From: ROHR Alert <rohralert@gmail.com>
Sent: Thursday, February 20, 2020 9:31 AM
To: undisclosed-recipients:
Subject: ROHR ALERT!! The Good (Fed), the Bad (COVID-19) and the Ugly (Dems)

ROHR ALERT!! The Good (Fed), the Bad (COVID-19) and the Ugly (Dems)

Dear Subscribers,
There was some hope from the 'good' Wednesday FOMC meeting minutes (http://bit.ly/32jc31i) countered by further 'bad' COVID-19 assessments, and 'ugly' attacks at the Democratic debate that only helped race leader Sanders. And the FOMC minutes being more upbeat than expected on the US economy also held the seeds of why US equities are not responding better to that and recent quite a bit stronger than expected economic data: the extended COVID-19 impact.
While some had expected more anticipatory COVID-19 accommodation thoughts in the FOMC minutes, there were only passing contingent ideas. In fact, in the wake of the US-China Phase I deal the Fed seems to have less of a commitment to further rate cuts this year than many expected. Their thought on that is to watch the Chinese and broader Asian economy for signs COVID-19 is a problem, which they allow will be a drag on already weak economies that were bottoming.
Yet in that regard the signs are looming large. Wednesday's excellent Reuters article (https://reut.rs/3bPyxuZ) highlights the degree to which it is now shutting down sections of economies outside China. That is due to the highly contagious nature of the virus; more so like influenza than previous coronaviruses like SARS and MERS. For more on its overall virology, see Tuesday's 'Powell Put?' ALERT!!
This means it is spreading faster and into new areas it was hoped could avoid the COVID-19 impact. We just picked off the current Financial Times 'rolling update' (http://bit.ly/2uTqHA6) to illustrate the extent of the problem we had anticipated early on: this is not an individual 'country' issue, yet more so a major global (even if especially Asian so far) economic 'ripple'. The headline at one point was an Apple profit warning, which was followed today by their supplier FOXCONN.
At the end of January we compared the nature of COVID-19 contagion to the 1956 movie 'Invasion of the Body Snatchers' (http://bit.ly/2SHcKya), where you didn't know who might be a threat. This is the 'Invasion of the Wuhan Catchers', as the disease spreads in ways and to areas that were not expecting to have a problem. As opposed to the proactive stance required in the 1956 movie, the result seems to be greater areas and economic activities being subject to extreme quarantine.
The FT rolling update provides a view of continued negative developments. Most striking are the estimates of future impact. A respected Chinese doctor recently noted coronaviruses tend to weaken quite a bit once the weather warms. He said it would likely lapse into April. Well, as we noted previous, it is a long time from now until April in the context of the COVID-19 virology. In fact, S&P just came out with its estimate that if that is the case, the Chinese economy might slip to annual growth of just 4.4%; that is versus a 6,1% target and previous revisions to 5.9%.
The Democratic Party 'Sin City Showdown' (see Wednesday's ALERT!!) was ugly. Given the current farther Left complexion of the party, it was no surprise debate newcomer billionaire Bloomberg was sharply attacked from all sides. This worked to the advantage of front-runner

Sanders, increasing the chance the Democratic presidential candidate will indeed be a Socialist. Unreal, if they expect to defeat Donald Trump. [Once again see James Carville's FT op-ed http://bit.ly/2Su0vVz.]

This is the critical consideration

The front month S&P 500 future early November push above the weekly topping line (broken red line on weekly chart through last Friday http://bit.ly/39BCjpW) 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 then held on the early November correction. It then pushed above 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 3,335-45 this week.

That meant early February 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, even if it slipped back into that area for that weekly Close. This was also important as a key 3,325-35 Oscillator threshold last week, with the next upside area not until 3,380-85 moving to 3,390-95 this week.

This makes the response to the data and especially central bank psychology (a 'Powell Put'?) very important on the recent shift to the 'bad news is good news' psych after some further weak global data. Lower supports are back at interim 3,350, overrun top into 3,325-35, 3,300-3,290 range and again into the mid-3,200s.

[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