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

Dear Subscribers,
As opposed to our concern about the FOMC minutes and ECB equivalent in our Wednesday 'Sharp Swing Starting Gun?' ALERT!!, the markets are 'middling', with firmness in US equities, a downside reaction in global govvies and the US Dollar Index still stuck. This is reasonable in light of a vacillating Fed, accommodative ECB and some improvement in key data outside of Asia.

The latter includes French and German Advance PMI recoveries, even if German Manufacturing remains in recession territory along with weak Australian PMI's. UK CBI Sales were also very weak. We are coming to you a bit later than usual in order to see US Advance PMI's that were weaker than expected (Manufacturing just below 50.0 with weakening Services), yet with a strong US Leading Index.

Yet as we head into the KC Fed Jackson Hole Symposium (schedule to be published at 18:00 EDT), the FOMC and ECB minutes were most interesting. Almost as a seeming rebuke to President Trump's greater accommodation pressure, the FOMC was very balanced and circumspect (see Reuters article at https://reut.rs/2HjFqHf.) On the other hand, in light of European weakness it is no surprise the ECB signaled a high likelihood for a coordinated stimulus program attempt to revive Europe's economic fortunes (https://reut.rs/2ZhGstH.)

They also mention the global uncertainty. And as we stressed on Wednesday, the vacillations of President Trump continue to weigh on capital investment. In just a single recent 48 hour period he waxed eloquent and then killed off the potential for important items like a US payroll tax cut and indexing of capital gains. So what are businesses expected to do (rhetorical)? Obviously defer major decisions, as policy suggestions by stream-of-consciousness and tweet are not reassuring.

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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