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From: ROHR Alert <rohralert@gmail.com>
Sent: Thursday, March 19, 2020 8:06 AM
To: undisclosed-recipients:
Subject: ROHR ALERT!! What Price?

Dear Subscribers,

To state the obvious, the markets' trading volatility (wild short-term swings) has been part of broader trend volatility on the major overall price moves. This has not only been the case on the major overall weakness of US equities (and others) and emerging currencies, yet now also fiscal concern impacted global govies.

It seems the US government and its minions were as unprepared to deal with the COVID-19 outbreak as they were to fathom the full dimensions and impact of the 2008-2009 financial crisis. It reminds us of the old Bob Dylan 'Stuck Inside of Mobile with the Memphis Blues Again' (1966 Bob Dylan) line, *"An' here I sit so patiently, Waiting to find out what price, You have to pay to get out of, Going through all these things twice."* 2008-2009 (in fact from 2006 onward) was a substantial government monitoring failure, and here we are again (more below.)

We are coming to you earlier than usual after most regularly scheduled data is already out this week, and the Swiss National Bank and Bank of Japan held rates steady this morning even if the latter increased its market intervention. Those are after the US FOMC had cancelled its Wednesday meeting and announcement after two major emergency rate cuts in the past two weeks dropped its base rate to the 0.00%-0.25% range. Apologies for not being aware of that FOMC cancellation sooner; we guess the Fed feels it is already saying everything with its actions.

As all of that news is in the markets (only pending the PBoC announcement on Friday), it is back to the good news and bad news on the markets... mostly bad. Thursday's reference to the Stealers Wheel song 'Stuck in the Middle with You' no longer applies to US equities that have failed below key support (more below.)

The June S&P 500 future (front month as of Friday) was already trading at a 12 point discount to the March contract, and both are below the December 2018 2,413-09 UP Closing Price Reversal signal we have heavily referenced in recent analysis. This means that the higher 2,600 fresh major weekly channel (from the January 2016 lows) DOWN Break will hold sway over the future trend activity.

While there are some interim lower supports (more below), the trend will likely continue lower. This is reasonable in the context of the US government failure to effectively assess the spread of COVID-19, with little ability to assess the spread without an effective testing mechanism.

There was a great, extensive Reuters article (<https://reut.rs/3a2NyZh>) on Thursday about how South Korea was much more prepared in any event, and how the US lacked the leadership on testing.

It is indeed a good question of 'what price' would have needed to be paid to avoid the current worst case scenario. The least of it would have been the US government allowing much sooner that COVID-19 was bad and getting worse here and elsewhere instead of demurring on any aggressive response.

So what's the 'good news'? While preliminary, it seems the US equities trading volatility might be cooling a bit. It was interesting that below the major December 2018 2,313 3-year trading low on Thursday the June S&P 500 future did not spiral into outright collapse. It is possible the typical bear market 'impulse' wave might be cooling off, and the US will now more

gradually trend lower... possibly. See Wednesday's ALERT!! for more on the key being the US Congress response.

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>.) So in addition to June S&P 500 future (front month on 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 (off of the 2,313 late 2018 low) has been violated.

That was 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. That now appears to have failed along with next supports at the late 2018 2,413-09 weekly UP Closing Price Reversal (also historic congestion) already tested. The extreme low trade of that UP CPR is 2,313 (more historic congestion) since the late 2016 rally that it has already traded below. 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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