

## Alan Rohrbach

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**From:** ROHR Alert <rohralert@gmail.com>  
**Sent:** Wednesday, January 22, 2020 9:31 AM  
**To:** undisclosed-recipients:  
**Subject:** ROHR ALERT!! Waiting on the ECB

Dear Subscribers,

Constructive resolution of the cross currents that were previously weighing on US equities was thoroughly reviewed in Monday's *Priced for Perfection?* ALERT!! Yet as the title implies, there is now a question over whether almost all of the fundamental background now looking positive (including the US-France digital tax truce through the balance of this year... see Monday's analysis) might mean US equities are vulnerable if any aspect of the 'perfect' picture becomes suspect?

As noted Tuesday, it is a low probability chance that either Trump impeachment trial developments or a flare-up of the US-Iran situation will impact US equities. There is also potential for China to not comply with the US-China Phase I deal. Yet as that will not be known for months, it is an unlikely risk for US equities any time soon. The real risk from China now is the fresh flu-like outbreak of the next coronavirus out of the central Chinese city of Wuhan (a major travel hub.)

Also from Tuesday, for the US equities bull trend this conforms to the Murphy's Law axiom, "*Anything that can go wrong will go wrong...*" and also "*...at the worst possible time.*" While authorities are attempting to calm things by indicating this virus does not appear as deadly as the 2002-2003 Chinese SARS outbreak, it still represents a real risk to US equities and potential fillip for the global govies into the massive Chinese New Year travel; making it a serious 'known unknown'. [See Monday's very good Reuters article (<https://reut.rs/2uli5kO>) for more.]

The other potential source of stress for the US equities is the possible reversal of a previous supportive factor: central bank accommodation. As noted Tuesday, due to improved global economic psychology Bank of Japan demurred that morning on highly anticipated further stimulus. And this morning the Bank of Canada held rates steady as we await the ECB early Thursday (US time.)

That is going to be very interesting due to little likelihood of any rate change, yet with the next President Lagarde press conference (13:30 GMT; 08:30 EST.) It will be very critical to hear whether she is still pushing for more fiscal stimulus from the European countries which can afford it (along with structural reforms.) The once again limited risk for the equities is only if she seems to relent in that area. It would also be nice to hear from Bundesbank President Jens Weidmann again at some point on whether he still holds to his mid-December support for this shift.

Courtesy Repeat of Tuesday's critical consideration

The front month S&P 500 future early November push above weekly topping line (broken red line on weekly chart through last Friday <http://bit.ly/2RCkn7h>) set the stage for the extended seasonal rally. That was after a major August break and September's subsequent failure above 3,000 (short of 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 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 3,155-65 higher resistance.

Already above that in early December pointed toward the 3,205-10 area that was overrun as well. That set the stage for the rally extension to the Oscillator range that moves up to 3,295-3,305 this week, with the lower range up to 3,245-50. That said, the most important pre-holiday period congestion remains the 3,200-3,190 area tested and held during the US-Iran confrontation with minimal slippage.

One 'fly in the ointment' for March S&P 500 future is the renewed rally leaving it above that 3,295-3,305 weekly Oscillator resistance, with next higher Oscillator resistance not until 3,350-55. This is the highest 'adjusted' extension based on our early 2017 recalculation from the rally at that time (available via the ALERT!! sidebar area on [www.rohr-rlog.com](http://www.rohr-rlog.com)), and also the highest hit in early 2018.

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