

Alan Rohrbach

From: ROHR Alert <rohralert@gmail.com>
Sent: Monday, February 3, 2020 9:40 AM
To: undisclosed-recipients:
Subject: ROHR ALERT!! Technical Issues and Brief Comment

Dear Subscribers,

After last Friday's debacle, US equities are bouncing this morning. Yet that doesn't change the overall problematic background. As noted in the title, we had internet issues over the weekend, and that prevented us from providing updated charts and a full critical consideration. Those issues should be solved later today, and we look forward to providing a fully updated Evolutionary Trend View soon.

That said, not all that much has changed despite the current US equities bounce. That has been accompanied by some strength returning to the recently pressured emerging currencies, and a bit of slippage from the recent strong 'haven' bid in global govies. Yet in the context of the current economic headwinds, we feel this is temporary; just as we did during the temporary US equities and emerging currencies temporary rally and global govies near-term selloff last week.

That is due mostly to the continued evolution of the pernicious Wuhan virus spread, and that will likely be accompanied by some US political fallout this week. The latter has to do with the likelihood that Socialist candidate Bernie Sanders will possibly win today's Democratic Party Iowa caucuses. While there are forces countering the progressive agendas of Sanders and Senator Warren, the prospect of a Socialist candidate on the Left will only add to equity market concerns.

Yet the dominant factor remains the Wuhan virus. As we have noted ever since our January 23rd 'ECB versus Coronavirus' ALERT!! and explicitly stated in last Monday's 'The 'Known Unknown' Carries the Day', the different 'asymptomatic transmission' aspect of the virus makes it more pernicious than any previous outbreak (like the 2002-2003 SARS outbreak.) And the added uncertainty that creates has led to the major constraints on the world's second biggest economy along with the severe travel restrictions imposed by most of the rest of the world.

Our instincts on this and the impact on the global economy were reinforced this morning by comments from one of the analysts we most respect: Allianz Capital's Mohamed El-Erian. In a CNBC interview (<https://cnb.cx/36MDIxC>) he noted (01:40-01:55) that it really is "*different*" and "*...a fundamental shock to economic growth in China.*" Later (From 03:30 onward) he responds to the question of how much central bank easing we are already seeing might help?

Much as in our 'Dr. Powell to the Rescue?' ALERT!! last Wednesday, he addresses it with the same skepticism. He notes especially on the current liquidity injections (which China is leading) compared to previous central bank buffering of shocks, that "*...assumes the shock is temporary, containable and reversible.*" Given the profile of the Wuhan virus, this is a major assumption that is likely to be refuted by the 'facts on the ground' during coming days and weeks.

For more on that 'asymptomatic transmission' problem, we refer back to Friday's 'And the Data Isn't Helping' ALERT!! link to another CNBC interview: Dr. Syra Madad. 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.

Another Courtesy Repeat of Last 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.

[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