3,000 'big penny' area *"...is in part due to more hopeful US-China trade indications, and previous that has proven a false hope."* And there it was again, with the next failure looming.

And we are coming to you quite a bit earlier than usual in the wake of the 'as expected' US Employment report even though there are other US economic data releases today. This is because all that 'rearview mirror' information is less important than the forward anticipation of the global macroeconomic impacts.

We have consistently highlighted the degree to which the broader tariffs and slow international trade issues are hurting the global economy. On that we have seen serial confirmation first from the NGO's (OECD, IMF, World Bank, etc.) followed by the central banks. As Mario Draghi put it at last week's ECB press conference, *"This outlook is getting worse and worse."* Yet the US-China G20 Trump-Xi truce held out some hope for at least no further deterioration. That is now gone.

In fact, last week Wednesday's ALERT!! was very pointed on *"...there still does not seem to be any movement on bigger US-China issues..."* as *"...the talks will initially be more so about the promised Chinese purchase of US agricultural products that (have not happened)..."* These were the diminished expectations which already spoke of low probability of success, and the talks ended early.

The global weakness also has been, and remains, apparent in the other asset classes. Govvies are very strong even if the US T-note lags a bit. The Bund and Gilt are nearly escaping key weekly Oscillator thresholds with next targets much higher. And the euro, pound and Aussie dollar have been under a lot of pressure.

This is critical consideration

After the early June US-Mexico tariffs scare sent front month S&P 500 future back near the 2,722 March trading low, US equities rallied sharply. Lower supports at 2,865, 2,836-30 and 2,825-14 were all reinstated. Higher resistance was 2,900-10 area, with the 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 into this week (and beyond) was 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.

As noted repeatedly, the psychological key in light of recent levels is 'big penny' psychology. In this case 3,000 is not a fine line threshold, yet relates to trend momentum. And that is why the current slam back below it on the Trump tariffs announcement is so important. Any overall

trend reversal was always going to be contingent on September S&P 500 future failing back below that 2,938.25-2,947.50 area. And here it is testing it, with lower supports as noted above.

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