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

Dear Subscribers,

Yes, the global weakness spilling over into the US that we and quite a few NGOs predicted has finally occurred. That had a terrible impact on US equities Tuesday with less impact on global govies. Yet the US dollar was also a bit weaker. As can be the case, the greenback does not maintain a 'haven' bid when the US is the center of the problems. We are coming to you later than usual on our way in from our travels, with some tech issues and so much to unpack on many fronts.

As noted in Tuesday's early morning 'Weak Data Continues' ALERT!!, central bank accommodation has failed to produce results in the past. Even Mario Draghi cast doubt on the ability of central banks to restore growth 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. And what are the chances the EU will also pursue effective regulatory reform along with tax reduction?

The other 'macro' influences also remain troubling at present. Regardless of upbeat sentiment from either side at times, the US-China trade negotiations are at an impasse. And UK PM Johnson is presenting his latest Brexit proposal to the EU on a 'take it or leave it' basis. While he is promising he has solved the Irish border problem, the EU folks who have seen his proposals are dismissive of this. As such, a UK 'no-deal' EU exit at the end of this month remains possible.

So it is no surprise the weakness should eventually impact US manufacturing in the context of the previous downbeat view from the OECD Interim Economic Outlook (<http://bit.ly/2m4p7X1>.) The market implications are clear on the US equities weakening below the initial interim area into the lower interim support (more below.) This has also seen a sustained bid in global govies, yet not for the European bonds. This is likely due to their previous extreme upside leadership, yet with their recent recovery still leaving them more bullish overall.

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 August correction; and it failed resistance above 3,000 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, which it is again slipping below. Interim lower support is 2,835 with more major

congestion into the 2,820 area, with a buffer to the 2,776 overnight August 6th trading low (i.e. not seen during Regular Trading Hours.)

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