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From:	ROHR Alert <rohralert@gmail.com>
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To:	undisclosed-recipients:
Subject:	ROHR ALERT!! Misses Now Into Hits Later?

Dear Subscribers,
In a parody of the old cliché we say, "*And the misses just keep on coming*." At the end of a week that still featured overall weak economic data, it got worse. With lower global inflation numbers still prevalent, Wednesday's surprising miss on US Retail Sales into Thursday's US housing construction numbers and a real miss on Industrial Production only got worse on international economic data.

That culminated in this morning's slightly weaker than expected Chinese GDP dropping all the way to 6.0% That was a significantly troubling number on the surface. Yet after slipping initially on that news last night, US equities are not under any heavy pressure. And the global govvies are not surging, while emerging currencies are mostly holding a recent (better global economy) bid.

So what's up with all that? Well, as noted in Wednesday's 'Progress Is Very Selective' ALERT!!, "...*we never want to put too much stock in current data*." And at present there seems to be a bit of upbeat anticipation once gain on the Brexit front (rightfully) and even the US-China negotiations (likely more so still "a triumph of hope over experience.") Even with the latter the more significant drag on the global economy, there is still a lot of near-term psychology riding on whether UK PM Johnson succeeds on the Brexit Saturday Parliamentary vote.

Our view remains that the bill will likely fail, yet will lead to the Brexit extension that Johnson detests. If it looks like the UK needs a fresh election, we believe the EU will be inclined to grant that deadline deferral. And that will be constructive, even if only the removal of a near-term market/economic stressor. [For full review see this morning's excellent Reuters discussion (https://reut.rs/2nWDwGh.)]

Yet that leaves the US-China confrontation as the key global economic influence, with quite a bit of impact beyond their respective economies. This has all been covered in this week's IMF World Economic Outlook (http://bit.ly/2OOBBhW or see the Executive Summary at http://bit.ly/35ESnpF) that reinforced the previous OECD indications (see last weekend's note.) This is why so much rests with real progress on the US-China front, and possibly equities see that coming despite the lack of progress. Yet as one wag recently quipped, how long can consumer strength maintain into an industrial and commercial downturn? We shall see.

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 3,015-25 area above on continued rise of weekly MA-41. There was also the weekly topping line it failed to exceed

in July (see annotated weekly front month future chart at http://bit.ly/32c4LLZ), 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, which it was back up testing along with 2,950-60 on the recovery rally from an early week selloff. Now above that leaves a hostage to fortune in whether it can indeed be maintained. Higher resistances revert to the 3,000-05 area already tested this week and the 3,015-25 range failed into so many times since July.

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