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From:	ROHR Alert <rohralert@gmail.com>
Sent:	Thursday, August 29, 2019 8:26 AM
To:	undisclosed-recipients:
Subject:	ROHR ALERT!! US Equities Rally Despite Weak Background

Dear Subscribers,
US equities are up after a bit better European and US data this morning. Yet it still seems that the overall psychology is driven by a modest improvement in the US-China trade/tariffs situation. That has proven a very fickle psychological driver in both price swing directions for both US equities and global govvies.

We are coming to you quite a bit earlier than usual after US GDP and associated data are the last regular influences today; even if the late month data onslaught continues Friday from Asia right through to the US. And global govvies are not bothered by this. However, the other key indication highlighted since early this week is now out: OECD Q2 G20 International Trade Statistics, and as they put it, "(this) ...*continued its downward trend in the second quarter of 2019, with exports contracting by 1.9% and imports by 0.9%*." Not very good at all.

This might not be so bad if there was a light at the end of the tunnel. Yet at this point the only light in the tunnel appears to be a further capital investment and business confidence-depressing expanded autocratic express train headed for the global economy and capital markets. As cited on Wednesday, a very good Reuters article (https://reut.rs/2ZpUBFa) explored China announcing its 'social scoring' program will be expanded from individuals to include foreign firms.

And as shockingly for ostensible liberal democracy UK, new PM Johnson has effectively suspended Parliament until after the October 14th Queen's Speech. While citing domestic reasons, there is little doubt this will curtail debate right into the October 31 Brexit deadline (https://reut.rs/2Zldtdt.) More top-down control and major changes everywhere that will only worsen corporate confidence. We also still recommend a read of Monday's analysis if you've not done so already.

The saving grace for Trump-haters is he must be so jealous of Xi and Johnson!

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; which is just where the rally failed at the rally highs last Thursday.

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/2U1zhEM) 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. Recent data improvement has left it above 2,900-10 again. Can it maintain the rally on better trade psychology? Or will the US and/or China derail it again?

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