

Alan Rohrbach

From: ROHR Alert <rohralert@gmail.com>
Sent: Thursday, January 23, 2020 8:49 AM
To: undisclosed-recipients:
Subject: ROHR ALERT!! ECB versus Coronavirus

Dear Subscribers,

Having just listened to ECB President Lagarde at the post-rate (non-)decision press conference what is clear is the continuing weak Euro-zone manufacturing recession is being at least partially reversed by a recently improved global trade and tariffs outlook. That said, the pass through of this better psychology to both actual growth and inflation is being hindered by European government policies. Madame Lagarde continued to support extended ECB accommodation for now.

In fact, the European bank lending survey showed diminished demand for loans by businesses even as household demand rises. Her prescription for addressing this remains the same dual action suggested by her predecessor: informed fiscal stimulus (productive public investment) by countries that can afford it, and the same major structural reform from the weaker economies. [Access the opening statement and the link to the full press conference at <http://bit.ly/3ayqMJf>.]

Yet on the other hand the current Chinese coronavirus outbreak is looking more threatening. This has reached the point where Chinese authorities have 'locked down' (i.e. restricted all travel) for the cities of Wuhan (11 million people) and Huanggang (7 million.) While this may seem an extreme step, it is viewed as necessary to (hopefully) prevent a pandemic that would rival or surpass the 2003-2003 Chinese SARS (Severe Acute Respiratory Syndrome) virus outbreak.

And as noted for the past couple of days, the Murphy's Law axiom abides on, "*Anything that can go wrong will go wrong...*" and also "*...at the worst possible time.*" (See Wednesday's Reuter article <https://reut.rs/2TS5K2m> for much more.)

While global health authorities are attempting to calm things by indicating this virus does not appear as deadly as SARS, it still represents a real risk to US equities and fillip for global govies. Yet emerging currencies remain firm, which is a sign that at least for now the better global economic outlook maintains.

That US equities and govies response is also due to "*the worst possible time*" aspect of the virus rearing its ugly head right into the massive Chinese New Year travel. That starts late this week (New Years Eve is Friday evening) and continues into late next week. Ergo, it will remain a serious near-term 'known unknown'.

This is the 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 threshold (now near-term support), with next higher 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 on www.rohr-rlog.com), and also the highest hit in early 2018.

[For those of you who are higher level www.rohr-blog.com subscribers, see the latest analysis and Market Quick Take in the daily emailed ROHR-BLOG research notes and occasional posts for more on global the Evolutionary Trend View.]

NOTICE: The Rohr International, Inc. research team or its principals may already have entered positions or have orders working based on this view.

Thanks for your interest.

This Current ROHR TREND ALERT!! will be available soon via the sidebar at www.rohr-blog.com for Platinum echelon subscribers.

Please reply 'Unsubscribe' if you no longer wish to receive these emails.

Contact: rohralert@gmail.com

This review of market positions and all other information is strictly for educational purposes. This information is provided without consideration of 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 any claim of explicit or incidental liability for financial loss or forgone profit against Rohr International, Inc. and any informational contributors under all circumstances. Information contained herein may have already been disseminated to others who may have acted upon it. Implicit in the Rohr educational services is the understanding that principals or employees of Rohr may have already taken positions. By review of the Rohr Alerts and/or Rohr Views and all attendant information you confirm receipt of them as educational content, as well as agreement with all of the stipulations articulated above.

A service of Rohr International, Inc.

© 2019 All international rights reserved. Redistribution strictly prohibited without written consent