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

Dear Subscribers,
The compressed swings in US equities continue, matched by the continued sharp govvies rally. And this is based in part on a still deteriorating forward view. It is most interesting that we will get our next look at that in Thursday's next OECD Composite Leading Indicators (CLI.) In the meantime, near term 'rearview mirror' inputs continue to reinforce the weakness OECD has predicted for many months.

German Industrial Production came in weaker that already downbeat estimates this morning. And normally low key Reserve Bank of New Zealand cut its Official Cash Rate by a more than expected 0.50% to 1.00%. So along with Thursday's Japanese and Chinese trade figures (if indeed the latter are released on time), those OECD CLI will be very important to watch. And our cautionary word is to not take at face value any headline assessment from the folks who sometimes wear rose-tinted glasses over at OECD… look at the individual country data!

And the other 'wild card' affecting global market sentiment is the missives from the leader of one of the two largest global economies: Trump. He is under the misimpression that he can turn sentiment on and off like a spigot… and current markets illustrate how wrong he is! While somewhat more constructive US-China negotiation banter has assisted the equities (along with assumptions about central banks), risk assets like govvies are still pushing sharply higher.

Tuesday's excellent Reuters article (https://reut.rs/2YvCFxs) highlights this, and we suspect there have finally been enough erratic Trump shifts to degrade global financial and economic confidence. He also tweeted another criticism of the Fed this morning along with sounding like he wants a currency war… not good.

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. Failure to overrun that resistance through all of July set the stage for the recent major correction… even if not necessarily predicting its sharpness.

As noted repeatedly, the key was 'big penny' psychology. In this case 3,000 was not a fine line threshold, yet related 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 next. That left key lower support into the important weekly MA-41 at 2,796 it so far only traded temporarily below, yet failing on the rally back above 2,865 into 2,885.

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