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From:	ROHR Alert <rohralert@gmail.com>
Sent:	Tuesday, September 03, 2019 9:31 AM
To:	undisclosed-recipients:
Subject:	ROHR ALERT!! Multiple Concerns Spreading Again

Dear Subscribers,
As noted in Monday's 'More Tariffs = More Concern' ALERT!!, US equities are not liking the heightened US and Chinese tariffs that have just gone into effect. This is real, and will affect US consumers in a way not seen in previous tariff hikes.

We are coming to you a bit later than usual in order to see the US and Canadian Manufacturing PMIs after Monday's much weaker than expected Asian, European (especially German) and UK indications. And in the event it was as surprisingly weak as Europe: headline actually below 50.0 (49.1) with weakness in all the subsets, as the Canadian RBC figure also dropped from 50.2 to 49.1.

However, the weakness in Europe and the UK was made more palpable by the residual weakness of the German and UK equities that failed to exhibit as much of a recovery as the US on their late August bounces. They will be subject to further weakness if the US equities weaken again (as we suspect.) And their economic softness also shows up in critical currency slippage that reinforces the weaker outlook. Both the euro and the pound slipped slightly below key supports prior to recovering a bit now. GBP/USD below its 1.1987 3-year low would be vulnerable.

It is also obvious that after a very brief reaction the global govvies are bid again, with upside leader German Bund being followed by the UK Gilt. This is consistent with the other factors noted above. While there were mitigating factors discussed in Monday's ALERT!! (like the French test of digital customs clearance and IMF's Lagarde taking the ECB helm on November 1st), those are a little way down the road compared to US-China trade and Brexit degenerating into a sort of turmoil with negative effect (Reuters https://reut.rs/2ZH437b and FT http://bit.ly/2k1K7NI.)

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.

They were overrun in June. September S&P 500 future above historic Oscillator levels at 2,965-70 and 2,985 left the critical 3,015-20 area above on continued rise of weekly MA-41. There was also the weekly topping line (http://bit.ly/2lPno7T) it failed to exceed, all of which preceded the recent major correction.

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 had left it above the repeated 2,900-10 over-under area again, even as it retested it in electronic trade Monday (with the pits closed for Labor Day.) Can it return to rallying up into the May 2,938.25-2,947.50 gap, and ultimately push above 2,960, or is a test of 2,800-2,775 in order? On current form it seems more so that US-China trade and Brexit are derailing it once again.

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