

Alan Rohrbach

From: ROHR Alert <rohralert@gmail.com>
Sent: Monday, November 18, 2019 9:40 AM
To: undisclosed-recipients:
Subject: ROHR ALERT!! Love the Bubble

Dear Subscribers,

Friday's 'Lack of Countertrend' ALERT!! noted there is now a fully 'bifurcated' US equities versus global govvies psychology. The 'two branches' of the influences have clear foundations in the very diverse 'macro' and near-term economic data and more extended impacts. That allows US equities to rally on a strong 'Santa Portfolio Manager' seasonal (see www.rohr-blog.com) despite heavy headwinds.

In fact, if anyone had the actual economic releases last week ahead of time and knew that the December S&P 500 future had stalled the previous week into the 3,100 area, they would have been hard pressed to explain why it should breach that 'big penny' level. Yet it did late last week on the strong seasonal, with some encouragement on the US-China trade negotiations. Yet the US-China 'Phase I' deal announced by Trump with such fanfare back on October 11th (that's right, it's been over a month) seems to be hitting serial glitches.

There was a good summary of the problems by CNBC's Jim Cramer last Friday (<https://cnb.cx/375jMC9>.) And it is important that NEC Director Kudlow's upbeat assessment was only on Phase I; there's limited likelihood of anything further.

This has two implications. The first is that current tariffs will continue to weigh on the global economy through suppressed trade. The WTO confirmed that again this morning (see this Reuters article <https://reut.rs/2OhYrwa>), with more key indications due in Thursday morning's next OECD Economic Outlook.

The second is that US-China negotiations are stuck on points where neither side is interested in giving ground. The US wants a more definitive commitment to agricultural purchases, which China says will only happen if there are rollbacks of current tariffs. As noted previous, the US is averse to that unless there is substantial progress on major issues (SOEs, forced technology sharing, etc.).

Note that there has been no update so far on the key call last Friday (Reuters <https://reut.rs/2Kr1kdw>.) And yet, barring any 'bad' US-China news US equities seem more so influenced by the strong seasonal than any of the serial weak economic data, or the US House impeachment proceedings against Trump.

However, the real-world indication economic weakness remains (despite any further US equities strength) is a significant recovery in global govvies. And in this case 'significant' is not just in terms of the rally's magnitude, but also in the degree to which the German Bund future seems to be Negating a recent major DOWN Break. If that is so, then it should revert to sustained stronger tendencies (i.e. lower yields), which would indicate sustained global economic weakness.

The near-term message (as in previous less than well-grounded US equities rally extensions): 'Learn to love the bubble'. While it is fine to treat the US equities as a trading bull trend for now, it is far more problematic whether it is time to 'get married' to a bullish psychology at

this time into these levels. [See our Financial Times Lex blog post for our historic mid-2007 view <http://bit.ly/2c03eOH>.]

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/37j4xVZ>), which preceded the major August correction and failing above 3,000 again into mid-September.

This reinforced the importance of overrun 3,065-70 Oscillator resistance into that weekly topping line, held on the early November correction. Weekly MA-41 moving up \$10 per week means it was important to sustain activity no worse than 3,075-80 last week, which it held. Much above that the next threshold is not until the 3,115-20 range this week, already tested on last week's rally.

The important next lower support is now that overrun weekly topping line in the 3,070 area. Much below that the most important support is way down into the old 3,029.50 front month future July all-time high. Please see the Monday November 4th ALERT!! for a key pre-FOMC discussion and video on the importance of the 3,025-15 congestion Tolerance of that old high; which held that Thursday.

[For those of you who are higher level www.rohr-blog.com subscribers, see the latest analysis and Market Quick Take in the daily emailed ROHR-BLOG notes and occasional posts for more on the Evolutionary Trend View.]

NOTICE: The Rohr International, Inc. research team or its principals may already have entered positions or have orders working based on this view.

Thanks for your interest.

This Current ROHR TREND ALERT!! will be available soon via the sidebar at www.rohr-blog.com for Platinum echelon subscribers.

Please reply 'Unsubscribe' if you no longer wish to receive these emails.

Contact: rohralert@gmail.com

This review of market positions and all other information is strictly for educational purposes. This information is provided without consideration of portfolio requirements, suitability for financial risk, or psychological state of any recipient. Any use of this information to implement actual trades or investments is the sole responsibility of the individual or entity authorizing that decision. This waives your right to any claim of explicit or incidental liability for financial loss or forgone profit against Rohr International, Inc. and any informational contributors under all circumstances. Information contained herein may have already been disseminated to others who may have acted upon it. Implicit in the Rohr educational services is the understanding that principals or employees of Rohr may have already taken positions. By review of the Rohr Alerts and/or Rohr Views and all attendant information you confirm receipt of them as educational content, as well as agreement with all of the stipulations articulated above.

A service of Rohr International, Inc.

© 2019 All international rights reserved. Redistribution strictly prohibited without written consent