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From: ROHR Alert <rohralert@gmail.com>
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To: undisclosed-recipients:
Subject: ROHR ALERT!! A Lot to Unpack

Dear Subscribers,

Major data releases, OECD CLI, central banks and Johnson jail? We are coming to you just a bit later than usual due to all of the cross currents into the top of this very important week. And at least insofar as further Chinese trade slippage, the data has been challenging. While its imports were a bit less weak than expected, exports (whether in US dollar or yuan terms) were abysmal. It lends credence to US President Trump's assessment that their economy is really hurting.

That said, OECD (Organization for Economic Cooperation and Development) folks have donned their rose-tinted glasses once again. While the title of this morning's monthly Composite Leading Indicators (<http://bit.ly/2kq4gNI> for our marked-up version) rightfully notes "*Growth continues to ease in largest OECD economies*", they proceed with citing 'stable growth' for a series of economies that are not actually showing any reversal from weakness to stabilization. In any event, with both the US and Germany indicating further weakness, things remain downbeat.

On the central bank front, quite a bit of the current upbeat US equities sentiment is based on central bank accommodation anticipation. Yet even assuming that would indeed spur global growth (especially after China's PBOC major move last Friday) how much of that will actually be forthcoming is a question after upbeat US Earnings and Labor Force Participation. The test will be whether Signore Draghi is more accommodative on Thursday than at previous ECB meetings.

And another 'destressor' last week was the degree to which the UK Parliament seemed to stymie PM Johnson's moves to force either a fresh election, or more especially a 'no-deal' Brexit on October 31st by requiring a further deadline extension request from the EU. Yet, according to a very good Reuters article (<https://reut.rs/316Z7Kd>) that summarizes many of the key factors, Johnson still seems adamant about preventing any such deadline extension.

The bottom line for us is whether he also defies the legal moves by Parliament (not articulated in today's article) that would land him in jail if he refused to make the request. As last Thursday Johnson stated he'd "...rather be dead in a ditch..." than delay the Brexit deadline again, might he be willing to go to jail to prevent it? We shall see. Yet there are two points here. The first is that (as we pointed out on Friday) the upbeat shift in sentiment is still wholly anticipatory as it relates to both any success in fresh US-China talks and Brexit stress relief.

The second, it pains us to say, is that while as little as a month ago there was no way we could have imagined as respected and staid an establishment as UK politics degenerating into as big a mess as the US, it is at least part way there.

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 rallies failed at the highs throughout August.

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/2m0ztXZ>) it failed to exceed in July, 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 a couple of times early last week prior to the late week surge. Now also above the May 2,938.25-2,947.50 gap, will it maintain the push above 2,950-60 area? If so, it brings the 3,015-25 (also weekly high Close) congestion and 3,050 topping line and weekly Oscillator threshold back into play.

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