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From: ROHR Alert <rohralert@gmail.com>
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To: undisclosed-recipients:
Subject: ROHR ALERT!! Up Up and Away?

Dear Subscribers,
This week seems to hold great potential for a further US equities rally. That is based on positive indications as well as resolution of previous stressors. As we noted in Friday's 'The Agony and the Ecstasy… Again' ALERT!!, this gets back to the 'Rohr Axiom of Market (US equities) Stressors'. If a bull market runs into stressors causing a reaction, once the stressors are removed the market will revert to trend. It may seem simplistic, yet it has been very successful overall.

You can review that full story of the recent US-Iran influences from last week if you have not done so already. It is a prima facie example of the way to integrate the different aspects of a well-calibrated 'macro-technical' analysis approach. And now the bulls have another previously negative forward looking (4-6 month) analysis that is turning a bit more positive: this morning's release of the next monthly OECD Composite Leading Indicators (CLI http://bit.ly/2tbMfa0.)

While there are clear indications growth remains below trend, it seems to be bottoming or improving everywhere except India; and especially even in China and the UK… with the latter seeming a bit of surprise in light of continued Brexit concerns and recent weakening economic data. Yet the support from central banks and the positive shift (even if preliminary) in corporate confidence based on various factors might be spawning real future economic improvement.

On the former there is new ECB head Christine Lagarde seeming to prevail in her push for fiscal stimulus from surplus Euro-zone economies (see Friday's ALERT!! for more.) Wednesday will see signing of the Phase I US-China trade agreement, even if (as noted previous) that is more a tariff truce than a full peace agreement. Yet as also referenced previous, '*the market is a creature of expectations*' and at least in the near-term Keynes 'animal spirits' seem to be ascendant once again.

Yet it is not all sunshine and roses even as US equities continue to push to new highs. That has been driven in part by wage growth supporting strong consumer activity. Yet at some (indeterminate) future point those higher wages will weigh on corporate profits. And contrary to the administration (especially Trump) claims that *'we are getting rich*' off US tariffs on China, those are actually being paid by US importers and end users. To this point that bill amounts to $46 billion.

This is according to a recent Reuters article (https://reut.rs/2T5kRoG.) The worse news is many exporting countries have found alternative markets, and importers of US goods have found alternative sources. This is apparent from the exports to those countries not picking up in the wake of tariffs reductions. If this continues, it could represent a shift to weaker US exports, even if those are a fraction of the overall US economy. Yet recent positive 'macro' news (USMCA passage included) is likely enough to support an extension of the US equities rally. That said, it is getting stretched to more significant weekly Oscillator levels (more below.)

This is the critical consideration
The front month S&P 500 future early November push above weekly topping line (broken red line on weekly chart through last Friday http://bit.ly/35OtzKG) set the stage for the extended seasonal rally. That was after a major August break and September's subsequent failure above 3,000 (short of 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 the 3,065-70 range remained the key. Of note, weekly MA-9 and a key lower Oscillator threshold were also in that area during the early December selloff. Back above 3,090 and 3,105-10 left 3,155-65 higher resistance.

Already above that in early December pointed toward the 3,205-10 area that was overrun as well. That set the stage for the rally extension to the Oscillator range that moves up to 3,285-95 this week, with the lower range up to 3,235-40. That said, the most important pre-holiday period congestion remains the 3,200-3,190 area tested and held overnight last Wednesday with minimal slippage.

The one 'fly in the ointment' for the December S&P 500 future is the renewed rally leaves it up near that 3,285-95 weekly Oscillator resistance. That sets up a critical test of the 3,300 next higher 'big penny', with nothing above that until 3,340-45.

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