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From: ROHR Alert <rohralert@gmail.com>
Sent: Wednesday, April 15, 2020 10:52 AM
To: undisclosed-recipients:
Subject: ROHR ALERT!! Bouncing Around

Dear Subscribers,

There is undoubtedly a lot of bouncing around these days. Markets, data, Trump and even Bank of Canada. We are later than usual due to waiting for the latter's press conference. We'll get back to that shortly. But first there is the major US economy reopening call reversal by the President out of Monday into Tuesday.

As noted in Tuesday's 'Testing Trauma' ALERT!!, it was scary hearing Donald Trump strongly assert the decision to reopen the US economy rested with him as President: the now infamous statement he has "*absolute power*", and the state governors would need to obey. Wholly inconsistent with the US constitution.

Well, there we were Tuesday listening to his strong serial assertions in response to questions on his Monday statements, "(paraphrased) *That decision rests with the Governors; it's their call.*" A total *volte-face*, and we need to ask, *why?* Is the pressure causing him to psychologically lose it, and become totally erratic? Or is it more so that knowledgeable folks in the administration finally got to him, and he finally came to understand the US constitution... could he be that dumb?

We rather believe that Trump is 'dumb like a fox'. In the first instance, what a great way to 'troll' the press. We know he hates most of them, and not without cause given their intrinsic animosity. His quick reversal is a great way to make their response to his previous outlandish statements makes them appear overwrought, and undoubtedly causes quite a bit of anxiety and stress.

Yet there is also potentially a more cynical political dynamic behind his recent position shifts: having his cake and eating it. In addition to any joy from trolling the press, he has now been radically on both sides of the control of reopening the US economy after recent extreme social distancing policies and protocols.

Governors will likely choose to reopen their state economies under whatever selective restrictions need to apply. If that is a success, Trump can claim he was the leading light on that from early on, and would have asserted federal control if the Governors had not done it. If there is a resurgence of the epidemic, he can say the Governors made the actual call, not him. Very Clever. Cynical, but clever.

For anyone who says he's not that smart or well-planned, there is always advice of his political operatives who are both. The incredible part is that the press has not called him on this after Tuesday's *volte-face*. And this is why the US press is also held in such low esteem. Always going for the obvious 'story' and ignoring the more in-depth dynamisc means that people on opposing sides do not trust them. It's how Trump gets away with so much of his half-truths and dissembling.

Back to other bouncing arounds, US equities and other markets have also been doing so of late. And while the short-term and trend volatility remain historically high, these atypical larger swings are still fitting in nicely with the Evolutionary Trend View (ETV). Recent activity in June S&P 500 future is a very good example.

A brief summary review of its activity at important levels has shown the failure below the key low-2,600 area, stalling at it into early April; pushing above it failed initially at 2,750 and dropped back to 2,620; surging above 2,750 saw it trade back below it, yet not Close below it

on both Thursday and Monday; now having tested 2,850, it is dropping back toward 2,750. This atypical market discussion in this section is to reinforce our Tuesday observation on the old market axiom, *"You can't trade the market you 'want'; you can only trade the market you 'have'."*

While these \$75-\$100+ point daily ranges may appear daunting, they are *"the market we 'have'"*, and still represent so much 'bouncing around' despite their magnitude. This gets back to advice we suggest in slower markets as well, except even more so: *The technical trend price structure is important in order to avoid getting drawn into decisions in between, and sticking to the major levels for that.*

The market will speak to you if you know the language, and the technicals are the Rosetta Stone. For more on that we suggest clicking into the www.Rohr-Blog.com sidebar 'Technicals are the Rosetta Stone' link slightly down from the top for a brief video description of why 'macro-technical' has become the prevalent price trend analysis approach; with a little secret on the rigid 'old school' approaches.

Beyond the sheer market activity being rational outside of seemingly irrational volatility, there is the continued focus which Trump is fighting on the need for effective testing prior to any significant US economic reopening. On Tuesday St. Louis Fed President Bullard repeatedly stressed mass testing of Americans as necessary to ensure confidence for workers to return and businesses to invest.

He has previously recommended daily testing... and we can only hope the US develops that sort of rapid testing capability. Likewise Chicago Fed President Evans asserted that massive testing is the key. The President is one of the few who thinks this is already the case, leaving regular folks less than confident.

Also bouncing is the economic data, yet more so bouncing off of a cliff. The most recent data is relevant in being current and dire. April Empire State (New York) Manufacturing Index was -78.2; headline March US Retail Sales were down 8.7%; March Industrial Production was -5.4% with a sharp drop in Capacity Utilization as well; the April NAHB Housing Market Index came in at 30, a much worse than expected drop from March's 72 reading.

And this afternoon brings the Federal Reserve Beige Book that will also likely be very weak. On the *"The market (meaning equities) is a creature of expectations"* axiom, we suspect this is why the current bouncing around in US equities is back toward that June S&P 500 future 2,750 area.

And last but not least, our delay in today's assessment has allowed us to watch BoC Governor Poloz and Deputy Governor Wilkins preside over their no change at 0.25% post-rate decision press conference. There was not much new there beyond sustained commitment to accommodation in maintaining interventions and rates near the 'lower bound' with possible expansion of programs.

In that regard, they did reassert their ability to move into other areas of the debt markets if necessary to maintain liquidity in pursuit of keeping Canada, Inc alive and well pending the ability to reopen their economy. Sounds rightfully a lot like the Fed, and you can see that press conference at <https://youtu.be/fyvrvvtWy-k>.

Please see Tuesday's ALERT!! for much more on other factors that will affect economies and the markets. That means the background for some factors analyzed here, such as Trump's communications on key factors and the more factual scientific background on the COVID-19 situation.

Courtesy Repeat of Tuesday's 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/2wxaZv6> updated as of Thursday's Close.) That was the recent key higher resistance it has now 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 previously violated supports at 2,850 area along with the more prominent 2,750 area (already above) are nearby resistances.

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