

## Alan Rohrbach

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**From:** ROHR Alert <rohralert@gmail.com>  
**Sent:** Friday, March 13, 2020 9:12 AM  
**To:** undisclosed-recipients:  
**Subject:** ROHR ALERT!! Whole of Government Decision

Dear Subscribers,

Limit Down. Limit Up. Once again, “*You can’t say we didn’t warn you*” ...based on our recent repetition of that phrase referencing the insights shared in our March 12th “C’mon in and Ride the Whip” ALERT!! Everyone in presumably more staid financial markets has now had their trial by fire, and would likely be qualified to trade the dear-departed Pork Belly futures if the CME ever resurrects them.

As noted there, “*The reason that the Bellies (the agricultural term for what is processed into bacon or rashers) were so volatile is that they are basically half a pound of fat.*” So just as mentioned for the late 1970s and 1980s US Treasuries market that was afflicted with the initial seemingly unrestrained ballooning of US deficits during the Carter administration, the US equities have of late been trading more like half a pound of fat. Between the COVID-19 predations on the global economy and central banks and governmental actions, they’ve been very erratic.

So, given ‘macro’ psychology flows are the key to extreme market activity ever since the 1973 Arab Oil Embargo, what changed between Thursday afternoon and this morning? As noted in Thursday morning’s “An Empty ‘Well of Confidence’” ALERT!!, President Trump’s serial misstatements and outright falsehoods (see that analysis for much more) had left his communication on COVID-19 ineffective.

Anyone doubting that can merely review the market activity out of his Wednesday evening speech into Thursday’s activity. Compounding that was disagreements between Congressional Democrats and Republicans over the scope of the fiscal stimulus to counter the COVID-19 impact on the US economy; with the Democrats typically wanting more broad-based spending. This is a major key for those of us who closely observed the markets into the October 2008 US equities meltdown.

Back then the Dems were opposed to a ‘bank bailout’ and stalled TARP program legislation in late September. That led to the early October S&P 500 meltdown below 1,100 to an immediate test of 837. That may sound pretty tame in current market volatility terms... a mere 263 points. Yet it was the acceleration of the bear market that had begun at the October 2007 1,586.75 high, and before it was over in March 2019 the US equities had shed over 50% of their value since the highs.

And this gets to the importance of the ‘Whole of Government Decision’, where the US Congress seems to have learned its lesson. The Democrat and Republican disagreements over the scope of the fiscal stimulus to counter the COVID-19 impact seem to have vanished overnight. That is allowing Speaker Pelosi and Treasury Secretary Mnuchin to announce a major economic stimulus package which also helps those who do not benefit from a payroll tax holiday.

This is in addition to further support from the Fed even before next Wednesday’s rate decision and press conference (accompanied by a Summary of Economic Projections.) It is all as the very adept Madame Lagarde noted in Thursday’s ECB press conference, “*The shock is ‘severe’ yet still ‘temporary’ IF right actions are taken by all players.*” (Our punctuation.) She also noted that any action had to be very timely, saying it could not be a typical slow-motion

response over months. Evidently the US Congress was listening to her... and more likely the US equities.

**Courtesy Repeat of Thursday's critical consideration**

The COVID-19 virus spread had caused the US equities intermediate-term bull psychology to 'crack'. Yet does this signal a 'breakdown' into a bear trend? Not necessarily. As bad as US equities look on the violation of the key congestion around the mid-2019 highs (highlighted in Thursday's 'Crunch Time' ALERT!!), the 'broad' trend support based on longer term channel projections and lower historic congestion remains at somewhat nearby (considering volatility) support.

That lower US equities support includes the longer-term weekly chart channel updated after Monday's drop (<http://bit.ly/2TWcpqz>.) That said, we cannot dismiss the importance of the March S&P 500 future violating the support from the 2019 congestion and push above the multi-year topping line at 3,070, the 3,030-00 previous all-time high congestion, and recent 2,970 DOWN Break below the overall up channel (from the 2,313 late 2018 low) it finished below again last week.

So in addition to front month S&P 500 future being back down in that significant 2017-2019 trading range, the lower congestion is the already noted interim 2,850 area followed by the more prominent 2,750 area loosely held on Monday's Close yet violated into this morning. However, as also noted previous, this looks like a reversion to a full correction, with every reason to believe the broader up trend support would be tested: that is 2,600 area broadest weekly and monthly channel support (also 48-month MA) with Tolerance to the mid-low 2,500 2018 congestion.

Much below that the next nominal supports are the late 2018 2,413-09 weekly UP Closing Price Reversal (also historic congestion), the extreme low trade of which was the 2,313 level (also more historic congestion; see the chart.)

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