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From: ROHR Alert <rohralert@gmail.com>
Sent: Friday, August 09, 2019 8:28 AM
To: undisclosed-recipients:
Subject: ROHR ALERT!! The Hits Just Keep On Coming

Dear Subscribers,
Even with the quite a bit better Chinese exports cited Thursday, the global macroeconomic view remains troubled. And even beyond our views on OECD Composite Leading Indicators (CLI http://bit.ly/2MJ46g5 for our marked up version of what was also released Thursday), the current economic data remains downbeat; that extends to surveys measuring the economic psychology.

And we are coming to you earlier than usual again today in the wake of the last economic release of the week in the form of the US Producer Price Index. In the event it came in quite a bit weaker than expected, as did the Canadian Employment report (minus 24,200 vs. a +15,000 estimate with a major uptick in the Unemployment Rate.) And that's not all. Weak UK Industrial Production was also reflected in its first GDP contraction since 2012 (https://reut.rs/2GX6SKL.)

Heightened Brexit fears weighing on capital investment is finally having the well-anticipated impact. Continued weak German data is weighing on European government bond yields, except for Italy, where they are pushing up again in the wake of the announcement of a snap election (https://reut.rs/2YD7oIT.) That further weakens the overall European outlook, and the US is not immune from the weaker psychology… as we have suggested the latest tariffs might engender.

Thursday's very interesting Reuters article (https://reut.rs/2KO1JGj and thanks to them for the other analyses as well) explores the full gamut of the impact of the US-China trade war (and other factors) on the US through both business and consumer sentiment. So while some have felt the combined impacts might be temporary, the hits just keep on coming. This is not good, as now reflected in European equities and bond yields much weaker than the US. And the US vulnerability is also apparent in the lack of US Dollar Index strength.

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, extending its rally back above 2,865 into 2,885.

Yet even though the recovery is now above the major 2,900-10 range, it is so far stalling well short of recently more important mid-2.900 congestion.

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