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From: ROHR Alert <rohralert@gmail.com>
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To: undisclosed-recipients:
Subject: ROHR ALERT!! The Bank Overshadowed by US-China News

Dear Subscribers,

As we have noted for some time, the 'macro' influences are overshadowing the normally important regularly scheduled economic releases and events. And we are coming to you a bit earlier than usual after having seen Governor Carney preside over the Bank of England Monetary Policy Report (previously the Inflation Report) press conference (full video available at <http://bit.ly/2WPW2gm>.)

That was a most well-informed articulation of the key uncertainty factors which have been a serious drag on not just the UK but also the global economy. The full Monetary Policy Report (<http://bit.ly/32sMjOe>) and Monetary Policy Summary along with the Monetary Policy Committee meeting minutes (<http://bit.ly/34Fg93D>) are also available for further review. Yet the key from those and even more so the full discussion in the press conference is that the damage has already been done.

While things may be improving on Brexit developments, quite a bit of uncertainty remains; and that will continue to be a drag on key UK and European businesses capital investment. Which is why The Bank is looking for some further softness in the UK economy prior to improvement if indeed a 'smooth' Brexit transpires. The details are worth reviewing via the press conference video, especially the degree to which global trade drags are a focus for The Bank remaining accommodative.

Yet Carney also noted that "short-term cliff-edge" risks have abated to some degree, encouraging a more upbeat sentiment. However, all of that was of course overshadowed by the announcement from a key Chinese source that the US and China would agree to a proportional tariffs reduction across time, even if no specifics we provided on the degree. This fits in with our previous views on whether Donald Trump would 'declare victory and go home' if he needed a 'win'. And he surely does right now to offset impeachment political pressure.

Yet this morning's Reuters article (<https://reut.rs/2pFhb0V>) noted that this was still part of the further negotiations on the 'Phase I' deal. That leaves quite a few US demands seemingly unfulfilled. As the end of the article notes, that would include "... *massive subsidies to state-owned firms and end the forced transfer of American technology to Chinese firms...*" The US equities are of course liking this development while the global govies suffer. It is curious that emerging currencies are not up much in the context of this ostensible global improvement.

US equities having held the lower weekly Oscillator threshold (more below) should now be watched into the higher extension; and not just for their own Evolutionary Trend View, but also the psychology of the other asset classes.

This is the critical consideration

After December S&P 500 future replaced the September contract, the former had already pushed 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 is also the weekly topping line it failed to reach in July (see the broken red line on the fresh weekly chart through last Friday

<http://bit.ly/2PLXL5G>), which preceded the major August correction and failing above 3,000 again into mid-September.

This reinforces the importance of the 3,065-70 Oscillator resistance right into that major weekly topping line, which was held on the correction into Wednesday. Yet with weekly MA-41 moving up \$10 per week, it will also be important to sustain activity above the 3,075-80 level into next week. The key is that much above that area the next Oscillator threshold is not until the 3,105-10 range.

Lower support is the July 3,029.50 front month future all-time high. Please see Monday's ALERT!! for a more extensive discussion and video interview on the importance of the 3,025-15 congestion as the Tolerance of that old high.

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