## Alan Rohrbach

**From:** ROHR Alert <rohralert@gmail.com>
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**To:** undisclosed-recipients:
**Subject:** ROHR ALERT!! Fed Crystallization

**Dear Subscribers,**
**As noted in Tuesday's 'Crunch Time… Again' ALERT!! (revisiting our February 27th theme), the March S&P 500 future is back to the 2,400 area low end of its historically relevant trading levels (more below.) The decision from there will determine whether the recent 2,600 area fresh major DOWN Break will dominate future trading; or whether the US equities have a chance to stabilize.**
**The 'macro-technical' dilemma is as we noted a week ago in our 'Anticipation versus Desperation' ALERT!! on the hopeful signs from massive US and global government support and stimulus to offset the COVID-19 virus impact. That is especially so for the average working person, who may be an hourly contractor not getting a regular paycheck from a major business. And many hopeful noises have been made by the Trump administration and others in that regard.**
**Today's FOMC decision will likely be a 'hold steady' at the recent emergency rate cuts 'zero boundary'. And the press conference will highlight the additional emergency measures taken to ensure liquidity along with some mention of the extensive US Treasury actions. This will crystallize the rightful Fed response during what is a full blown international financial and commercial crisis.**
**The dilemma is the US legislative process that has only approved a minor portion of necessary spending so far. As Madame Lagarde pointedly noted in her ECB press conference a week ago, ""*The shock is 'severe' yet still 'temporary' IF right actions are taken by all players*." (Our punctuation.) Yet we are seeing a specious bit of US 'Congressional Complacency' as it regards the Senate actions.**
**Regarding some of his members' reservations about the initial House economic support package, Senate Majority Leader McConnell's enlightened expression is, "*My counsel to them is gag and vote for it anyway*." Sounds like he understands that this is similar to the late September 2008 Democratic aversion to approving a 'bailout for banks'. That immediately led to early October's US equities meltdown (see Friday's 'Whole of Government Decision' ALERT!! for much more detail.)**
**And it might happen again here if the Congress Fails to move timely on measures to provide immediate financial relief to individuals in the midst of a global public quarantine affecting so many businesses. See Tuesday's National Review article ([http://bit.ly/3a2VKZg](http://bit.ly/3a2VKZg)) on the Senate situation and what else is coming soon. As Treasury Secretary Mnuchin pointed out in an attempt to spur more timely action by Congress (especially the Senate), in a worst case scenario US unemployment could rise as high as 20% (see CNN article [https://cnn.it/3a1W8au](https://cnn.it/3a1W8au).)**
**The current situation with the front month S&P 500 future into these major recent and historic resistance and support reminds us of the old Stealers Wheel song "Stuck in the Middle with You' (1972 Rafferty & Egan.) After noting his discomfort, the singer expresses his disdain for present company, "*Clowns to the left of me, Jokers to the right*…" (Full lyrics courtesy of AZ Lyrics at [http://bit.ly/2U0JUtp](http://bit.ly/2U0JUtp).)**
**Can anyone doubt President Trump's response prior to getting more serious of late was disturbingly 'clownish' at best? Now we have the jokers in the Senate who have presided over**

**a more typically Liberal ballooning of the US government deficit raising fiscal issues during a national (and international) pandemic crisis.**

**Only if they get real and approve the rightfully Brobdingnagian response that would be overblown under normal circumstances do we have any chance the US equities (and others) will hold. Front month S&P 500 future stuck in the middle of two major levels has little chance of holding the lower bound if Congress wavers.**

**This is the 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? The current selloff back below the front month S&P 500 future 2,600 area would speak of that being a greater possibility. As bad as US equities looked on the violation of the key congestion around the mid-2019 highs (highlighted in our previous 'Crunch Time' ALERT!!), the 'broad' trend support has now been violated.**

**That lower US equities support includes the longer-term weekly chart channel updated as of Friday's Close ([http://bit.ly/3aVpl1u](http://bit.ly/3aVpl1u).) So in addition to the March S&P 500 future (expiring this Friday) 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) has been violated once again. That is also below front month S&P 500 future congestion in the already noted interim 2,850 area followed by the more prominent 2,750 area. That 2,600 area broadest weekly channel support (also 48-month MA) had a Tolerance to the mid-low 2,500 2018 congestion. The longer it is below that, the more so next supports are the late 2018 2,413-09 weekly UP Closing Price Reversal (also historic congestion) already tested, and extreme low trade of that UP CPR at the 2,313 level (also more historic congestion; see the chart) since the late 2016 rally.**

**Below that next supports are not until the interim 2,275 and more credible 2,200 mid-2016 congestion. More major lower support is not until the major all of 2015 2,125-00 congestion, and ultimately very hefty 2,000-1,970 2013-2016 congestion.**

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