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Sent: Tuesday, September 25, 2018 9:29 AM
To: ar.rohr.intl@comcast.net
Subject: ROHR-BLOG: US Constitutional Crisis?, OECD Still, Quick Take, Calendar

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Dear Subscribers,

We are coming to you quite a bit earlier than usual after further strong US data this morning. That is once again also due to the current market trend tendencies being more so influenced by other events and background beyond the near-term data.

While the potential 'trade trauma' over the imposition of $200 billion of US tariffs on Chinese goods likely added to Monday's US EQUITIES dip, the more pointed driver was the possibility raised by some Trump critics of a 'constitutional crisis'. That was on the assumption that Deputy Attorney General Rod Rosenstein was about to be dismissed based on a New York Times story regarding disloyalty to Trump.

The story said after FBI Director Comey's May 2017 firing, Rosenstein discussed wearing a "wire" to record conversations with Trump and recruiting Cabinet members to invoke the 25th Amendment (to remove Trump from office.) He denied this occurring, at least as reported from the leak. Even those who said that he had indeed uttered those words noted it was a sarcastic response to pernicious suggestions from now disgraced ex-Acting FBI Director McCabe.

And all the US EQUITIES did was drop to key and obvious near-term

support (more below) noted in Monday morning's emailed note. That is quite reasonable, as the story evolved into Rosenstein's Monday visit to the White House being for a regularly scheduled meeting and not to be fired.

While he and Trump are scheduled to discuss the matter on Thursday, we are skeptical he will be dismissed. In fact, our contrarian view is if Rosenstein admits he indeed uttered the words as sarcasm to rebut the Trump-hating McCabe, this is likely something Trump can appreciate; and may follow up with a support statement.

That said, the excitable bears are almost making it too easy for the trading bulls. Here was another totally 'tangential' political upset for the US EQUITIES and temporary boost for the GOVVIES that evaporated as soon as the issue turned out to be less than critical. Please see previous emailed notes for our comments on the very constructive OECD Interim Economic Outlook (http://bit.ly/2xQTogU) noted from last Thursday onward as further bullish background.

And the US EQUITIES push higher is based on a firm global (and very strong US) economy, which is still reinforced by some broader asset class tendencies we have reviewed over the past couple of weeks. GOVVIES remain under pressure on the continued strong outlook, last Wednesday's higher than expected UK inflation numbers and anticipation of another FOMC rate hike on Wednesday. The US DOLLAR is losing its 'haven' bid against the other DEVELOPED CURRENCIES on the greater confidence the broad economic picture remaining constructive; and that is very atypically in spite of the looming FOMC hike on Wednesday.

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 less than fully confident.

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 as noted above, at least so far the US EQUITIES are not bothered by the trade and tariffs situation.

Market Quick 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 the 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. Slipping below 2,895-2,900 congestion left it resistance the SEPTEMBER S&P 500 FUTURE pushed back above two weeks ago.

And the 5.00 premium DECEMBER S&P 500 FUTURE looked that much better into last Friday's September contract expiration. Higher resistance at the recent front month 2,917.50 high was exceeded last week, and held there on Monday as near-term support (as expected.) It is reinforced by 'classic' Oscillator resistance that rises to 2,925-30 this week. 2,955-60 is next classical Oscillator resistance this week, with an 'extended' interim level at 2,975 and next major threshold at 2,995-3,000. (Use the www.Rohr-Blog.com Rohr ALERT!! sidebar link for access to the full 'extended' Oscillator projections table.)

The balance of the Evolutionary Trend View remains much the same as the Extended Market Take in Friday's emailed note. Of particular interest, the GOVVIES remain under pressure in that firm global economic context as we head toward a likely FOMC rate hike on Wednesday. The previously more resilient DECEMBER BUND FUTURE has now failed its 159.00-158.72 loose Tolerance of the 160.00-159.50 congestion. That leaves next

supports into the 157.50 congestion January-May congestion with its 156.22 March 33-month trading low.

Yet almost perversely in that regard, the premium US yields are not assisting a US DOLLAR INDEX that is weakening again today. That is likely also due to it losing the previous multiple stressors 'haven' bid to back nearer its 93.50 support on the more confident global economic picture. That now includes the EURO firming to the EUR/USD 1.1800 Tolerance of the recent heftier 1.1750 congestion. 1.2000 area is next resistance above that.

And the EMERGING CURRENCIES remain a more mixed affair, yet also firming to some degree on the better global economic feeling and also CHINESE EQUITIES firming from recent scary looking weakness (SHANGHAI COMPOSITE back down near early 2016 lows.)

While once again seeming a bit less relevant in the midst of the now more major global trade cross currents, this week's Weekly Report & Event Calendar (accessible for Sterling and higher level subscribers) is available via the www.rohr-blog.com sidebar. And while today is again a bit light on economic data, the balance of this week is still the robust final reporting week of the month. In addition to all of that there are significant central banker speeches into and after Wednesday afternoon's next major FOMC decision, projections revisions and press conference.

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