Alan Rohrbach

From: ROHR Alert <rohralert@gmail.com>
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To: undisclosed-recipients:
Subject: ROHR ALERT!! Weak Data Continues

Dear Subscribers,
We are coming to you much earlier than usual due to still being on the road.

While there have been some bright spots, overall weak economic data continues. Yet the central banks seem more committed to fighting the weakness, even if that has failed to produce results in the past. Note today's Reserve Bank of Australia 25 basis point cut to 0.75%. Yet the long experience of the US earlier this decade and current situation in Europe casts doubt on the ability of central banks alone to restore growth. That sentiment was more strongly echoed by Mario Draghi at the last ECB press conference (see our September 12th 'Crunch Time' ALERT!!)
He was more adamant than usual that monetary measures are now necessary because of the failure of surplus states to pursue fiscal stimulus. Yet even beyond that, what are the chances the EU will pursue the even more effective regulatory reform along with tax reduction? So it is no surprise that, even in the context of additional central bank accommodation measures, the weak data continues. That is based on current and expected future drags on the global economy beyond the central banks influence that we have noted previous.
And the past couple of days weak inflation numbers in Asia and Europe reinforce the central banks fears that their inflation targets are slipping further and further from any realistic real-world developments. As noted last week, it all reinforces the previous week's downbeat view from the OECD Interim Economic Outlook (http://bit.ly/2m4p7X1.) So US equities can rally on better expectations for vexing issues like the US-China impasse, constructive address of the Brexit situation and the lack of a Trump impeachment. Yet as noted previous, this is likely a triumph of hope over experience, reinforced by the continued overall bid in the global govvies and US dollar strength against Europe and emerging currencies.
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.

December S&P 500 future has now replaced the September contract, where the former was above historic Oscillator levels at 2,965-70 and 2,985, leaving the critical 3,015-20 area above on continued rise of weekly MA-41. There was also the weekly topping line it failed to exceed in July, all of which preceded the major correction; and it failed again into mid-September.

Any reversal needed front month S&P 500 future to fail below 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 tested in August, extending its hopeful rally back above 2,865 into 2,885 to the mid-2,900 area prior to the next negative influences.

Previous data improvement left it above the repeated 2,900-10 over-under area again, even as it retested it in early September prior to the subsequent surge. Once above the May 2,938.25-2,947.50 gap, it had also maintained the push above 2,950-60 after the test three weeks ago

until the current selloff. Any failure of those supports points to a retest of low 2,900 area or lower levels noted above.

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Contact: rohralert@gmail.com