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From: ROHR Alert <rohralert@gmail.com>
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To: undisclosed-recipients:
Subject: ROHR ALERT!! We Call 'Em the Way We See 'Em

Dear Subscribers,
We received some negative feedback from certain readers yesterday on being 'anti-Trump'. That is laughable. We are equal-opportunity critics, and if they took our full analysis in its broader context they would be well aware of that. We have no use for thin-skinned partisans on either side of the divide, and suggest they simply stop reading our reports if they don't like our 'critical' views.
It is also the case of late we have been just as critical of Democrats for misguided attempts to shoehorn Green New Deal and social program spending into rescue programs as we have been of Trump for fudging US COVID-19 testing success.
Why is this important, especially to readers who already know our assessments are balanced? It is because this is what keeps our analysis as prescient and accurate as it needs to be to benefit subscribers and advisory clients. There is much more on this below (including further kudos and criticism for Trump and others.) This is later than usual due to the need to dispatch this misguided view.
But for now it is more important to move onto key market perceptions. As noted in Wednesday's 'Bouncing Around' ALERT!!, the old axiom "*The market* (equities) *is a creature of expectations*" has been important to understand once again on recent continued trading and trend volatility (with daily ranges of $75-$100+.) And the June S&P 500 future bounces between key technical levels has most recently meant a selloff from 2,850 down to a test of the 2,750 area.
As noted then, this was in the context of dismal 'current' economic data (see Wednesday's ALERT!! for the full litany) that the market was expecting. And this continued with an equally dismal Fed Beige Book (https://bit.ly/2K8iTOC) on Wednesday afternoon, and dire US Initial and Continuing (a major new record high) Weekly Jobless Claims this morning. And yet, June S&P 500 future held that lower 2,750 support and is rebounding. Much more on price activity below.
A creature of expectations indeed. As we had noted previous, this is a battle between 'anticipation and desperation'. That was our view in the March 11th ALERT!! from just prior to the plunge below 2,600, with the difference now being that anticipation of government support is buoying the market… at least for now. The next vestige of that on top of previous funding is this morning's Fed PPP Liquidity Facility announcement (https://bit.ly/2K8KoaX) supporting that program.
Along with other measures offsetting current dire developments, will this further encourage US equities well enough to foster a rally extension to their higher resistance (more below)? We shall see. Some of it may require that Democrats get past current hang-ups on adding new dimensions to the PPP that are not consistent with the existing program funding that could be readily replenished.
Yet for now US equities buoyancy would suggest they can indeed head up to higher resistances as long as they hold that lower support, global govvies are keeping their bid despite the equities strength, and emerging currencies remain weaker than not on the still vexed global economic outlook.

Back to equal-opportunity critic positions, this did not start with Trump's 2016 candidacy or his administration or the recent COVID-19 crisis. Touching briefly on ancient history, we were among the most vocal on how overvalued US equities were in 1987 on US security firms' mindless encouragement of retail customers sales of naked put options to garner modest sums on a misguided "the market will always go higher" suggestion. 'Critical' of the industry, and it ended badly.

The 2000 top of the Dot.Com Bubble was another clear example of a lot of money chasing capital gains in a company model that could not show profitability. We had the additional advantage of being friends with a major packaging supplier (like boxes for shipping) who sold their company into the top. They shared with us orders for packaging had imploded early that year… ergo, hollow companies that were operating at losses in pursuit of market share were finally imploding.

The late great Mark Haynes of CNBC had long noted that the executives from serial Dot.Com startups had all promised they would dominate 60% of the commerce in their 'space', even though five others in that same space were promising the same thing. He pointed out there was only 100% total, so some major percentage of them were headed for trouble… along with their investors.

On the Housing and Credit Bubble, we had offered a forward view at the end of 2006 that there could be a disorderly end. That the Rohr Report Capital Markets Observer II-48 (http://bit.ly/2xNYLJ9), which covered a range of major risk factors. That said, the technical view kept us on track with the evolving bull trend along the way (Learn to Love the Bubble http://bit.ly/2c03eOH) until a failed DJIA UP Break in August 2007 had us become much more bearish for the duration.

And we were 'critical' once again throughout that year, and especially after the trend volatility shifted definitively to the downside in early 2008. That means critical of all the powers-that-be who were so obviously failing to regulate the pernicious housing and credit functions. We were sharply 'critical' of Greenspan on banks, Cox at SEC, the FHLB, Congress (which had started it all by mandating looser home loan protocols and allowing for naked short sales CDOs) and others.

Our 'criticism' of the finance industry's packaging of complex instruments was cited by Financial Times' analyst John Authers (now at Bloomberg) on page 2 of 'The party's over when the music stops' (https://bit.ly/2Kaycq9 September 2007.) Once again, we were not biased against the finance industry in general, only the activity that was misleading and pernicious. That leads to the present.

Yes we were 'critical' first of Trump's Monday assertion of "*absolute power*" to make the call on reopening the US economy, with the Governors needing to obey. Then we were 'critical' of his total volte-face into, "(paraphrased) *That decision rests with the Governors; it's their call*", due to it being so erratic, even if much more consistent with the US constitution.

Then we noted that rather than thinking Trump was that dumb, he is actually 'dumb like a fox'. In the first instance, what a great way to 'troll' the press. His quick reversal is also a great way to make their response to his previous outlandish statements leave them appearing overwrought, anxious and stressed.

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.

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. And maybe the angst on the part of Trump acolytes is that I called him 'cynical'. But in

the realm in which he now operates, cynicism is merely 'realpolitik'; and in fact a form of compliment.

Look at the Democrats current stance on the aforementioned PPP funding. The headline from just a few minutes ago (09:50 CDT) is that the Small Business Administration says they are not taking any more applications because (as was anticipated for sometime today) the initial $350 billion of funding has run out. And the Republicans are laying the blame at the feet of the Democrats due to their demands of additional spending protocols assisting state and local governments as well as hospitals and other healthcare organizations.

For any of our non-US readers who cannot fathom this, it gets back to another axiom we have noted of late: President Obama's highly regarded first Chief of Staff (and eventual Mayor of Chicago) Rahm Emanuel was known to quip during the 2009 phase of the Credit and Housing Crisis "*You never want a serious crisis to go to waste*" ...regarding the ability to use it to further a broad agenda. That's a real thing: https://www.youtube.com/watch?v=Pb-YuhFWCr4.

And we are definitively 'critical' of the Democrats for that. They can always begin new legislation to fund those, also important, needs. But to hold up current very important supplemental funding for the Paycheck Protection Program due to wanting to amend the legislation when there are businesses waiting in line for those funds is unconscionable. And if the negative political fallout is as bad as it might be, it will go a long way toward making them as big a pariah as Trump.

Once again for our non-US readers, this is a classic example in American politics of one side having an edge but then striving mightily to 'snatch defeat from the jaws of victory'. Tuesday we cited in Senator Rubio's, "(paraphrased) *imagine the impact on the public psyche if they are told a program that was at least partially effective is being shut down because Congress cannot agree on providing more money for something that is already in place*." While we do not always agree with them, it would seem the Republicans have a legitimate point in this case.

And on another front where we agree with Trump. The temporary suspension of World Health Organization funding at this time is an appropriate measure. Even a current New York Times (a full-blown Trump antagonist) article on the subject of WHO actions (https://nyti.ms/3beWRpz) with a WHO friendly title needed to admit, "...*the agency repeatedly praised China for cooperation and transparency that others said were lacking*." And in fact, the WHO is beholden to member nations' sensitivities. Yet that makes it a lousy 'guardian at the gate' when it comes to critical international health issues like more pointed warnings of a pandemic.

The WHO, China, Democrats, the NYT and the rest of the Left-leaning press are all blasting Trump for 'cutting' funding. But it is actually a '60-day suspension' pending review. That fact is that whether China-influenced or not, the WHO leaders failed, and what's more they failed badly.

Now because we are in a crisis they are demanding 'continuity' as a means to duck 'accountability'. Is this one of the newer PC kids sports leagues where everyone gets a 'participation trophy'. If a CEO had seen his company value drop as much as the world economy has dropped since late 2019, he would definitely be fired. If Trump had 'em on The Apprentice, he could just say, "You're Fired!!"

If the WHO leadership had any self-respect, they would resign! So let's get rid of the folks who aided China (by not being more demanding) in blocking US experts from going there to get the more definitive information the whole world needs. While I can be very critical of Trump on some points, he is dead right on this one as long as funding 'suspension' is indeed temporary. In this case 'suspension' is code language for wanting the existing WHO leadership to resign. We shall see.

Yet on the COVID-19 testing front, we are still troubled by Trump's overly positive assertions. And we do not need to revert to more of the economists' or medical professionals' opinion on

this. As Trump (along with the rest of us) is keen to see a constructive re-opening of the US economy, his meetings with business leaders have been very instructive. As a CNBC review notes, "*A group of business executives warned President Donald Trump on Wednesday that the federal government 'needed to dramatically increase' the availability of coronavirus testing before Americans would feel comfortable returning to their normal lives*."

There you have it. It was not just being 'critical' of Trump in sharply questioning serial statements on the US being the best and running more tests than anyone else ("...*the U.S. behind South Korea, Germany, Canada*.") Most informed observers (including Dr. Fauci) are well aware the US is not yet in a position to implement the broader re-opening that Trump would like to see.

Why isn't more effort/funding being applied to this? As we noted in Wednesday's 'Bouncing Around' ALERT!!, St. Louis Fed President Bullard's clever take on it (according to Bloomberg) is that the COVID-19 shutdown, "…*is costing the U.S. $25 billion every day in lost household income*." So where is the necessary massive distribution of more effective rapid response COVID-19 tests?

Another 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 key levels.

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