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From: ROHR Alert <rohralert@gmail.com>
Sent: Thursday, April 9, 2020 9:50 AM
To: undisclosed-recipients:
Subject: ROHR ALERT!! Colossal Cross Currents Indeed

Dear Subscribers,

Well, we began the week noting ‘Colossal Cross Currents’ (April 6th ALERT!!), now significantly verified by the additional \$2.30 trillion FOMC loan support program flying into the face of the 7.455 million new all-time high Continuing US Weekly Jobless Claims (week ending March 27th.) We are providing the FOMC program link (<https://bit.ly/2JTGfra>) due to all of the sub-links to key information.

We will return shortly to the interesting timing of that announcement. Yet as this is our last ALERT!! prior to tomorrow’s Western markets Good Friday holiday, we want to wish all our Christian readers a Very Happy Easter. We hope your family get-togethers (however virtual they may be) are warm and heartening affairs.

Back to the Fed, it is most interesting that it chose to announce that very atypical extended lending facility right into the release of the next massive Weekly Initial Jobless Claims (6.606 million) bringing the three-week total to over 16 million. Basically it shows that Chair Powell is as market oriented as his supporters had hoped when he was confirmed. Note how US equities that were weakening on fears of the weekly numbers are trading nicely higher on the day (more below.)

Recall that in Tuesday’s ‘Near-Term Game Changer’ ALERT!!, we highlighted the comparison to 2008 when Treasury Secretary Paulsen needed to beg for greater authority (a ‘bazooka’) to intervene when he saw major banks at risk of failure. When the initial \$105 billion in the TARP rescue program seemed less than adequate, informed observers noted that he needed a ‘bigger bazooka’.

In the event, the Treasury and the Fed ended up needing to proverbially ‘throw the kitchen sink’ at the problem. In fact, the key turn was the Federal Accounting Standards Board (FASB) March 2009 ruling that illiquid assets did NOT need to be marked-to-market was what finally removed the threat to bank solvency that was the worst of the problem back at that time. There is no such ‘cure’ at this time.

And to meet the challenge of the current far greater general economic pressure Fed and Treasury are going beyond the ‘kitchen sink’ to include the refrigerator, island, microwave oven and more. So rather than just a ‘bigger bazooka’, we are deeming this as equivalent to bringing out the ‘Howitzers’ (<https://bit.ly/2wpFpiP>.)

This will hopefully go some way toward buffering the near-term economic impact, and US equities seem to agree. Of note, global govies seem still well supported on future economic weakness expectations even as emerging currencies claw back part of their losses. And that is the overall market psychology tension now:

Will the better ‘creature of expectations’ activity in US equities be confirmed by better economic activity this Fall? We shall see. Yet the degree to which social distancing and quarantine remain brings that into question, and that will also undoubtedly be a key factor for the other asset classes as well.

This is the critical consideration

COVID-19 virus spread caused US equities intermediate-term bull psychology to ‘crack’. Front month S&P 500 future was already back below key congestion around the mid-2019 3,030-00 previous all-time high congestion (see our previous ‘Crunch Time’ ALERT!!)That was also

below support from the push above the multi-year topping line at 3,070 as well and left the late-February 2,970 DOWN Break below the intermediate-term up channel (from the late 2018 low.)

Did this signal reversal into a bear trend? Maybe not, but the subsequent fresh DOWN Break below the front month S&P 500 future 2,600 area major up channel seemed to indicate it was. That is from early 2016 low (<https://bit.ly/39HVPR9> updated as of Friday's Close.) That was the recent key higher resistance it has just exceeded on the violation of its Tolerance: that was to the 2,675 trading high of the week ending March 20th (and includes the monthly MA-48)

As such, it is reasonable that the June S&P 500 future will now treat the low 2,600 area (with a Tolerance to the mid-2,500 area) as support. This leaves front month S&P 500 future up into a broad higher range, with the top back into the 3,000 area. It must be allowed that along the way the previously violated supports at interim 2,850 area along with the more prominent 2,750 area are nearby resistances.

Our early Wednesday brief TrendView Video (<https://bit.ly/34IPPwt>) highlights the importance of Tuesday's front month S&P 500 future push above that key 2,600 (most pointed from 02:30 into the video analysis. We hope you find that useful.

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