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From:	ROHR Alert <rohralert@gmail.com>
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To:	undisclosed-recipients:
Subject:	ROHR ALERT!! Deer Caught in the Headlights

Dear Subscribers,
While the FOMC today and ECB Thursday would normally be primary market influences, they are as much deer caught in the headlights as the markets. The problem is the looming US tariffs increase on Chinese goods currently scheduled for Sunday. That timing means that any decision to proceed or defer will extend beyond this Friday's market Closes. So what's a central banker or trader to do?

Essentially, nothing… unless an earlier decision pops up prior to Friday's US market Closes. As such, it is no surprise the previously dynamic US equities and global govvies are somewhat stuck for now. And there is little prospect the FOMC or ECB will move rates or change their approaches to Quantitative Easing. The Fed is on hold, and it is unlikely new ECB President Lagarde will alter policy.

The latter is especially so due to (on balance) still weak Asian and European economic data and global outlook. The latter was reinforced by Monday's latest monthly OECD Composite Leading Indicators (CLI http://bit.ly/2RA16VO.) While there is some sign of stabilization, this forward view still shows weak projections, reinforcing November's OECD Economic Outlook (http://bit.ly/2D5BvLK.)

As noted in Tuesday's 'Tariffs Drag on US Economy' ALERT!!, Donald Trump's assertion that China is paying for the US tariffs is hogwash. An excellent Reuters article (https://reut.rs/2DZVsnR) sums it up, with many more specifics as well. And that is the rationale behind the central banks being as stuck as the markets for now. Are there going to be more US tariffs this weekend? If so, then further accommodation might be necessary. If not, and especially if there is any breakthrough that lowers current tariffs, there is no need for further easing.

The markets will respond in kind. More headwinds mean US equities problems and a sharper bid in global govvies. Vice versa would mean, well, vice versa.

Another Courtesy Repeat of Monday's critical consideration
The December S&P 500 future early November push above the weekly topping line (broken red line on weekly chart http://bit.ly/36hbwh2) set the stage for the extended seasonal rally. That was after the major August break and September's subsequent failure above 3,000 that did not reach the 3,029.50 July high.
This reinforced the importance of the overrun 3,065-70 Oscillator resistance into that weekly topping line, held on the early November correction. Weekly MA-41 moving up $10/week meant it was important to sustain the rally above 3,105-10 last week, with a buffer to recent 3,090 reaction lows. Even after it violated those lows in a sharp reaction to Donald Trump's early week musings on heavy deferral of the Phase I US-China trade deal, last Tuesday it already held and rebounded from the retest of that very important violated lower resistance.

That includes the 3,065-70 range where it overran the Oscillator resistance into that weekly topping line back in early November. Of note, weekly MA-9 and a key lower Oscillator threshold were also in that area. Back above 3,090 and 3,105-10 leaves 3,145-50 higher

resistance. That is also important relative to last week's 3,158 new all-time high, with 3,185-90 the next Oscillator threshold above.

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