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From: ROHR Alert <rohralert@gmail.com>
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To: undisclosed-recipients:
Subject: ROHR ALERT!! Bifurcated... Again

Dear Subscribers,
Once again, "*The market* (which is to say equities) *is a creature of expectations*." As noted repeatedly on the US equities rally, they are already 'discounting' the bad news and expecting better things to come. Will the improved conditions materialize timely to the degree necessary to support the market? We shall see.

Yet what we know for now is that the current abysmal data seems to have been 'priced in' to current US equities trading levels. And that data is dire even beyond today's US Employment report showing April had a Nonfarm Payrolls reduction of 20.5 million… a truly astounding figure. That was after other abysmal global data, like Japanese Consumer Spending, UK Consumer Confidence, the German Trade Balance and Spanish Industrial Output. Yes indeed, it is a global implosion, and was capped off by a 5.7% drop in US Wholesale Sales (and that was for March.)

However, as it is a 'nature-driven' economic and market crisis, government and central bank financial moves are stopgaps along the way to hopeful anticipation of a 'cure'. As we have noted on therapeutic developments for Gilead Sciences' remdesivir and more importantly on accelerated Moderna Therapeutics very rapid FDA approval for Phase 2 human trials, there is the hope for the economy and US equities being reflected in their ability to shake off recent news. See Thursday's 'BoE and FDA' ALERT!! for more on central bank moves and FDA/Moderna.

Ergo, the US equities bid back above the June S&P 500 future 2,550 resistance Tolerance at 2,880 at the same time as the global govvies are also maintaining their bid. While the latter have backed off a bit from their Thursday anticipation of this morning's additional dire data, they have all pushed back up from their tests of key lower supports (overrun resistances) earlier this week. That said, emerging currencies are also assisted by continued constructive US equities psychology despite the obvious economic weakness communicated by the dire data.

This is especially true for weak sisters like the SA rand and Mexican peso that had been down against critical recent support prior to recoveries since last week. Will the US equities and emerging currencies prove correct in their constructive anticipation? Or will the global govvies once again prove they are the US equities 'smarter older brother? We will likely find out over the next month or so.

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 February 27th '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 the early 2016 low (https://bit.ly/35vNBvi 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 and the 2,750 area, both of which have been exceeded. It held below the latter in late-April without ever nearing the 2,675 Negated Tolerance of the 2,600 area DOWN Break.
This leaves open the potential to retest that more prominent 2,970-3,030 range, with its prominence as the key resistance. That was further reinforced by the manner in which it failed badly from near its low end last Thursday despite very positive fundamental influences; such as the central bank support all week and the COVID-19 therapeutic developments noted previous. Yet recovery from below the 2,850 area has pushed above it once again after not even seriously testing the 2,750 support. That points to another possible test of the 2,970-3,030 resistance.
For more on the overall Evolutionary Trend View on the 'long arc', please see last Wednesday's TrendVIew Video (https://bit.ly/2SkZz5p) on the June S&P 500 future developments prior to the most recent test of that higher resistance and recent downdraft. However, all of the more major trend dynamics remain the same now as discussed in the middle of last week.
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