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

Dear Subscribers,
And that reinforcement is for the 'risk aversion' psychology that has finally become more prominent in the face of extended COVID-19 developments. For more on that please see Thursday's 'The Good (Fed), the Bad (COVID-19) and the Ugly (Dems)' ALERT!! We especially suggest linking into Thursday's ALERT!! Financial Times 'rolling update' (http://bit.ly/2uTqHA6) to review 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'.
Possibly along with the additional minor risk factor that Socialist Bernie Sanders will indeed be the Democratic Party presidential candidate in November, the end of the central bank accommodation-driven US equities rally is glaringly more apparent in the wake of what has been outstandingly strong US economic data. However, as the old adage reminds, "*The market is a creature of expectations*."
And expectations are now that the impact of COVID-19 will be more widespread and may last longer than previously expected. Latest numbers from China show another increase after hopeful slowing. Yet the fact that is in prisons that might have previously not been tested (see Reuters https://reut.rs/2vVKv5H) also highlights the unreliable nature of the Chinese data that creates uncertainty.
As the other key old adage tells us, "*The market (which is to say the equities) dislikes nothing quite so much as uncertainty*." We cited the repeated insight from Mohamed El-Erian on Tuesday that central banks have 'deeply conditioned' market participants that shocks are "...*containable, temporary and reversible*." It seems like markets are adjusting to that maybe not being the case for COVID-19.
Maybe Wednesday's FOMC minutes (http://bit.ly/32jc31i) having less anticipatory COVID-19 accommodation discussion set the stage for US equities weakness. Yet it is more likely the spreading COVID-19 'ripple' impact through announcements from many major international corporations (with performance warnings) was the culprit behind the significant risk aversion psychology setting into the markets.
As such, it is no surprise that US equities finally came under sharp sustained pressure for the first time in weeks. Yet global govvies had never weakened in the face of equities strength, and are now pushing up again. The unsurprising upside leader is the German Bund. That is a reflection of a weak European economy (that had possibly begun to bottom out) now being vexed by the shutdown of one of its primary export markets in China. This carries over to US dollar upside leadership being driven by euro and yen weakness, and emerging currencies weakening again on the prospect of a COVID-19 driven weaker global outlook.
The intermarket Evolutionary Trend View is finally calibrated again to economic factors. This would seem to finally reject the previous combined US equities rally on central bank influences even while global govvies remained strong on weaker global economic expectations suppressing any inflation psychology.
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 now being tested, the Negated 3,325-35 top and 3,300-3,290 congestion.

[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.]

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