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From: ROHR Alert <rohralert@gmail.com>
Sent: Thursday, December 20, 2018 9:22 AM
To: undisclosed-recipients:
Subject: ROHR ALERT!! Good. Bad. Ugly. Perspective.

Dear Subscribers,
Wednesday's FOMC meeting and press conference certainly saw 'The Good, The Bad and The Ugly' (with apologies to Sergio Leone for use of his movie title.) The Good was the degree to which the Fed is finally allowing for forward perspective in becoming a bit less hawkish into 2019. The Bad is the degree to which it needed to allow this is based on weakening conditions (see previous ALERT!!s for especially the OECD indications on this), even if the US remains firm.

And The Ugly was of course US equities response to all of that weaker economic view, yet with an outlook for two more FOMC rate hikes into next year. The drop below the early 2018 downside reaction trading lows also represented a fresh DOWN Breakout below a significant channel support (much more below.) However, that brings into consideration the longer term picture, which illustrates the degree to which US equities remain a bull trend despite recent losses.

Our 'Perspective' is that the dread being expressed by financo-tainment 'experts' about markets being in 'bear territory' is based on misguided (dummy) near-term notions. They use simple percentage measures: a 10% drop is a correction, and 20% means the market is a bear. This only illustrates the degree to which they all became addicted to one-way markets that never saw 'normal' corrections during the central bank liquidity-driven bull trends. As the analysis below will show, the US equities are still in a correction down to even much lower levels.

This is (still) the critical consideration
Now that the front month S&P 500 future is down below the early year lows, we are going to skip a lot of our previous higher level activity discussion. Suffice to say that on the early December (post-G20 Trump 'Tariff Man' tweets) sharp slide back below 2,708 it was in 'failure swing' noted since that time. That quickly led to the violation of the 2,675-70 area (including the 2017 Close.)

See the weekly chart from Wednesday morning's opening (http://bit.ly/2CoWSZ7) for more on that. That left the early-2018 2,529-52 lows (lower red line) critical due to the next significant lower support not being until the major 2,400-2,350 area. As can be seen on the monthly chart (http://bit.ly/2BA9b3c) from earlier this morning, that was also the more aggressive intermediate-term UP channel from reaction lows in the Fall of 2011. Yet that does not Negate the overall up trend from 2009.

Note that the broadest UP channel from that major cyclical (post-Credit Bust and Housing Bust) 666 low is not until the 2,400 area this month into just above it in January. This is backed up by monthly MA-48 into the mid 2,300 area, with the last major lower congestion prior to the mid 2017 straight up rally ranging down to the 2,318 area. Those form the Tolerance below the channel.

And as opposed to the 20% bear market opinion of the financo-tainment 'experts', 25% (of 666 to 2,947) is a classical Fibonacci trend retracement, as is a 20% drop in total value. On that basis 2,376-2,357 are the respective correction thresholds.

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