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Dear Subscribers,

As noted Thursday morning on US EQUITIES, "Still Relentless" as they advanced further above the near-term resistance (more below) after our initial assessment. And we now see US Advance PMI's were split: Stronger Manufacturing and weaker Services.

That is after once again slightly softer European PMI's, even if German Services PMI actually strengthened quite a bit. Yet even the slightly weaker figures there were still solidly positive.

That fits in with Thursday's assessment highlighting the OECD Interim Economic Outlook (http://bit.ly/2xQTogU.) In the event this always important view showed there are international trade stresses that could worsen. Yet also despite higher interest rates and trade impacts to date, the global economy remains strong led by US growth.

And that is projected to remain the case this year into a good deal of 2019, as reflected in even weaker European PMI's remaining quite positive. [For anyone who does not want to watch the full 45 minute OECD press conference, we suggest at least glancing through the associated PowerPoint presentation.] As such, there are grounds to believe corporate earnings (the real basis for EQUITIES valuations) are going to remain firm as well; even

if not improving as aggressively as since the current surge began in 2017.

Of note, due to the now rapid rise in the underlying momentum, the US EQUITIES did not even near the next overbought Oscillator threshold anticipated for next week on Thursday's rally extension (more below.) And US EQUITIES push to the new highs has also surmounted other resistances (more below.)

Their push higher is based on the firm global (and very strong US) economy, is still reinforced by some broader asset class tendencies we have reviewed in recent days. GOVVIES remain under pressure on the continued strong outlook (and Wednesday's higher than expected UK inflation numbers), and the US DOLLAR is losing its 'haven' bid against the other developed currencies on the greater confidence the broad economic picture remains constructive.

EMERGING CURRENCIES remain a far more mixed picture based on 'country' influences. In particular the most recent TURKISH LIRA trend developments after another attempt to encourage more international confidence based on changes to spending and lower growth targets are less than impressive. While the latter would speak to less interference with the central bank, the market remains skeptical.

And on the international trade front US-Canada trade talks as a precursor to any US-EU agreement are still important. They will be the basis for any meaningful discussions by the US and others on the much greater challenge of the Chinese trade talks. Yet at least so far the markets are not bothered by this.

The only real disrupter today is UK Prime Minister May's short announcement this morning that she will not be bullied by the EU on the UK Brexit plans. Leaving a greater chance of a 'no deal' UK exit from the EU is weighing heavily on the BRITISH POUND today; even if that is only back down near GBP/USD support (more below.)

Extended Market Take

FRONT MONTH S&P 500 FUTURE (NOW DECEMBER) still had higher resistance into the 2,840-50 area in early August, reinforced by the late July

downside reaction from that area. And it was reinstated on the mid-August drop back below it. Yet not for long, even if subsequent initial recoveries stalling into the low end of that range confirmed its prominence. However, it was exceeded once again on the mid-August surge from still key 2,810-00 support.

Higher resistance at the 2,878.50 January all-time high was exceeded in late August, and has held on subsequent selloffs. The next classical weekly Oscillator resistance into 2,895-2,900 was also overrun. While we often discount the 'big penny' level, in this case it is meaningful. SEPTEMBER S&P 500 FUTURE slipping below 2,895-2,900 congestion left it resistance it pushed back above last week.

And the 5.00 premium DECEMBER S&P 500 FUTURE looks that much better into today's September contract expiration. Higher resistance at the recent front month 2,917.50 high has been exceeded. It was reinforced by 'classic' Oscillator resistance that rises to 2,925-30 next week. 2,955-60 is next classical Oscillator resistance next week, with an 'extended' interim level at 2,975 and next major threshold at 2,995-3,000 (see www.Rohr-Blog.com Rohr ALERT!! sidebar link for the full extended Oscillator threshold table.)

The balance of the Evolutionary Trend View has now evolved to a degree that warrants this full update after the recent focus on the GOVVIES and TURKISH LIRA.

Even though the other DEVELOPED ECONOMY EQUITIES are still led by the US, they had been concerned enough to slip nominally below supports, like DAX 12,100 without ever hitting 11,750 interim support and now back above 12,100. Next congestion and weekly MA resistance is 12,500-600. FTSE remains below the 7,500 area on accelerated Brexit concerns, with next supports into 7,250 already tested last week and the 7,100-7,000 area.

Stronger sister NIKKEI was backing off from recent tests of the more major 23,000 back into the confluence of weekly MAs in the 22,500 area, and is now well back above 23,000. Next resistance is up into the 24,050 January high, and the 25,000 area last seen in late 1991 (as well as it being previous congestion.) Above that is the 26,850 area reaction high (after the

bear began from the end of 1989 high) that was also previous congestion as well. That is all even as the SHANGHAI COMPOSITE continued to reflect the weakness of the Chinese economy into recent rallies elsewhere and dropping near its major 2,638 area early 2016 lows three weeks ago and again the past two weeks; even trading below it earlier today prior to recovering.

On the GOVVIES It is especially important to note the SEPTEMBER T-NOTE FUTURE expired on Wednesday, right into higher than expected UK inflation figures. The DECEMBER T-NOTE FUTURE trading at a modest quarter point discount to the September contract that was already below the low 119-00 area support (front month trading low from the beginning of August) leaves GOVVIES in general looking weak due to the still strong developed economy context and higher inflation.

The now FRONT MONTH DECEMBER T-NOTE FUTURE already below that level is sinking (as expected) closer to the mid-May front month 7.5-year 118-10 trading low (from the last time the 10-year cash yield was above 3.00%), and could drop to even lower levels. Next interim historic congestion may be at 117-22, but the next major congestion is not until the 115-00 area.

And it is of note that this comes at a time when the DECEMBER BUND FUTURE is well back below 160.00-159.50 into its loose 159.00-158.73 Tolerance it keeps slipping below prior to stabilizing. It seems the weaker European economic data is assisting it relative to the US. Much below 159.00-158.73 it might revisit 157.50 area tested repeatedly on its February-May selloff, or the March 156.22 trading low.

And while the SEPTEMBER GILT FUTURE does not expire until next Wednesday, it is back below its 122.50-.00 congestion after the failure up into its 124.00-.50 higher resistance as recently as mid-August. The typical nearly 1.00 discount in the DECEMBER GILT FUTURE leaves it below the 121.00 area interim support with the more major February 120.48 2-year trading low below that already neared at Thursday's low. That is even though there is more substantial congestion into the 120.00 'big penny'.

The DEVELOPED CURRENCY assessment had shifted to the US DOLLAR INDEX push above its 95.00-.50 congestion on a 'haven' bid due

to Turkish problems back in August. Yet it could not quite test higher resistance in the mid-upper 97.00 area prior to slipping back quietly below the low end of 95.00-.50 (reinforced by weekly MAs.) Its recent slippage below it is most likely once again be due to sentiment on the international economic situation firming in spite of trade concerns, which would remove the 'haven' bid even if the US economy remains strong sister. Lower interim support is the 93.50 area with 92.50-.00 (including weekly MA-41) below.

And its passing strength was consistent with EUR/USD dropping into and somewhat below its more major 1.1500-1.1400 range without really nearing next support in the 1.1200-1.1100 area prior to pushing back up with next resistance at 1.1750 being tested two weeks ago and again at present. While currently slightly above that heftier congestion, there is a Tolerance to the July 1.1790 trading high with the 1.2000 area next resistance above that.

GBP/USD dropped below the major 1.3000-1.2800 range without nearing lower support in the 1.2500 area prior to pushing back above it. Yet as noted above, it is now back under pressure. That is from near its 1.34-1.35 area congestion, even if not yet back to the top of the 1.30-1.28 congestion (reinforced by weekly MA-9 and MA-13.)

The AUD/USD drop below .7350 into a test of the top of next support in the .7200-.7100 range has not as yet fully recovered, possibly based on concerns about the Chinese economy. After the late-August retest of .7350 failed, it dropped below the .7150 congestion without ever nearing the more major .7000 support. It is now back up near .7350 for the next test.

And on another sign of the loss of any 'crisis' bids, fellow 'haven' JAPANESE YEN had remained firm against the greenback on the recent negative impacts (i.e. even as the US dollar strengthened against the others.) Yet now USD/JPY is back above 112.00 next resistance with the more major 114.00 area above.

The real changes are of course in the EMERGING CURRENCIES as they firm a bit from recent extended weakness. To begin with the most extreme, the TURKISH LIRA had seen USD/TRY push not just back above the mid-August 6.00 hyper-aggressive daily up channel DOWN Break; it was also in the process of Negating the also mid-August 6.40-6.50 DOWN Closing Price

Reversal (CPR.) This was quite a feat, as the formal Tolerance of that DOWN signal was all the way up at the early August 6.6448 trading high (prior to the following Monday's extreme 7.10 area ultimate trading high as part of DOWN CPR pattern.)

Even though recently back below 6.65 and the 6.50-6.40 range, it only tested the Negated 6.00 hyper-aggressive up channel DOWN Break (also from that same mid-August week) as well-anticipated near-term support. As noted above, only a USD/TRY drop below that area would signal a more sustained trend reversal in the LIRA, and it remains vulnerable on any push back above 6.40-.6.50.

USD/ZAR had also ratcheted back above 13.40-.50 to fully above both June's 14.00 high and the 14.50-.60 area not seen since November 2017. Previous recent spikes above that area and its 14.75 August 2016 high Tolerance were temporary, weakening off back below 14.50-.60 area until late August. Pushing above 14.75 again opened the door to a test of the mid-August trading high at 15.33 and even the more prominent historic congestion in the 15.50; both were vigorously tested on the rally extension two weeks ago prior to slipping back. Slipping back below 14.75-.65 important recent and historic congestion as well as 14.50 opened the door to a yet-to-occur test of the 14.00 area (reinforced by weekly MA-13.)

Interestingly enough, USD/BRL that for some reason had the BRAZILIAN REAL as the EMERGING CURRENCIES relative tower of strength in only squeezing back up from the mid-3.00 area into the upper-3.00 area finally pushed to a new high above its June-July 3.95 area trading highs out of mid-August (now support on any selloff.) Yet as noted previous, there was 4.06-4.07 congestion with the extended resistance into the 4.16 January 2016 high it has more or less respected so far.

However, a new DOWN signal was set up in late August on a lower weekly Close: a weekly DOWN Closing Price Reversal from the previous Friday's 4.1030 Close, with a Tolerance to that week's 4.1268 high. As such, those previous trading highs were reinforced as resistance that has held on test over the past two weeks. Yet with the REAL as weak sister now compared to the RAND still means any sustained activity above 4.1268 would be an additional bullish USD/BRL sign. As above the 4.16 January 2016 high is only the 4.2341 September 2015 all-time high, any sustained violation of

that would require reversion to historic weekly Oscillator projection extended thresholds into 4.32 and 4.42.

USD/MXN has also ratcheted up from 18.40-.50 to above 19.00 once again, yet with next resistances in the 19.30-.40 range (including weekly MA-13 back in mid-August) restraining that rally well short of the 19.90-20.20 area next major resistance. Recently below 19.00 (also weekly MA-9 and MA-41) opened the door to a test of mid-18.00 area prior to the late August push back above 19.00. The recent trading high at 19.37 was temporarily exceeded, and on the current selloff the low 19.00 area became more important once again as weekly MA-13 has slipped to join weekly MA-9 in that area. Below it late last week speaks of a positive PESO momentum, yet likely with the US-Canada negotiations still a key influence on whether USD/MXN will slide all the way back to 18.40-.50 or lower levels.

The other previous weak sister in addition to the TURKISH LIRA based in part on US sanctions is the RUSSIAN RUBLE. Of course that is also exacerbated by the extended weakness of CRUDE OIL prior to the ongoing Hurricane Florence threat to the southeastern US. As such, USD/RUB previously pushed well back above its 4-month sustained 64.00-62.00 trading range (with temporary aberrations) early last month. Well above the 65.00 area April high since that time had seen it push above resistance in the 66.50-67.00 area as well. Next resistance in the 68.50-69.00 area was also exceeded at the beginning of September on a push somewhat near the 71.00-.50 area prior to weakening again. Recent CRUDE OIL strength has seen it weaken below 68.50-69.00 area again into a vigorous test of the low end of 66.50-67.00 area as well. Much likely still rests on the future path of the energy markets.

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