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From: ROHR Alert <rohralert@gmail.com>
Sent: Monday, October 28, 2019 9:16 AM
To: undisclosed-recipients:
Subject: ROHR ALERT!! REMINDER: WEEKEND THOUGHT: Markets Jambalaya

Dear Subscribers,

For anyone who missed it on Sunday, there is so much coming up this week that we sent a 'WEEKEND THOUGHT: Markets Jambalaya' ALERT!! For all of the issues on various fronts, it seems there is a constructive confluence of economic factors now influencing not just US equities but other asset classes as well.

To cut right to the markets chase, the December S&P 500 future pushing above July's 3,029.50 front month future all-time high is not just impressive for that bullish sign. As noted in the WEEKEND THOUGHT ALERT!!, it is also an historic weekly Oscillator threshold (MA-41 plus 130-135) with next projected resistance not until 3,055-60 as long as it maintains strength above 3,029.50 this week.

The intermarket activity also reinforces the US equities strength (which is not always the case.) The global govies are under further pressure with December T-note future slipping below its 130-00/129-16 range, with next support not until the 128-00/127-16 range. This is consistent with the Gilt and Bund not yet being into their next lower supports. All of this is also consistent with emerging currencies keeping their bid on the improved global economic sentiment.

On one hand, the extreme threat from an imminent UK 'hard' (i.e. no-deal) Brexit on Thursday seems to be receding as the EU is approving another extension.

On the other hand, whether all of the improved sentiment is real is yet to be tested in real world developments after another round of 'happy talk' on the US-China front. We must allow that Donald Trump is always happy to declare victory and go home, even where not much success is the case.

Yet that may still maintain the friendlier global economic psychology, and Trump needs a 'win' to offset some US domestic issues. However, the Chinese side is still insisting on some current tariffs reduction as an incentive to follow through on its major agricultural products purchases commitment. This could be a bluff, as China's domestic issues are forcing it into accelerated purchases (see this very good Financial Times article <http://bit.ly/2WIVTks>) as its economic slowdown gets worse (according to Reuters <https://reut.rs/2BJwifj>.)

As such, it is more likely that China is merely struggling to meet domestic market needs that extend into social issues than being 'friendly' in negotiations. It is also the case that Trump's need for a win means almost completely sidelining previous very strong demands on issues noted in the WEEKEND THOUGHT (IP issues, forced technology sharing, state support for SOEs, etc.) This is not sitting well with some of his most aggressive advisors

(<https://reut.rs/2MJUKjA>.)

Yet if there is another high fanfare announcement on the first part (at this point not even the entire) 'Phase I' deal being completed, it will likely encourage further positive sentiment regardless of whether it is a meaningful step forward. And of course our Friday CBAVOWD revisited in the WEEKEND THOUGHT maintains: that's 'Central Bank Accommodation Versus Overall Weak Data'. This should be receiving a further boost on Wednesday, if the FOMC cuts US rates as expected.

Please see the 'WEEKEND THOUGHT: Markets Jambalaya' ALERT!! (sent into 13:00 EDT (17:00 GMT) for more details on the key developments.

Courtesy Repeat of the WEEKEND THOUGHT 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 through last Friday at <http://bit.ly/31yCopQ>), which preceded the major August correction and failing 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 after an early October selloff. Now above that creates an interesting situation on whether it can be maintained after stalling again into higher resistance at 3,000-05 that has now also been exceeded. That leaves 3,015-25 that failed many times since July. Just to be clear, the Tolerance of that range is the very nearby 3,029.50 front month future all-time high; also weekly Oscillator resistance this week.

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