Alan Rohrbach

From: ROHR Alert <rohralert@gmail.com>
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Subject: ROHR ALERT!! Holiday Notice and Practical Matters

Dear Subscribers,
Happy Holidays to all of our readers and clients. After today we are also out of the office until Thursday, January 2nd. The Christmas into New Year's Day week each year is our one real holiday (i.e. no international trading overriding US holidays.)

It is also typically such a low liquidity period that all of our institutional clients classically tone down portfolio risk to a very low level; hence avoiding the need to liquidate any positions into thin, holiday-interrupted markets. And this year is a prime example… there are effectively only three full trading days in Europe and the UK between now and January 2nd. That said, we will be distributing a weekly Report and Event Calendar on Monday for those who remain manning the forts.

On the practical matters, the influences affecting the various asset classes are shifting. While central banks remain accommodative (just reconfirmed by the BoJ and BoE on Thursday), the slightly improved economic outlook leaves less room for further largesse. And some of the recent economic data has been less than strong, even in the upside leading US economy.

However, as noted of late, the 'macro' psychology improvement on Brexit, USMCA, other US legislative actions and US-China trade concerns seem to overshadow the current weakness even in Europe. Note this morning's Reuters article (https://reut.rs/34IAwMQ) on the Q4 German economy contraction.

Even the highly touted success of the US-China Phase I deal remains a bit more nebulous than the Trump administration might allow (more from Reuters on the challenges facing USTR's Lighthizer on papering that https://reut.rs/2EI4qWV.)

The 'Santa Portfolio Manager' seasonal (www.rohr-blog.com) has fostered US equities strength in the wake of friendly late-October Fed indications. As an astute client pointed out, there is also no reason for bulls to take profits this year with a further tax cut in the wind from Trump and the Republicans for 2020.

As a practical matter that has been furthered by improved 'macro' psychology. And by 'further' we also mean serial S&P 500 Index weekly Oscillator thresholds have been overrun since early November. Just as last week's strong finish set the stage for this week's further gains, the same is happening today (more below.) This has been reinforced by expected recent sustained strength in many of the emerging currencies, and pressure on global govvies (even if a bit subdued.)

And that last asset class has a bit of further risk as we look into 2020, As noted in Monday's ALERT!!, Bundesbank head Weidmann has changed his tune on strict fiscal rectitude. An excellent Financial Times article (http://bit.ly/34poBng) from Saturday highlights his shift toward allowing a bit more public spending. As a practical matter all of this still favors the equities and emerging currencies and might weigh on the global govvies, dependent on how much real growth occurs.

We hope that you and all of yours have Very Happy Holidays, and also wish you the best for a Happy, Healthy and Prosperous New Year in 2020. Thanks for all of your interest and support in 2019 and previous.

This is the critical consideration
The front month S&P 500 future early November push above the weekly topping line (broken red line on weekly chart http://bit.ly/2ElPyh5) set the stage for the extended seasonal rally. That was after the major August break and September's subsequent failure above 3,000 that did not reach 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 where it overran the Oscillator resistance into that weekly topping line back in November 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 3,145-50 higher resistance last week that moved up to 3,155-60 this week. Already above that last week pointed toward 3,195-3,200 next Oscillator threshold this week, rising to 3,205-10 next week.

As important is just as last week's strength overran the 3,155-60 range, if the March S&P 500 future (front month as of today) Closes the week above next week's 3,205-10 threshold it sets the stage for the timely rally extension to the 3,255-60 Oscillator range next week. Some may consider these very big gaps between levels a bit overblown. Yet as you can see in recent market form, this is how accelerated trends can perform when they escape resistance.

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Contact: rohralert@gmail.com