

Rohr Report

TrendView

BRIEF UPDATE: FIXED INCOME/EQUITIES/FOREX/ENERGY

Thursday, April 17, 2008 (07:00 CDT; 08:00 EDT; 12:00 GMT)

OVERVIEW

- The weak Beige Book effect on the equities was offset by extensive 'less bad than it might have been' data and some strong corporate earnings. Some relief after the 'as expected' US CPI (MAR) at an annualized 4.0 percent seems an example of the degree to which the equity markets don't mind a bit of inflation, even if current levels seem pernicious to us. Yet, strong earnings from IBM and others seem to encourage the bulls for now. The ECB Monthly Bulletin reinforces the degree to which economic strength and inflation (now including some distinctly undesirable wage pressures) will remain a key focus. Its Herr Weber even noted the degree to which it might consider raising rates if inflation pressures appear to spill over into 'second round effects.'
- That said, the DJIA Negating its 12,570 daily up channel DOWN Break has reinstated 12,500-450 previous support. Even though overall volume remains unconvincing, the bulls now possibly get a bite at the DJIA 12,768 apple. We shall see if they do, and what happens then. Even if it manages to push higher the question remains whether DJIA is ready to return to a true bull. An UP Break above 12,768 implies an Objective at 13,900 (similar for an S&P 500 future Close above 1,400 pointing to mid 1,500's.) That seems premature six months into a bear. Lower support is 12,300-200, becoming more critical into 12,100-12,000, 11,800 and the 11,635 January low. Extended supports are 11,500 and 11,350, 11,000, 10,500, and worst case full correction into 10,000 area.
- The equities trend remains a driver for fixed income, as inflation indications that were no worse than expected still did not assist the debt markets as equities rallied. Back below 118-00 the T-note also finally violated support at 117-00/116-24 with the 116-00/mid 115-00s the next target, and low end support into 115-00. It all likely depends on whether, and for how long, DJIA pushes above 12,768. The Bund failed into 116.00-115.70 as well as 115.00-114.70, with extended support into the 114.00 area. The Gilt also failed near 111.00-.50, and is back below 110.00, with lower supports at 109.00 and 108.50. Short money is in additional trouble due to credit market disarray.
- As the US Dollar Index has weakened even as the equities rally, it demonstrates the lack of any effective bottom due to US inflation. Yet, it has held .7135 low end of recent slippage below .7160 weekly UP CPR, below which a move to .7000-.6950 area is likely. EUR/USD hit a new high into 1.5850-1.6000, yet resistance remains at the high end of that area (1.6050 Tolerance.) That is also evident in EUR/GBP regaining momentum above .7950, yet stalling into .8100 weekly oscillator resistance. GBP/USD held the higher of its 1.9600-1.9500 and 1.9340 supports, yet still has hefty resistance into the 2.0000 and 2.0200 areas. USD/JPY above 100.00 has resistance at 103.50 and 105.00.
- Crude Oil above 110-112 has extended weekly oscillator resistance at 117-120.

This review of economic report releases, general news, market tendencies, and/or specific technical trend contingencies is strictly for educational purposes. This information is provided without specific consideration of the 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 claim of explicit or incidental liability for financial loss or forgone profit against Rohr International, Inc. or any of its informational contributors under all circumstances. By review of the previous and following comments you confirm these specific stipulations.

A service of **Rohr International, Inc.**

© 2008 All international rights reserved. Redistribution strictly prohibited without written consent.

We hope you find this helpful.

-Rohr
(www.rohrintl.com)

This analysis is confidential. It may also be legally privileged. If you are not the addressee you may not copy, forward, disclose or use any part of it. If you have received this message in error, please delete it and all copies from your system and notify sender immediately by return E-mail.

Internet communications cannot be guaranteed to be timely, secure, or error and virus-free.
While based upon price data and market information from sources believed to be reliable, the sender does not accept liability for any errors or omissions, and does not guarantee any profitability or avoidance of loss based upon the content of the foregoing analysis.

Page 2 of 2.

A service of **ROHR INTERNATIONAL, INC.**

© 2008 All international rights reserved. Redistribution strictly prohibited without written consent.