Alan Rohrbach

From: ROHR Alert <rohralert@gmail.com>
Sent: Thursday, April 23, 2020 10:18 AM
To: undisclosed-recipients:
Subject: ROHR ALERT!! Dire Data yet Sanguine Stocks

Dear Subscribers,

The converse of the old market axiom, "*Buy the rumor, sell the fact*" is of course, "*Sell the rumor, buy the fact*." It is the perspective thing that makes sense on today's collapse in Advance PMIs and further spike in US Weekly Jobless Claims. Tuesday's US equities dip anticipated bad data, yet did not remain below support.

To be fair, also as noted extensively of late on the other old axiom of late, "*The market* (which is to say the equities) *is a creature of expectations*." And Senate passage of the US PPP 3.0 (or 3.5 as some call the additional funds for hospitals and rules to ensure the smallest businesses are also helped) is a forward view fillip for the equities. After Democratic changes delayed that funding extension for over a week, we hope the House will pass it as timely as everyone expects.

So here we are, back to the 'Anticipation versus Desperation' we first noted back on March 11th. Yet our subsequent observations in our more recent "US Equities Resilient in Colossal Cross Currents' ALERT!! (April 6th) highlighted the degree to which the US equities can trade on hope even as the other asset classes trade on the economic reality. This is as it has always been in crises.

And it is especially the case now as the next 'PPP Phase 4' move in the House has already been announced by Speaker Pelosi. That will be states and localities aid due to major weakness in their recent tax receipts during the extensive mandated social distancing rules. 'Colossal cross currents' indeed, with the US equities rally obviously looking past the current truly dire economic data.

There is no exaggeration in noting the actual data is indeed dire. Global Advance PMIs that were expected to weaken further in fact collapsed. Especially Services PMIs came in even weaker than expected. The Euro-zone Services figure was 11.7 (versus 23.8 expected) and the UK was 12.3 (estimate 29.0.) And US Initial Weekly Jobless Claims were heavy once again at 5.787 million, with the Continuing Claims hitting yet another all-time high at a Brobdingnagian 15.976 million.

If the US equities had not already built in a major bear trend (or at least the initial 'impulse' wave') in just one month (February 24-March 23) prior to the economic rescue packages, it would be reasonable for them to be collapsing under the weight of recent data. Yet they are still trading on hopeful 'anticipation', and have potential to extend their upside reaction on further rescue hopes (more below.)

However, economic reality still prevails in the other asset classes. Note how the US equities bid today is neither weighing on global govvies that have regained a bit of a bid after their recent dip, nor assisting the other developed economy currencies that have weakened again of late. Also especially note how the dire data is still weighing on emerging currencies (outside the Crude Oil rebound influenced Ruble) despite the US equities bid. This is all reasonable.

[See Wednesday's ALERT!! for more on how the US government support to states attempting to address the COVID-19 epidemic is a hopeful step. Yet even that is limited in the degree to which it can foster a rapid reopening of the US economy.]

Courtesy Repeat of Wednesday'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/2Vo0bZP updated through last Friday'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. The key levels along the way are previously violated support at 2,850 area along with the more prominent 2,750 area. It held below the latter on Tuesday's slide without ever nearing the 2,675 Negated Tolerance of the 2,600 area DOWN Break.
[For those of you who are www.rohr-blog.com Platinum echelon subscribers, see the latest analysis and Market Quick Take in daily emailed ROHR-BLOG research notes and occasional posts for more on global the Evolutionary Trend View.]
NOTICE: The Rohr International, Inc. research team or its principals may already have entered positions or have orders working based on this view.
Thanks for your interest.
This Current ROHR TREND ALERT!! will be available soon via the sidebar at www.rohr-blog.com for Gold and Platinum echelon subscribers.

Please reply **'Unsubscribe'** if you no longer wish to receive these emails.

Contact: rohralert@gmail.com