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From: ROHR Alert <rohralert@gmail.com>
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To: undisclosed-recipients:
Subject: ROHR ALERT!! And the Data Isn't Helping

Dear Subscribers,

As noted in Thursday morning's 'Banks and Bungling' ALERT!!, our previous view that there isn't much other than being watchful the central banks can do about the economic fallout from the Wuhan virus seems to be confirmed. The still accommodative across-the-board message doesn't have anything to do with a near-term reaction to the threat from the virus. And the dovish perspective is there for a reason: the still weak economics despite hope things will turn up.

That was the case this morning in most of the data (outside a few bright spots) everywhere from Asia (especially Japan) through Europe (especially German Retail Sales), even if the US has been more mixed after yesterday's weakness in Q4 GDP subsets. Again, all of this is somewhat as expected, yet with the Wuhan virus impact reining in the friendly anticipation for future developments.

For a broader context we return to the early-month OECD Composite Leading Indicators (<http://bit.ly/2tbMfa0>) that we had already noted were only the most nominal indication of any upturn. In fact, even the typically rose-tinted glasses wearing folks there characterized it as 'stable' yet clearly still 'below-trend' growth in many key economies. That makes the Wuhan virus sustaining the uncertainty contributing to the recent global weakness especially pernicious.

There is also the other factor we have stressed of late: there is a good reason that Wuhan virus will end up being more major than the 2002-2003 SARS outbreak: 'asymptomatic contagion'. This morning CNBC hosted Dr. Syra Madad (of the NYC special pathogens program) regarding the challenging aspects of the disease, and she painted a more troubling picture than many experts who are trying to downplay its impact. That interview (<https://cnb.cx/2SaNP4q>) especially noted (from 02:50 though the end) that this was a faster moving virus than SARS.

She posited that there are likely many more cases of infection than the 10,000 reported (possibly running into the hundreds of thousands.) She also reiterated that is due to that 'asymptomatic transmission' factor. It's like a real-world development from the 1956 movie 'Invasion of the Body Snatchers', where you don't know who might be a threat. This is the 'Invasion of the Wuhan Catchers', with an interesting twist: the movie was also a metaphor for insidious Communist influence... so it is more than a little bit weird where this one is coming from.

Along the way US equities are not acting too bad considering the likely deflation of global growth expectations. That said, emerging currencies continue to come under pressure for various 'country' reasons as well (like the ruble suffering with weak Crude Oil prices) along with the less upbeat global growth potentials. And of course, the global govies continue to keep their bid on weak data and Wuhan.

Another Courtesy Repeat of Wednesday'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/2uAivrV>) 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, which held on the early November correction. It then pushed above serial higher resistances like 3,105-10, 3,155-65 and ultimately 3,205-10 area. That set the stage for the rally extension above the Oscillator range that moved up to 3,295-3,305 last week, and increases to 3,305-15 this week.

That this is also consistent with the short-term congestion throughout last week makes it the key near-term resistance. Therefore, whether any test of that area fails and ultimately falls back below last week's 3,293.50 Close will be important to either reinforcing or beginning to eat away at last week's important weekly DOWN Closing Price Reversal (CPR). That was from the previous week's 3,325 Close with a Tolerance to that week's 3,330 trading high. If it fails, it will be reasonable to look for another selloff into the mid-low 3,200 area.

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