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From: ROHR Alert <rohralert@gmail.com>
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To: undisclosed-recipients:
Subject: ROHR ALERT!! Silver Lining Tlme?

Dear Subscribers,

We are coming to you a bit later than usual because there is so much to unpack at the beginning of an important central bank influence week that ends with the annual KC Fed Jackson Hole Symposium. And as we had noted in Friday's 'Wild Volatility yet No Surprises' ALERT!!, the only unexpected factors have been the serial flip-flops from President Trump. Another of those (this time suggesting forbearance on the next round of China tariffs) has US equities higher today.

While this may not be a full blown 'silver lining' to the dark cloud of Trump's erratic shifts deterring corporate capital investment (cited by many as a reason for industrial weakness), it is the next shaft of light encouraging US equities. It is also finally bringing at least a modest downside reaction to the global govies.

That said, there remains a large chasm in opinions on whether the US tariffs on Chinese (and somewhat on other countries') goods are good or bad for the US. This is worth exploring after extensive opinions on both sides. There was an early August Mark Levin (one of the more balanced FOX News commentators) interview of respected economist Niall Ferguson (video at <http://bit.ly/2YYvRbL> with the full transcript available at <https://fxn.ws/2Z7XRF2>.) Ferguson posits that the Chinese are suffering by a ratio of roughly 4:1 (from 05:30 into the interview.) That is based on the pressure on Chinese companies and their economy as a whole.

On the other hand, folks are referring back to a NY Fed Liberty Street Economics analysis (<http://bit.ly/2MqrLme>) from early this year that uses classic economic analysis to quantify the 2018 impact of those tariffs. While that cites much higher economics that sounds foreboding, their bottom line (literally at the end of the analysis) is the impact on US PPI through to CPI is only one third of a percent.

So the question becomes whether that burden on the US versus the impact on China's economy is worth it to the US in a low inflation world? And Europe also seems more hopeful now that Germany is finally discussing fiscal stimulus.

This is the 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. There was also the weekly topping line (<http://bit.ly/2ZbRCQw>) it failed to exceed, all of which led to the recent major correction... even if not necessarily predicting its sharpness.

Any reversal needed September S&P 500 future to fail below the 2,938.25-2,947.50 area, with 2,910-00 next. That left key lower support into important weekly MA-41 at 2,796 it so far only

traded temporarily below, extending its hopeful rally back above 2,865 into 2,885 to the mid-2,900 area prior to the next negative influences. And the current recovery will still need to deal with that mid-2,900 congestion.

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