Alan Rohrbach

From: ROHR Alert <rohralert@gmail.com>
Sent: Wednesday, May 20, 2020 9:54 AM
To: undisclosed-recipients:
Subject: ROHR ALERT!! Waitin' on the Fed

Dear Subscribers,
Not much new to add as we await the FOMC April 28-29 meeting minutes (at 14:00 EDT), especially after the indications of further support to come in Chair Powell's and Secretary Mnuchin's Tuesday Senate testimony. Especially the latter sounding a bit more open to some forms of support than his Republican Party counterparts was likely encouraging. And the COVID-19 medical influence was apparent again Tuesday on positive then less constructive therapeutic news.
Yet this is all still part of bears losing their grip on US equities despite Tuesday afternoon's limited sharp selloff. As bad as that break looked in a market that had been pinned up near the highs since Monday's upsurge (see Tuesday's 'Long Live the Bull?' ALERT!! for more), it was technically meaningless. That is due to the bears having lost their control of the market from all the way back down in the 2,820-00 range later last week. In fact, Tuesday's selloff never even reached the next lower short-term congestion in the 2,890 area prior to rebounding into today.
What is most interesting in the context of the hopeful yet fraught US (and other countries') partial reopening is the manner in which the medical research vaccine news has become so prominent a short-term price swing driver. This is only natural, as the central bank and government rescue/relief efforts can only carry the economies so far. In a nutshell, there isn't enough money to drive demand for an entire economy strictly from central bank liquidity and government largesse.
That said, Mnuchin's comments and Powell's commitment to further liquidity provision for lending are likely a preview of the GOP loosening its resistance to the recent Democratic $3.0 trillion next round of relief. Yet even that is only good for a modest further spending extension, with previous programs lapsing; like the PPP ending on June 30th at a time that many small businesses say is too soon.
One of the key supportive measures from Mnuchin was his indication he would be open to an extension of that program deadline… with many restaurateurs also noting in their meeting with President Trump that the original deadline was way too short in the context of the previous enforced quarantines until just recently. At the outside, some have suggested an extension until September 30th.
In any event, along with some additional encouraging early phase vaccine news this morning, the US equities have rebounded to up near Tuesday's modest new high for the current rally. No surprise there in the context of Tuesday's sharp selloff having been so well-contained. Yet it is all the late phase of a recovery rally, with consideration of whether it can now push much higher resting with that significant higher resistance reviewed extensively of late (much more below.)
In that context it is also no surprise that emerging currencies continue to rally, even if some are now into key resistance levels. And global govvies are also holding in well on continued still weak global economic data; even the somewhat beleaguered German Bund (troubled by a recent German high court ruling.)
Another Courtesy Repeat of Monday'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. 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.
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

of Rohr may have already taken positions. By review of the Rohr Alerts and/or Rohr Views and all attendant information you confirm receipt of them as educational content, as well as agreement with all of the stipulations articulated above.