Alan Rohrbach

From:	ROHR Alert <rohralert@gmail.com>
Sent:	Monday, May 11, 2020 9:33 AM
To:	undisclosed-recipients:
Subject:	ROHR ALERT!! Cross Currents Are Back

Dear Subscribers,
It is most interesting the US were both up overnight and are now down, and this is based on the same factor: the US economy's partial reopening. Evidently there is still quite a bit of hope surrounding this effort, yet also quite a bit of concern.
While that may seem a contradiction, it is in fact based on the significant 'known unknowns' that have been part of COVID-19 pandemic impact since its 'stealth' contagion factor first became apparent back in January. (see our January 27th "The 'Known Unknown' Carries the Day" ALERT!! for our early very definitive view on that, which includes a link back to the 'known unknowns' background.) Its 2-week asymptomatic contagion (ergo 'stealth') period compared to previous virus infections that would be symptomatic after only 3-5 days was always going to make it a major problem. This is exacerbated by its high degree of contagion.
Why is this so relevant to the US and also other global economies reopening? Because those various factors make the success of those reopenings very highly problematic instead of assured successes. Of course, the ultimate reassurance which would allow both producers and consumers to move toward a 'new normal' would be a vaccine. Yet even the extreme optimists (like President Trump) allow that this is not going to be likely (or even possible) until early next year.
As we have noted previous, in the meantime what is happening in the near term cannot be in any way characterized as any sort of 'normal'. Which is why we had already chosen to deem it the 'new abnormal'. Yet even at that, there is hope for at least a partial return of business from the full extreme quarantines of the past two months. And the operative word there is 'hope', where upbeat statements from some quarters may prove to be the classical "triumph of hope over reason."
This is based on certain weaknesses in the admittedly very extensive Paycheck Protection Program (PPP), limited therapeutic advances yet only for the seriously ill (Gilead's remdesivir), and more hope on that still problematic availability of a vaccine by early 2021 (Moderndas's timely phase 2 trial.) However, as we and other informed folks have noted, whether that solves near-term combined producer and consumer issues is highly problematic; potentially derailing the reopenings.
While we will have more to say on all of this soon, suffice for now to share an observation from CNBC's David Faber. On Friday he noted there were quite a few restaurants reopened in some of the many states that were allowing that under new social distancing restrictions. And most of those restaurants were indeed adhering to those distancing restrictions. Yet he noted, (paraphrased) "*While the restaurants are limiting their capacity to 25%, the actual customer presence is not getting anywhere near that*." This is the 'consumer psychology' we had noted.
For more on that, see our previous recent research notes or the slightly dated summary form of that perspective in our May 4th Rohr-Blog post and especially our April 29th "'Short-term' versus the 'Long Arc'" post. Whether any of the current rightfully 'hopeful' efforts that have encouraged US equities rallies are going to succeed short of a vaccine remains problematic. That is due to the inability of current efforts (including less than broad based virus testing) to prevent renewed contagion levels and substantially improve the consumer psychology that

will continue to suppress their previously robust spending (especially see the May 4th 'Downside Volatility Indeed… Now What?' for how that is even the case in China.) In this context it is easy to see how the US partial economic reopening simultaneously inspires both hope and fear that is reflected in the markets. US equities both up and down overnight is no surprise.

In that same vein, we also note the degree to which any recovery rally classically becomes more erratic near its end. See the April 29th video analysis included in the critical consideration below for a quick look at how the recovery rally became so choppy and failed against similar resistance in principle (in a very different market) back in a previous very key phase: April-May 2008 (at 06:00-07:00.)

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/3coT1KT 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 in late April despite very positive fundamental influences; such as central bank support all of that week and 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 the Wednesday April 29 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 subsequent downdraft. However, all of the more major trend dynamics remain the same now as discussed in the middle of last week.

[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.

Contact: rohralert@gmail.com