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

Dear Subscribers,
You can't say we didn't warn the bears. Their problem isn't creating a break… it's "*getting the market to break from a break*." While near-term US equities volatility definitely increased over the past several weeks, the price movement formed a pattern which should have been a definitive top (more below and reference Thursday's '...US Equities Critical' ALERT!!) Yet the key to any topping activity is whether the bears can exert more pressure from the critical failure level.
With a light reporting day today and the overall trend psychology already set, we are coming to you quite a bit earlier than usual today on the sharp market shift.
While there is a more definitive discussion below, the clear situation out of the middle of last week was that the bears needed to exert more pressure on the June S&P 500 future from the 2,820 area than actually materialize. Friday's 'US Equities Interesting Firming' ALERT!! Title was a euphemistic expression that it was just the sort of activity clearly holding the low 2,800 area that was bad for the bears.
The inability to reinforce the pattern DOWN Break from that area put a proverbial 'burden of proof' back on the bears, who needed to either get the June S&P 500 future to weaken below it again or suffer the resurgent bullish consequences. As with any incipient Breakout that fails to perform, once it is Negated the market tends to proceed in the opposite direction from the nominal Breakout signal.
And here we are with the June S&P 500 future well back up from the low 2,800 area, with it looking like there is much less of a chance it is ready to reverse the overall US equities recovery rally after last week's definitive DOWN signal has not performed. There is much more below on the further contingencies to watch now.
Yet with all of that Evolutionary Trend View (ETV) clarity having developed on the technical aspect last week after previous erratic price whipsaws, what could have driven such a pattern and reversal from the 'macro' side of the 'macro-technical'? This was also clear in the context we have suggested for weeks, which became initially apparent on the mid-March US equities failure and recovery into April.
That extended June S&P 500 future meltdown below key support (2,600 area) was driven by the seeming failure of the US Congress to agree timely on a COVID-19 rescue/relief spending package. Once its passage became more apparent in late March and further spending was promised into early April, the market recovered above that key area. This set the stage for the current extended recovery rally, and the 'macro-technical' psychology has remained much the same since then.
The US equities have been burdened by dismal-to-dire US and global economic data along the way. This was certainly the case for the serial releases since the mid-late April data into and beyond the US Employment report 10 days ago. However, the US equities were also obviously suffering due to the lack of any immediate further COVID-19 relief spending by the US government.
Then two things were infused into the 'macro' psychology by early last week. The first was Fed Chair Powell's midweek 'Current Economic Issues' speech heavily encouraging more government spending to avoid economic collapse despite any current ballooning of the US

deficit. The second was Speaker Pelosi's House late Friday passage of the next $3.0 trillion relief legislation over objections of Senate Republicans and President Trump. Yet the market as '*a creature of expectations*' is likely rightfully inferring some form of further substantial relief is on the way.
Under that psychological shift it was certainly reasonable for the US equities to stall over the past several weeks. There was not much reason to push up further while they expected all of the even weaker than estimated economic data. Ergo, short-term downside volatility. Yet once the topping pattern formed, the question became whether they could '*break from a break*', and recent 'macro' influences were not going to encourage that further sustained trend deterioration.
And intermarket tendencies also continue to reinforce near-term improvement yet the 'long arc' weakness that may come back to haunt US equities. The emerging currencies continue to firm along with the US equities' more upbeat expectations. Yet global govvies are also holding their recent renewed bid (some even above recent topping activity), which would not be happening if there was real hope for a more robust recovery on the order of the economic 'V' bottom some predict.

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. That was below support from the push above the multi-year topping line at 3,070 as well, and left a late-February intermediate-term up channel 2,970 DOWN Break.
The subsequent DOWN Break below the front month S&P 500 future 2,600 area major up channel seemed to indicate more of a near-term failure. That was from the early 2016 low (https://bit.ly/3dZzd1j updated through Friday's Close.) That was the recent key higher resistance it had violated on its push above its 2,675 trading high Tolerance from prior to the DOWN Break (including monthly MA-48.)
As such, it is reasonable 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 had 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 potential to retest that more prominent confluence of resistance factors in the 2,970-3,030 range despite the recent slippage. That resistance was further reinforced by the manner in which volatility has returned to the downside over the past two weeks. While recovering from below the 2,850 area previous, it has stalled on recent rallies. This created a more highly focused Evolutionary Trend View (ETV) in the form of a near-term Head & Shoulders Top pattern.
That pattern is apparent on the daily chart (https://bit.ly/3dJ6Wf7 updated through last Wednesday's Close.) Yet Wednesday's 2,820 DOWN Break was nominal, and it recovered above it later on Thursday into Friday. That put the 'burden of proof' back onto bears to sustain activity back below 2,820-00 to confirm this is a bona fide top. As noted last week, any sustained activity above it signals a false top.
There were some key points to consider. The first is that the 'Neckline' (varied red line across recent lows) is on a steep angle. That is often a warning the pattern is not credible. And in any event, the June S&P 500 future would have needed to Close below the 2,771 interim selloff low to reinforce the top; which obviously did not happen. On the upside, the classical Tolerance of the 2,820 DOWN Break is Monday's 2,947 trading high. Any Close above it would point to a new high.

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 the key higher resistance and subsequent downdrafts. However, all of the more major trend dynamics remain the same now as discussed since the middle of the week two weeks ago.

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