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From:	ROHR Alert <rohralert@gmail.com>
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To:	undisclosed-recipients:
Subject:	ROHR ALERT!! Compressed Swing

Dear Subscribers,
The old adage is that the markets always fall much faster than the sustained churn that characterizes most rallies. That has certainly been reinforced by the Thursday-Monday US equities 'compressed swing' to the downside.

We are coming to you much earlier than usual due to today being a very much lighter reporting day in general after (Monday's global Services and Composite PMI's) with no critical US data. And while there are somewhat more interesting economic releases on Wednesday (again sans US data), the next information crunch does not occur until Thursday. While that includes major Asian data into only a bit more from the US, it also brings the next OECD Composite Leading Indicators (CLI) that have been so prescient in predicting the global slowdown.

Back to market tendencies, the general view is that even bear markets spend 75% of their time going up (despite more limited rallies) and only 25% of their time sliding lower (however aggressively.) This is consistent with our experience over many years. Once fear takes over from greed, it is often hard to find buyers at lower levels that attracted them previous, with many nominal supports broken.

Of course, this calls for a significant psychological shift from the bullish hope and greed into the overt fear. Lately the US equities have been content to ignore signs of global weakening and even the looming Brexit threat because much of the hope centered around ongoing US-China trade talks. Once the US (and President Trump in particular) became frustrated enough with the lack of Chinese flexibility to impose additional tariffs deferred since the late-June G20 meeting, it was reasonable for fear to take over. And it is no surprise that left a compressed swing back down to the major support (more below) that has so far held nicely.

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/2OPOMAG) through last Friday's Close, rising to 3,035 this week. The question into last week was whether it could sustain a push above those levels, as the next Oscillator threshold above were not until the 3,065-75 range last week.

As noted repeatedly, the psychological key was the 'big penny' psychology. In this case 3,000 is not a fine line threshold, yet relates back to trend momentum. And that is why the current slam back below it is so important. Any trend reversal needed September S&P 500 future to fail below the major 2,938.25-2,947.50 area, with 2,910-00 congestion next. That left lower

supports into levels noted above, and more important weekly MA-41 at 2,796 it so far only traded temporarily below.

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