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From: ROHR Alert <rohralert@gmail.com>
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To: undisclosed-recipients:
Subject: ROHR ALERT!! Prismatic Perspective

Dear Subscribers,
US equities along with the other asset classes are now in a 'prismatic' state of needing to consider the extended implications of various macro factors in both the economic data and other influences. That is due to the heretofore unexpected impact of the Wuhan Virus on the global economy and central bank psychology.

As explicitly noted in Friday's 'Central Bank Cross Currents?' ALERT!! (and even considered earlier than that), the classic 'good news is bad news' (and vice versa) has become very important again after previous classical intermarket activity. This is due to the serious threat from the aggressive spread of the Wuhan Virus.

As in a previously noted CNBC interview (https://cnb.cx/2RXOpDM), this is a developing pandemic threat in the first instance, yet also now more of a concern on the immediate commercial impact: global supply chain disruption. There was more in Thursday's ALERT!! via a very good FT article (http://bit.ly/397qOX0.) Reports this morning are reinforcing this concern, especially for China as the planned return to work today is spotty at best with some key official restrictions.

And it is all encouraging more accommodative central bank anticipation. As such, the key central bank communications this week will be very important; and Fed Chair Powell's Tuesday-Wednesday testimony is likely first among equals during a very extensive central bank communication week (even without any major rate decision meetings.) Yet there are other important factors as well.

Adding to uncertainty is this morning's latest monthly OECD Composite Leading Indicators (http://bit.ly/2OXkpX1 for our lightly marked-up version.) Even the normally sanguine folks at OECD have highlighted the degree to which current somewhat improved global expectations cannot be trusted in the face of the aggressive spread of the Wuhan Virus. Keep in mind that this was in the context of both generally still below-trend global growth, and the best outlook was for an improving Chinese industrial sector. Can this still be counted on from here?

And the markets have been responding accordingly. After a short-term sharp selloff the US equities recovered to hit a new all-time high last week. Yet even after a strong US Employment report (with upward revisions), they sold off to Close right in a key trend area (more below.) Yet the weaker outlook saw global govvies recover their previous bid right into the US equities rally, and emerging currencies came back under pressure despite the US upward surge.

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/2H7dvdc) set the stage for the extended seasonal rally. 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 ultimately 3,205-10 area. That set the stage for the rally

extension above the Oscillator range in the 3,295-3,305 area that increased to 3,325-35 this week.
That meant last week was all about whether March S&P 500 future could overrun the late-January 3,325.00 weekly DOWN Closing Price Reversal (CPR… Tolerance to 3,330.25.) And it did so last week, even if it slipped back into that area for the weekly Close. This is also important as a key 3,325-35 Oscillator threshold this week, with the next upside area not until 3,380-85. This makes the response to the data and especially central bank psychology very important on the recent shift to the 'bad news is good news' psychology after some further weak data today. Next lower support if it weakens is the 3,300-3,290 range and again into the mid-3,200s.
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