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From: ROHR Alert <rohralert@gmail.com>
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Subject: ROHR ALERT!! Crunch Time

Dear Subscribers,
While we had noted the ultimate support for US equities is the escape above 2019 congestion and push above the multi-year topping line (see below), they have dropped back there very quickly. Yet as we often note, it is not the speed with which a market reaches a key trend area, yet what it does when it gets there.
The Evolutionary Trend View (ETV) of markets is littered with failed sharp swing tests of the 'big levels', and the US equities are in one of those critical tests. And after a further brief 'macro' note, we will be cutting directly to the markets instead of further fundamental discussion after Wednesday's 'Same Views with Different Levels' ALERT!! This morning's story by CNBC China Bureau Chief Eunice Yoon notes a spike in new Beijing COVID-19 infections, where they had been dropping.
Authorities report that this was based on an office cleaning worker who went to work with a fever. Yoon noted how this highlighted the crossed purposes at which many Chinese workers find themselves with both a government push to get back to work at the same time that COVID-19 infection remains a risk. And even more so it reinforces the degree to which COVID-19 is not just a supply chain problem. It will also depress demand (which we noted again Wednesday), as folks who are contractors are not earning any money during their quarantines.
The slender 'silver lining' could turn out to be that the first COVID-19 cases in the US represent the 'macro' inflection point, which has the worst expectations being priced into the markets. And the markets should inform us on that soon.
Back to the markets, the intermarket reinforcement for the current ETV we noted last Friday continues. The March S&P 500 future has fallen from the major weekly Oscillator resistance up near 3,400 back toward the key 2019 3,030 (July all-time high) to the 3,000 congestion area in very short order. Along the way it is slipping below the 3,070 level at which it overran the multi-year topping line; of note, the 41-week moving average (MA: also basis for the Oscillator) is 3,058 this week.
Whether it maintains trend momentum from around the long-term trend MA and respects the old high-end major congestion from the overrun summer 2019 topping activity is critical. Any failure (i.e. weekly Close) back below 3,000 would speak of a market that could then sink farther into the broad previous range. The clear lower supports would be anywhere from 2,850 area to the 2,750 area.
And the intermarket activity continues to reinforce the 'macro' psychology with an ETV that sees global govvies up near major resistances, and emerging currencies under pressure once again. The March Bund future is up near its 177.00-.50 resistance from last summer, and the March T-note future is back up near its 134-00/-08 congestion (including the summer 2016 all-time high.) It is also of note that COVID-19 moving into the US has erased its 'haven' bid versus other developed currencies; even EUR/USD is back above 1.0800 nearer to 1.1000.
Yet still reflecting the very clear COVID-19 pressure on global growth, emerging currencies remain under pressure. All of them, from the SA rand to the Russian ruble (compounded by the lower growth-impacted Crude Oil weakness) to even the previously more resilient Mexican peso have broken their next nearby support levels on the way to more major ETV areas.

This is the critical consideration
The front month S&P 500 future early November push above the weekly topping line (broken red line on chart through Monday's Close http://bit.ly/2SXbZkv) 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 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 3,345-55 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 the weekly Close that week. The next upside area was not until 3,390-95 last week.
This made the response to data and especially central bank psych (a 'Powell Put'?) very important on the recent shift to more major 'macro' factor influence. And it failed miserably on the further COVID-19 fears. Violating support at the Negated 3,325-35 top and 3,300-3,290 congestion left it testing the 3,205-10 area (Tolerance to the early January 3,181 trading) that was also overrun Tuesday.
While it may have seemed quite a bit lower at the time, it was reasonable to revisit that 3,065-70 overrun weekly topping line level (also near 3,058 weekly MA-41), or even slip below it to test the major 3,030-00 summer 2019 congestion (and July's previous all-time high.) Lower supports are the 2,850 area and 2,750 area.
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